

NO SUMMONS ISSUED

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F I L E D
Superior Court of California
County of San Francisco

SEP 22 2010

CLERK OF THE COURT

BY: ANGELICA SUNGA Deputy Clerk

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN FRANCISCO

13 152 GEARY ST. LLC, a Delaware limited
14 liability company,

15 Plaintiff,

16 v.

17 VIJAYA PROPERTIES, LLC, a Delaware
18 limited liability company; INTERURBAN
19 CAPITAL GROUP, INC., a Delaware
20 corporation; HARVEST HEALTH &
21 RECREATION, INC., a British Columbia
22 corporation; STEVEN WHITE; DANIEL
23 REINER, SCOTT ATKINSON, and DOES 1
24 through 100, inclusive,

25 Defendants.

Case No. **CGC-20-587001**

**COMPLAINT FOR BREACH OF
CONTRACT, FRAUD, AND
FRAUDULENT CONVEYANCE**

23 Plaintiff 152 Geary St., LLC ("Plaintiff" or "Landlord") alleges as follows:

24 **INTRODUCTION**

25 1. This is an action for breach of contract, fraud, and fraudulent conveyance in
26 connection with the lease for a retail cannabis dispensary at 152 Geary Street in San Francisco.
27 Nestled on one of San Francisco's ritziest streets – whose neighbors include expensive designer
28 boutiques Chanel and Jimmy Choo – the store's annual rent exceeds \$2,100,000. Rent has not

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1 been paid for several months, and the tenant (and the lease guarantor) now owe more than
2 \$1 million to Plaintiff.

3 2. Before the lease was entered into, the party that became the lease guarantor,
4 Interurban Capital Group, Inc. (“ICG”), represented that it “wholly owned” at least 15 cannabis
5 dispensaries operating under the “Have a Heart” brand. ICG represented that among its assets
6 (and as reflected in its “consolidated” financial statements) were management agreements for at
7 least five operational cannabis dispensaries, which generated significant cash flow for ICG.
8 Relying on those representations, Plaintiff agreed to lease its valuable property to ICG’s
9 subsidiary, Vijaya Properties LLC, on that condition that Vijaya’s obligations would be fully
10 guaranteed by ICG pursuant to a written guaranty.

11 3. In December 2019, two of ICG’s major shareholders and directors, Daniel Reiner
12 and Scott Atkinson, became affiliated with a Canadian public company, Harvest Health &
13 Recreation, Inc. (“Harvest”); Reiner became a Special Advisor to Harvest’s board, and Atkinson
14 Co-Executive Chairman. Reiner, Atkinson and Harvest’s CEO, Steven White, then conspired
15 together to hatch a plan whereby ICG would be acquired by Harvest, stripped of its significant
16 cash-producing assets, and then summarily disposed of a short time later, leaving ICG’s creditors
17 – including Plaintiff -- with a virtually assetless entity to pursue. In conjunction with that plan,
18 Harvest acquired ICG by way of merger agreement dated March 10, 2020. Immediately upon
19 consummation of the Harvest/ICG merger, defendants Reiner, Atkinson and White caused
20 Harvest to stop paying rent to Plaintiff.

21 4. In violation of the lease, even after Harvest’s acquisition of ICG and its
22 subsidiaries, including Vijaya, no notice was given to Plaintiff, and defendants proceeded in a
23 manner designed to keep Plaintiff completely in the dark regarding the identity of the owners of
24 the tenant entity at any given time and to avoid any liability for the payment of rent. Carrying out
25 its pre-designed plan, Harvest then declared that Plaintiff must now look to a second purported
26 transferee, Hightimes Holding Corp. (“Hightimes”) for the payment of “past, present or future”
27 rent, without acknowledging that ICG no longer has the revenue-producing assets it once owned.
28

1 observance of, and compliance with, all of Tenant’s obligations under the Lease, including,
2 without limitation, the full and prompt payment of all Fixed Rent, Additional Rent and all other
3 charges and sums due and payable by Tenant under the Lease (including, without limitation,
4 Landlord’s reasonable attorneys’ fees and disbursements).”

5 18. Several months after the Lease was entered into, ICG represented to Landlord that
6 Tenant “owns and/or controls all of the business operations and assets under the ‘Have a Heart’
7 trade name that currently operate within the United States” That included the five
8 Washington stores mentioned above.

9 19. The Lease contained strict limitations on Tenant’s ability to transfer an interest in
10 the Lease or occupancy of the Premises. Such limitations were especially important given the
11 nature of the location and the business activities contemplated therein. Thus, Section 10.1(A)
12 provides that Tenant “shall not transfer, assign, hypothecate, mortgage or otherwise encumber
13 this Lease, nor underlet, or suffer or permit the Premises or any part thereof to be used by others,
14 without the prior written consent of Landlord in each instance except as otherwise expressly
15 provided in Section 10.1(B).” The Lease clarifies that the “indirect or direct transfer of the . . .
16 majority of the membership interest of a limited liability company tenant shall be deemed an
17 assignment.”

18 20. There were limited circumstances – called a “Permitted Transfer” – whereby the
19 Lease could be assigned or sublet without Landlord consent, so long as the Tenant was not in
20 default under the Lease at the time of the attempted transfer, and certain conditions were satisfied.
21 Such conditions included net worth requirements the transaction had to be for a “good faith
22 operating business purpose, and not intended to evade compliance with the provisions . . .
23 concerning assignment;” and that Landlord was to be given a duplicate original of the assignment
24 documents. And despite any Permitted Transfer, the Tenant and guarantor would remain fully
25 liable for all of the obligations under the Lease.

26 21. Unbeknownst to Landlord, in early 2020 defendants Reiner, Atkinson and White
27 were negotiating a transaction whereby ICG would be acquired by Harvest by way of a merger.
28

1 Upon information and belief, upon completion of the transaction in March 2020, Reiner and
2 Atkinson obtained millions of dollars of Harvest stock.

3 22. Landlord learned about the merger transaction only after it closed, and only
4 through media reports. Insofar as the Lease is concerned, the transfer to Harvest did not comply
5 with the Lease requirements.

6 23. Remarkably, the CEO and 40% owner of the Have A Heart location at the
7 Premises, Alexis Bronson, was not consulted in connection with, and did not approve, the
8 Harvest/Have A Heart transaction. According to Bronson, he was expressly misled and deceived
9 by ICG representatives.

10 24. Although all rent under the Lease had been duly paid since inception, rent was not
11 paid for April 2020. Accordingly, on April 20, 2020, Landlord served a default notice upon
12 Vijaya and Interurban at their Seattle address – unaware that Interurban had merged with Harvest
13 weeks earlier. The notice demanded payment of April charges of \$232,976.40, and required that
14 the default be cured on or before April 28, 2020.

15 25. Based on internet research, Landlord then learned of the transaction whereby
16 Harvest acquired Interurban, and on April 21, 2020, sent a notice to Tenant, Interurban and
17 Harvest demanding the information required under the Lease. That demand was ignored.

18 26. By letter dated May 12, 2020 – sent by Tenant from Harvest’s Tempe, Arizona
19 offices on Vijaya letterhead and signed by its Assistant General Counsel, William M. Koslow,
20 Tenant stated that “[g]iven the complexities surrounding the COVID-19 pandemic and the work
21 still required to open and operate the Premises, the payment of Rent under the Lease has presently
22 been suspended.” That statement was an utter fabrication. The nonpayment of rent had nothing
23 to do with COVID-19 or work on the Premises. Instead, Harvest had no intention of paying rent
24 because it planned to dispose of ICG and Vijaya after stripping out the major source of its
25 revenue stream – the Washington stores. And true to its word, no rent has been paid for the
26 months of April, May, June, July, August and September 2020 – and the amount presently owed
27 exceeds \$1.3 million.

28

1 27. In a further deception, Mr. Koslow's May 12 letter stated that "the Tenant's parent
2 company, Interurban Capital Group, Inc., a Delaware corporation, is involved in a pending
3 transaction that will result in funds becoming available for the payment of rent under the Lease."
4 The letter continued with the misrepresentation that Tenant "intend[s] on rectifying the
5 outstanding rent within the next ninety (90) days."

6 28. The "transaction" alluded to in the letter is one in which Harvest allegedly sold
7 ICG to a new buyer, Hightimes Holding Corp. The ICG acquired by Hightimes Holding Corp. is
8 a very different ICG than the one Reiner and Atkinson sold to Harvest. As part of their plan,
9 Reiner, Atkinson and White removed the five revenue-producing Washington stores from ICG's
10 portfolio, and thus ICG's assets that went along with the merger into Hightimes were primarily
11 non-operating locations in California.

12 29. Landlord received a letter dated July 1, 2020 that was bereft of a letterhead or
13 address. It arrived under the signature of William M. Koslow. As noted, Mr. Koslow had signed
14 the above-mentioned May 12 notice on the letterhead of Tenant, in the name of Tenant, and
15 listing a Harvest address. All of these features were missing from the July 1 letter. Mr. Koslow's
16 new letter stated that "Any and all matters regarding the Premises, including but not limited to,
17 rent payments, maintenance or other obligations, whether past, present or future, should now be
18 directed to:

19 Vijaya Properties, LLC
20 c/o Hightimes Holding Corp.
21 10990 Wilshire Blvd., Penthouse
22 Los Angeles, CA 90024
23 Attn: Adam Levin
24 Email: adam@hightimes.com
25 Phone: (818) 822-8890"

26 30. Yet when Plaintiff contacted Adam Levin, the head of Hightimes, he stated that
27 Hightimes had no obligation to have the tenant pay rent, and would not be paying any rent.
28 Among other things, Levin cited the fact the deal had not closed, and would not close unless and
until a variety of approvals were obtained.

1 **FIRST CAUSE OF ACTION**
2 **(Breach of Contract—Against VIJAYA PROPERTIES LLC)**

3 31. Paragraphs 1 through 30 are incorporated herein by reference.

4 32. On or about October 12, 2018, Plaintiff and defendant Vijaya entered into the
5 Lease, which constitutes a written agreement between the parties. The Lease (as amended) is
6 annexed hereto as Exhibit A and incorporated herein by reference.

7 33. Plaintiff satisfactorily performed all of its obligations under the Lease.

8 34. Vijaya breached the Lease by failing to pay rent and additional rent when due.

9 35. The foregoing breaches were the proximate cause of damages suffered by Plaintiff
10 in an amount according to proof but not less than \$1,377,000.

11 Wherefore, Plaintiff prays for relief as set forth below.

12 **SECOND CAUSE OF ACTION**
13 **(Breach of Contract—Against INTERURBAN CAPITAL GROUP LLC)**

14 36. Paragraphs 1 through 35 are incorporated herein by reference.

15 37. ICG entered into an agreement titled “Guaranty” dated as of October 1, 2018,
16 wherein it “unconditionally guarant[eed] to Landlord and to Landlord’s executors, administrators,
17 heirs and successors and assigns, full and timely payment, performance and observance of, and
18 compliance with, all of Tenant’s obligations under the Lease, including, without limitation, the
19 full and prompt payment of all Fixed Rent, Additional Rent and all other charges and sums due
20 and payable by Tenant under the Lease (including, without limitation, Landlord’s reasonable
21 attorneys’ fees and disbursements) (collectively, the “Obligations).” A copy of the Guaranty is
22 annexed hereto as Exhibit B.

23 38. Plaintiff satisfactorily performed all conditions precedent to the effectiveness and
24 enforcement of the Guaranty.

25 39. As alleged above, Vijaya failed to pay rent and additional rent for April 2020 and
26 thereafter. It was thus incumbent upon ICG to make the required payments to Landlord.

27 40. ICG breached the Guaranty by failing to make the payments required of it
28 thereunder.

1 41. ICG's breaches were the proximate cause of damages suffered by Plaintiff in an
2 amount according to proof but not less than \$1,377,000.

3 Wherefore, Plaintiff prays for relief as set forth below.

4 **THIRD CAUSE OF ACTION**
5 **(Fraud—Against HARVEST, WHITE, and DOES 1-100, inclusive)**

6 42. Paragraphs 1 through 41 are incorporated herein by reference.

7 43. On or about May 12, 2020, Harvest, acting through an authorized agent under the
8 direction and with the participation of White (Harvest's CEO), falsely represented that "[g]iven
9 the complexities surrounding the COVID-19 pandemic and the work still required to open and
10 operate the Premises, the payment of Rent under the Lease has presently been suspended."

11 44. That statement was false. The nonpayment of rent had nothing to do with COVID-
12 19 or work on the Premises. In truth, as part of the conspiracy between White, Reiner and
13 Atkinson, Harvest never had any intention of paying rent once it acquired ICG.

14 45. At the same time, Harvest and White caused the following statements to be made
15 to Plaintiff: "the Tenant's parent company, Interurban Capital Group, Inc., a Delaware
16 corporation, is involved in a pending transaction that will result in funds becoming available for
17 the payment of rent under the Lease." The letter continued with the misrepresentation that
18 Tenant "intend[s] on rectifying the outstanding rent within the next ninety (90) days."

19 46. In truth, the "pending" transaction (sale of ICG to Hightimes Holding Corp.) did
20 not, contrary to their representation, result in "funds becoming available for the payment of rent."
21 To the contrary, upon information and belief, absolutely no funds became available to ICG or
22 Vijaya to pay rent as a result of transaction. Indeed, ICG was financially weaker than it was prior
23 to the transaction, because its principal revenue generators were excised from the entity by the
24 individual defendants.

25 47. When Harvest and White caused the foregoing statements to be made, they knew
26 that these representations were false. These defendants caused the statements to induce Plaintiff
27 to hold off on the exercise of its rights and to "throw it off the trail."
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2. For punitive damages;
3. For prejudgment interest;
4. For reasonable attorney's fees;
5. For costs of suit; and
6. For such other and further relief as the Court deems just and proper.

Dated: September 22, 2020

SHARTSIS FRIESE LLP

By: 
ROEY Z. RAHMIL

Attorneys for Plaintiff
50 BEALE STREET LLC

12401\001\8747796

EXHIBIT A

152 GEARY ST. LLC

Landlord

To

VIJAYA PROPERTIES, LLC
Tenant

LEASE

Dated as of October 17, 2018

**The Premises located in that certain building located at 152 Geary Street, San Francisco,
California**

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This Lease (this "Lease"), dated as of October 17, 2018, is by and between 152 GEARY ST. LLC, a Delaware limited liability company, having a mailing address at c/o Thor Equities at 25 West 39th Street, 11th Floor, New York, New York 10018 ("Landlord"), and VIJAYA PROPERTIES, LLC, a Delaware limited liability company, having a mailing address at 3958 6th Avenue NW, Suite 3, Seattle, Washington 98107 ("Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of that certain building (the "Building") known as 152 Geary Street, San Francisco, California; and

WHEREAS, Tenant is desirous of leasing the entire Building, and Landlord is willing to lease that space to Tenant, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, Landlord and Tenant agree as follows:

ARTICLE OF DEFINITIONS

Definitions. As used herein:

"Additional Rent" shall have the meaning set forth in Section 2.1(B)

"Alterations" shall have the meaning set forth in Section 23.1(A).

"Bankruptcy Code" shall have the meaning set forth in Section 15.2(A).

"Building" shall have the meaning set forth in the Preamble.

"Cancellation Acceptance" shall have the meaning set forth in Section 5.7.

"Cancellation Payment" shall have the meaning set forth in Section 5.7.

"Cannabis" (also known as "marijuana") shall mean cannabis in all its forms including, but not limited to, cannabis concentrates, cannabis flower and other smokeable and useable cannabis, and cannabis-infused products, as well as paraphernalia intended for the storage and/or use of cannabis in all its forms.

"Commencement Date" shall have the meaning set forth in Section 1.4.

"Condominium" shall have the meaning set forth in Section 29.1.

"Condominium Documents" shall have the meaning set forth in Section 29.1.

"Control Area" shall have the meaning set forth in Section 5.1.

"Cure Period" shall have the meaning set forth in Section 16.1.

"Declaration" shall have the meaning set forth in Section 29.1.

"Destruction Date" shall have the meaning set forth in Section 12.1(B).

"Environmental Laws" shall have the meaning set forth in Section 24.1.

"Expiration Date" shall have the meaning set forth in Section 1.2(A).

"Failure to do Business" shall have the meaning set forth in Section 5.7.

"Fixed Rent" shall have the meaning set forth in Section 2.1(A).

"Guarantor" shall have the meaning set forth in Section 33.1.

"Guaranty" shall have the meaning set forth in Section 33.1.

"Hazardous Substances or Waste" shall have the meaning set forth in Section 24.1 .

"HVAC" shall have the meaning set forth in Section 8.3(A).

"Illegal Drug-Related Activity" shall mean the sale, distribution, use or consumption of substances regulated by the federal Controlled Substances Act (21 U.S.C. Section 801 et seq.) (the "Controlled Substances Act") and all similar State of California, City of San Francisco, California, and other applicable laws, rules and regulations, expressly excluding the sale, distribution, use or consumption of Cannabis.

"Incentive Programs" shall have the meaning set forth in Section 31.1.

"Landlord" shall have the meaning set forth in the Preamble.

"Landlord Parties" shall have the meaning set forth in Section 8.1(J).

"Law" or "Laws" shall mean all laws, codes, rules, statutes, ordinances, requirements and regulations of all federal, state and municipal governments, and the appropriate departments, commissions, boards, and officers thereof, and in accordance with the orders, rules and regulations imposed by any applicable fire rating bureau or other body exercising similar functions in connection with the Premises. For purposes of this Lease, to the extent Landlord and/or Tenant is/are obligated to comply with any Law or Laws, the same shall be read to expressly exclude compliance with any federal laws, orders, rules and regulations (including, but not limited to, the Controlled Substances Act) governing the sale, distribution, use or consumption of Cannabis.

"Lease" shall have the meaning set forth in the Preamble.

"Lease Term" shall have the meaning set forth in Section 1.2(A).

"Lease Year" shall mean, for the first Lease Year, the period commencing on the Commencement Date and ending on the last day of the month of the following year in which the Commencement Date occurs; and for any subsequent Lease Year, each successive twelve (12) month period occurring thereafter.

"Mortgage" shall have the meaning set forth in Section 15.1.

"Notice" shall have the meaning set forth in Section 20.1.

"Permitted Use" shall have the meaning set forth in Section 5.1.

"Premises" shall have the meaning set forth in Section 1.1.

"Real Estate Taxes" shall mean all real estate taxes, sewer rents, water frontage charges, business improvement district and other assessments, special or otherwise, levied, assessed or imposed by the City of San Francisco or any other taxing authority upon or with respect to the Building, development, subterranean or air rights or otherwise in connection with the real property located at and known as 152 Geary Street, San Francisco, California (Block 008, Lot 0309, or such other tax lots that may be subsequently re-designated including, without limitation, in connection with any future subdivision, combination or condominium) and all taxes assessed or imposed with respect to the rentals payable hereunder other than general income, gross receipts and excess profits taxes (except that general income, gross receipts and excess profits taxes shall be included if covered by the provisions of the following sentence). Real Estate Taxes shall also include any taxes, charges or assessments levied, assessed or imposed by any taxing authority in addition to or in lieu of the present method of real estate taxation, provided such additional or substitute taxes, charges and assessments are computed as if the Building were the sole property of Landlord subject to said additional or substitute tax, charge or assessment including, but not limited to, any occupancy, gross receipts, rental, income, franchise, transit or other tax. Real Estate Taxes shall exclude penalties for late payment, transfer tax, unincorporated business, franchise, capital stock, excise, corporate, succession, estate, inheritance, capital, levy or income, profit or revenue tax to the extent same are not in lieu of the present method of taxation. With respect to any Tax Year, all Tax Expenses shall be considered as part of the Real Estate Taxes for such Tax Year. Tenant hereby waives any right to institute or join in tax certiorari proceedings or other similar proceedings contesting the amount or validity of any Real Estate Taxes.

"Rent" shall have the meaning set forth in Section 2.1(B).

"Rent Commencement Date" shall have the meaning set forth in Section 1.5.

"Responsible Party" shall have the meaning set forth in Section 29.1.

"Sign Items" shall have the meaning set forth in Section 25.1.

"Signage Replacement" shall have the meaning set forth in Section 25.6.

"Special Cause of Loss Form" shall have the meaning set forth in Section 8.1(J)(1)(i).

"Structural Elements" shall have the meaning set forth in Section 8.2.

"Superior Lease" shall have the meaning set forth in Section 15.1.

"Superior Lessor" shall have the meaning set forth in Section 15.1.

"Superior Mortgage" shall have the meaning set forth in Section 15.1.

"Superior Mortgagee" shall have the meaning set forth in Section 15.1.

"Tax Expenses" shall mean all expenses (including but not limited to customary and usual attorneys' fees, expert and other witnesses' fees and disbursements) incurred by Landlord in connection with any application or proceeding to reduce the assessed valuation of the Building for each Tax Year with respect to Real Estate Taxes or otherwise in contesting the validity or amount of any Real Estate Taxes or in obtaining a refund of Real Estate Taxes.

"Tax Statement" shall mean a statement setting forth the amount payable by Tenant for a specified Tax Year pursuant to Article III.

"Tax Year" shall mean each 12-month period commencing July 1st and ending June 30th or any portion of which occurs during the Term of this Lease.

"Temporary Cessation" shall have the meaning set forth in Section 5.7.

"Tenant" shall have the meaning set forth in the Preamble.

"Tenant Change" shall have the meaning set forth in Section 8.1(E).

"Tenant's Percentage" shall mean one hundred percent (100%), except as otherwise set forth herein.

"Tenant's Property" shall have the meaning set forth in Section 6.1.

"Tenant's Property Policy" shall have the meaning set forth in Section 8.1(J)(1)(i).

"Tenant's Proportionate Share" shall mean one hundred percent (100%).

"Tenant's Tax Payment" shall have the meaning set forth in Section 3.1.

"Tenant's Work" shall have the meaning set forth in Section 1.3(B).

"Term" shall have the meaning set forth in Section 1.2(A).

"Termination Date" shall have the meaning set forth in Section 21.13.

"Termination Notice" shall have the meaning set forth in Section 21.13.

"Transferee" shall have the meaning set forth in Section 24.5.

"Work" shall have the meaning set forth in Section 8.1(K)(1).

"Work Completion Date" shall have the meaning set forth in Section 1.3(B).

ARTICLE I

Demise of Premises; Term

SECTION 1.1 Demise. Landlord hereby demises to Tenant and Tenant hereby hires from Landlord, subject to the covenants and agreements contained in this Lease, the entire Building, substantially described as Space "A" on Exhibit A attached hereto (collectively, the "Premises"). No vaults, vault space or area, whether or not enclosed or covered, not within the property line of the Building is leased hereunder, anything contained in or indicated on any sketch, blueprint or plan, or anything contained elsewhere in this Lease to the contrary notwithstanding. Landlord makes no representation as to the location of the property line of the Building. All vaults and vault space, if any, and all such areas not within the property line of the Building that Tenant may be permitted to use and/or occupy are to be used and/or occupied under a revocable license, and if any such license be revoked, or if such space or area be diminished or required by any federal, state or municipal authority or public utility, Landlord shall not be subject to any liability, nor shall Tenant be entitled to any compensation or diminution or abatement of Rent (as hereinafter defined), nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Tenant.

SECTION 1.2 Term; Commencement Date; Expiration Date.

(A) The term of this Lease ("Lease Term" or "Term") shall begin on the Commencement Date (as hereinafter defined) and shall end, unless sooner terminated (as hereafter provided), ten (10) year and four (4) months after the Commencement Date (such date, the "Expiration Date").

(B) Failure to Give Possession. If Landlord is unable to give possession of the Premises on the Commencement Date because of the holding-over or retention of possession of any tenant, undertenant, or occupants, or if the Premises are located in a building being constructed, because such building has not been sufficiently completed to make the Premises ready for occupancy, or because of the fact that a certificate of occupancy has not been procured, or for any other reason, Landlord shall not be subject to any liability for failure to give possession on said date and the validity of this Lease shall not be impaired under such circumstances, nor shall the same be construed in any way to extend the term of this Lease, but, provided Tenant is not responsible for the inability to obtain possession or complete construction and except as set forth in Section 1.5,, Tenant shall not be obligated to pay Rent until Landlord delivers physical possession of the Premises to Tenant in the condition required by this Lease. If permission is given to Tenant to enter into the possession of the Premises or to occupy premises other than the Premises prior to the Commencement Date, Tenant covenants and agrees that such possession and/or occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this Lease, except the obligation to pay the Fixed Rent (as hereinafter defined) set forth in Section 2.1 hereof.

SECTION 1.3 Tenant's Work.

(A) Landlord shall not be required to perform any work to prepare the Premises for Tenant's use or occupancy ("Landlord's Work"). Notwithstanding anything to the contrary contained herein, Landlord makes no representation or warranty that possession of the Premises shall be delivered on or before any particular date. To the best of Landlord's knowledge, the Premises is currently in compliance with all governmental regulations.

(B) At Tenant's sole expense, Tenant shall perform or cause the performance of Alterations (as defined below) in and to the Premises and promptly prepare the same for the operation of Tenant's business therein ("Tenant's Work") in accordance with all other terms, conditions and provisions contained in this Lease including, without limitation, Article XXIII hereof and all Laws and substantially similar to Tenant's other first-class Cannabis dispensary facilities in the United States doing business using the trade name "Have a Heart Compassion Care." Tenant shall not be required to hire union labor during the performance of any of Tenant's Work. Tenant shall submit plans and specifications for Tenant's Work to Landlord for Landlord's approval no later than one hundred twenty (120) days from the date hereof, and Tenant covenants and agrees to use diligent efforts to complete Tenant's Work in accordance with accepted plans and specifications as promptly as possible and open for business to the public fully fixtured, stocked and staffed within two hundred seventy (270) days following the Commencement Date (the "Work Completion Date"), time being of the essence. Tenant acknowledges that the foregoing covenant is a material inducement for Landlord to enter into this Lease with Tenant and that the damage to Landlord resulting from any such failure by Tenant to timely open the Premises for business will be substantial and will be impossible to accurately measure. Accordingly, Tenant agrees that in the event Tenant fails to complete Tenant's Work and open for business to the public fully fixtured, stocked and staffed by the Work Completion Date (time being of the essence), in addition to any other rights and remedies Landlord may have hereunder or at law or in equity, Tenant shall pay to Landlord, in addition to the Rent payable hereunder, an additional item of Additional Rent (as hereinafter defined) in an amount equal to the aggregate of the per diem Fixed Rent then payable hereunder for each day such failure continues.

SECTION 1.4 Commencement Date.

"Commencement Date" means the date upon which Landlord delivers notice to Tenant (which notice may be by electronic mail) that possession of the Premises is available to Tenant.

Notwithstanding the foregoing, Tenant shall provide Landlord on or before the one hundred eightieth (180th) day after the date hereof with copies of all licenses and permits required to open and operate a licensed Cannabis dispensary and consumption lounge at the Premises, including a permit from the San Francisco Office of Cannabis and a license from the State of California to operate a Cannabis dispensary (collectively, the "Permits"). In the event Tenant fails to receive the Permits on or before the one hundred and eightieth (180th) day after the date hereof, Tenant shall continue in good faith to obtain such Permits and this Lease shall be deemed to continue in full force and effect. From and after the one hundred eighty-first (181st) day after the date hereof either Landlord or Tenant shall have the option to send a notice to the other party advising the other party that the Lease is terminated, in which case (a) the Lease shall terminate as of the date the other party receives such notice, (b) Tenant shall vacate the Premises and surrender the same to Landlord, (c) Tenant's liability for Rent shall cease as of the termination date, (d) the

Letter of Credit shall be returned to Guarantor or Tenant, and (e) in the event either Landlord or Tenant terminates the Lease in accordance with this Section 1.4, Tenant shall pay, in consideration thereof, an amount equal to one (1) year's Fixed Rent and Additional Rent then payable under the Lease (or the amount that would otherwise be payable without taking into account any rent credits or abatements then in effect, if such amount is greater) payable within ten (10) business days following the date such party notifies the other it is cancelling the Lease pursuant to this provision. Notwithstanding the foregoing, all rights to terminate the Lease pursuant to this Section 1.4 shall cease as of the date Tenant obtains the Permits.

SECTION 1.5 Rent Commencement Date. The day a fully executed copy of this Lease is delivered to Tenant is referred to in this Lease as the "Rent Commencement Date"; provided, however, that if Landlord does not deliver possession of the Premises to Tenant in the condition required by this Lease on or before the thirtieth (30th) day after the date a fully executed copy of this Lease is delivered to Tenant, then no Rent shall be due hereunder from and after the thirty-first (31st) day after the date a fully executed copy of the Lease is delivered to Tenant until the date Landlord delivers physical possession of the Premises. If the Rent Commencement Date occurs on a day other than the first day of a calendar month, the Rent payable for such month shall be prorated on a per diem basis based upon the actual number of days in such month.

SECTION 1.6 Required Opening. If after the date that is thirty (30) days after the Work Completion Date, Tenant has still failed to complete Tenant's Work and open the Premises to the public for business fully fixtured, stocked and staffed, then Landlord shall have the right, but not the obligation, to either (x) terminate this Lease upon not less than five (5) days' prior written notice until such time as Tenant is actually open to the public for business from the Premises as aforesaid or (y) treat such failure as a default hereunder, without notice, giving rise to all of Landlord's rights and remedies hereunder, at law and in equity. If Landlord elects to terminate this Lease, then, in such event, neither party shall have any further obligations or liability hereunder except as and to the extent the same expressly survives the expiration or earlier termination of this Lease.

SECTION 1.7 Operation of Premises.

(A) Except as may otherwise be expressly provided herein, Tenant shall have sole responsibility for the care, maintenance, management, operation, control, use and occupancy of the Premises in all respects, and Tenant shall be liable for and shall bear all of the costs and expenses of the operation and maintenance of the Premises. Except as otherwise expressly provided herein, Tenant shall not be entitled to any abatement, reduction, setoff, counterclaim, defense or deduction with respect to any Rent or other sum, charge, cost, expense, payment or deposit payable by Tenant hereunder, nor shall the obligations of Tenant hereunder be affected, by reason of, without limitation, any of the following: (i) any damage or destruction of the Premises or any part thereof, (ii) any taking of the Premises or any part thereof by condemnation or otherwise; (iii) any prohibition, limitation, restriction or prevention of Tenant's use, occupancy or enjoyment of the Premises or any part thereof, or any interference with such use, occupancy or enjoyment by any party other than Landlord or any party claiming by, through or under Landlord; (iv) any default by Landlord under this Lease or under any other agreement; (v) the impossibility

or illegality of performance by Landlord, Tenant or both; (vi) any action of any governmental authority; or (vii) any other cause whether similar or dissimilar to the foregoing.

(B) Except as expressly provided to the contrary in this Lease, (i) the parties intend that the obligations of Tenant hereunder shall be separate and independent covenants and agreements and shall continue unaffected unless such obligations shall have been modified or terminated pursuant to an express provision of this Lease; and (ii) each provision hereof shall be separate and independent and the breach of any such provision by Landlord shall not discharge or relieve Tenant from its obligations to perform each and every covenant to be performed by Tenant hereunder.

(C) Except as expressly provided to the contrary in this Lease, Tenant waives all rights to terminate or surrender this Lease and to any abatement or deferment of Rent or any other sum payable hereunder.

SECTION 1.8 Renewal Option. (A) Landlord hereby grants Tenant the right and option to renew the Term of this Lease for one (1) period of five (5) Lease Years (the "Renewal Term"), provided, however, that (i) Tenant is not in default under this Lease beyond applicable cure or grace periods and this Lease is in full force and effect at the time of the exercise of such option and as of the Expiration Date, and (ii) Tenant herein named shall not have assigned or subleased the Premises or any part thereof to any party other than as expressly permitted herein. Tenant shall give notice to Landlord of Tenant's intention to exercise such option (a "Renewal Notice") not later than three hundred sixty-five (365) days prior to the Expiration Date, and time shall be of the essence with respect to the giving of such notice. If Tenant timely delivers the Renewal Notice, this Lease shall be deemed to be extended pursuant to the Renewal Notice. The Renewal Term shall commence on the day following the then-effective Expiration Date and shall end at midnight on the date that is five (5) Lease Years thereafter. All of the terms, covenants and conditions of this Lease shall continue in full force and effect during the Renewal Term, except that (i) the Fixed Rent during the Renewal Term (the "Renewal Rent") shall be as set forth in this Section 1.8, and (ii) during the Renewal Term, Tenant shall have no further right to extend the Term of this Lease pursuant to this Section 1.8. Any termination, cancellation or surrender of Tenant's interest in this Lease at any time during the Term hereof, as the same may be extended, shall terminate any of Tenant's right to exercise renewal rights hereunder. The Renewal Rent during the first year of the Renewal Term (i.e. Lease Year 11) shall be the greater of: (i) a four percent (4%) increase in the Fixed Rent payable during Lease Year 10, or (ii) one hundred percent (100%) of the Fair Market Rental Rate, as determined in accordance with the provisions of Section 1.8(B) and (C) below. The Renewal Rent during Lease Years 12-15 shall be increased each Lease Year by four percent (4%) from the Fixed Rent payable during the immediately prior Lease Year.

(B) If Tenant timely delivers the Renewal Notice and is not otherwise in default beyond applicable cure or grace periods and this Lease is then in full force and effect, then commencing on the date that is two hundred seventy (270) days prior to the commencement of the Renewal Term (the "Determination Date"), Landlord and Tenant shall use good faith efforts to agree upon the Fair Market Rental Rate of the Premises as of such Determination Date. The "Fair Market Rental Rate" shall be the then fair market rental value of the Premises, as of the Determination Date, taking into consideration all relevant factors including, without limitation, that (1) there

shall be no brokerage commission payable, (2) there shall be no free rent period or other rental concession, (3) there shall be no tenant improvement allowance, (4) the scheduled Renewal Rent provides for interim increases, and (5) there shall be no period in which the Premises remains unoccupied during which Rent hereunder shall not be paid; provided, however, that in no event shall Tenant's personalty or Alterations be taken into account in connection with the calculation of the Fair Market Rental Rate.

(C) If the parties hereto cannot agree on the Fair Market Rental Rate within sixty (60) days after the Determination Date, as aforesaid, then, Landlord shall notify Tenant in writing ("Landlord's Notice") of such failure, which Landlord's Notice shall be given promptly after the expiration of such sixty- (60) day period, and which shall designate Landlord's Qualified Appraiser (as defined below) for purposes of initiating the arbitration process provided for herein and specifying Landlord's determination of the Fair Market Rental Rate ("Landlord's Determination"). For purposes hereof the term "Qualified Appraiser" shall mean a licensed real estate broker having at least fifteen (15) years' experience in the leasing of commercial retail real estate in San Francisco in the immediate vicinity of the Building. Within fifteen (15) days of delivery to Tenant of Landlord's Notice, Tenant shall notify Landlord in writing ("Tenant's Notice") of Tenant's Qualified Appraiser and specifying Tenant's determination of the Fair Market Rental Rate ("Tenant's Determination") as of the Determination Date. If the difference between Landlord's Determination and Tenant's Determination is less than three percent (3%) per year, then the average of such determinations shall be the Fair Market Rental Rate for purposes hereof. Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall have thirty (30) days from the date of Tenant's Notice to attempt to agree upon the Fair Market Rental Rate of the Premises for such Renewal Term. If Landlord's Qualified Appraiser and Tenant's Qualified Appraiser cannot so agree as to the Fair Market Rental Rate prior to the expiration of such thirty- (30) day period, and the difference between Landlord's Qualified Appraiser's determination and Tenant's Qualified Appraiser's determination exceeds three percent (3%) per year for the then-applicable Renewal Term, then together Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall select, within ten (10) days after expiration of such thirty- (30) day period, a mutually agreeable third Qualified Appraiser (the "Third Qualified Appraiser") or if unable to so agree within such ten- (10) day period, then Landlord's Qualified Appraiser and Tenant's Qualified Appraiser shall immediately apply to the president of the California Bureau of Real Estate (or if such organization no longer exists, then by the head of a substantially similar organization operating in the San Francisco area) for the selection of a Qualified Appraiser who shall act as the Third Qualified Appraiser. The Third Qualified Appraiser shall render its decision as to the Fair Market Rental Rate of the Premises as of the Determination Date within thirty (30) days after the appointment of such Third Qualified Appraiser, by choosing either the Landlord's Determination or the Tenant's Determination with respect to the Premises. The decision of the Third Qualified Appraiser shall be binding and conclusive upon Landlord and Tenant hereunder. Each of Landlord and Tenant shall bear the costs of its own Qualified Appraiser and shall bear the costs of the Third Qualified Appraiser, if any, equally.

(D) Unless and until the Renewal Rent shall be determined in accordance herewith, Tenant shall pay Fixed Rent for the Renewal Term at the rate that is the average of Landlord's Determination and Tenant's Determination of the Fair Market Rental Rate of the Premises. Upon determination of the Renewal Rent by arbitration pursuant hereto, the Renewal Rent so

determined shall be deemed to apply retroactively to the first day of the Renewal Term, and, within twenty (20) days after such determination, Tenant shall pay to Landlord an amount equal to the difference, if any, between (a) the Renewal Rent, as so determined, with respect to the period commencing on the first day of the Renewal Term and terminating on the last day of the month during which such determination occurs, and (b) the Fixed Rent theretofore paid by Tenant with respect to such period. Any excess Fixed Rent paid by Tenant to Landlord prior to the determination of the Renewal Rent shall be credited against the next-due installment of Renewal Rent once determined as aforesaid.

ARTICLE II

Rent

SECTION 2.1 Fixed Rent; Additional Rent.

(A) Except as otherwise set forth in Section 1.4 herein, Annual fixed rent ("Fixed Rent"), commencing on the Rent Commencement Date, shall be paid in equal monthly installments in advance on the first day of each and every calendar month of every Lease Year of the Lease Term with the Fixed Rent for the first full calendar month that Fixed Rent is due hereunder payable on the date hereof. In the event that the Rent Commencement Date shall occur on a date other than the first day of a calendar month, then on the first day of the calendar month next succeeding the month in which the Rent Commencement Date shall occur, Tenant shall pay to Landlord a sum equal to \$5,833.33 multiplied by the number of days in the period from the Rent Commencement Date to the last day of the month in which the Rent Commencement Date occurs. The Fixed Rent shall be paid to Landlord during the following periods at the following rates:

<u>Lease Year</u>	<u>Annual Amount</u>	<u>Monthly Amount</u>
1	\$2,100,000.00	\$175,000.00
2	\$2,184,000.00	\$182,000.00
3	\$2,271,360.00	\$189,280.00
4	\$2,362,214.40	\$196,851.20
5	\$2,456,702.98	\$204,725.25
6	\$2,554,971.10	\$212,914.26
7	\$2,657,169.94	\$221,430.83
8	\$2,763,456.74	\$230,288.06
9	\$2,873,995.01	\$239,499.59
10	\$2,988,954.81	\$249,079.57
11- Expiration Date	\$3,108,513.00	\$259,042.75

(B) For the purposes of this Lease, "Additional Rent" shall mean all sums of money, other than Fixed Rent, as shall become due and payable from Tenant to Landlord under or pursuant to this Lease. Tenant shall pay to Landlord Additional Rent, commencing on the Commencement Date, as provided in Article III and elsewhere in this Lease (Fixed Rent, and

Additional Rent, collectively, "Rent"). All Rent shall be paid to Landlord, at its office, or at such other place as Landlord shall designate to Tenant, in lawful money of the United States of America.

SECTION 2.2 Manner of Payment. Tenant shall pay Rent as and when the same shall become due and payable, without demand therefor, and without any abatement, setoff or deduction whatsoever except as provided in Section 12.1 and Section 13.1, and shall keep, observe and perform each and every covenant and agreement herein contained on its part to be kept, observed and performed.

SECTION 2.3 Operating Expenses. In addition to the foregoing, during the Term of this Lease, Tenant shall pay to Landlord Additional Rent consisting of the following:

(1) The term "Operating Expenses" means the total of all items of costs and expenses of every kind and nature as may be paid or incurred by Landlord related to maintaining, managing, overseeing, operating, lighting, cleaning, policing, securing, repairing, replacing, enhancing and protecting the Building, including, but not limited to: all costs of maintaining, painting and upgrading facilities, fixtures and improvements, including, but not limited to, cleaning, removal of trash, rubbish, debris and all garbage collection charges and expenses, snow and ice removal (except to the extent same is Tenant's responsibility), sweeping and janitorial services; all such maintenance and construction work as shall be required to preserve and maintain the utility and appearance of the Building; lighting of outdoor areas and service corridors; maintenance, repair and replacement of roofs and sprinkler systems; cost of plantings, landscaping and amenities, interior and exterior landscaping and supplies incidental thereto to include all seasonal and similar decorations plus the cost of all utilities utilized in connection therewith; costs of maintenance and repair of the system that heats, ventilates and air conditions the Building and Landlord's energy costs incurred in connection therewith; installation, maintenance and repair of any security systems, fire protection systems, lighting and utility systems and drainage systems, if any; installation, maintenance, repair and replacement of disposal plants; costs and expenses of payroll, payroll taxes and employee benefits of all of Landlord's or its affiliates' management personnel, including, without limitation, managers, security and maintenance people, secretaries and bookkeepers; whether such employees are employed by Landlord or Landlord's management company, costs and expenses of operating, maintaining, repairing and replacing machinery and equipment used in the operation and maintenance of the Building, and the personal property taxes and other charges incurred in connection with such machinery and equipment; fees, costs and expenses of purchasing and maintaining in full force insurance (including, without limitation, liability insurance for personal injury, death and property damage, rent insurance, insurance against fire, extended coverage, theft or other casualties, "all risk" (or equivalent), difference in conditions, sprinkler, malicious mischief, vandalism, earthquake, flood, worker's compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for defamation and claims of false arrest occurring on or about the Building, and plate glass insurance); all cost and expense of off-site management applicable to the management of the Building; costs and expenses of enforcing any operating agreements pertaining to the Building or any portions thereof, and any easement agreement, or reservation or any arbitration or judicial actions undertaken with respect to the same; costs and expense of policing/security, including uniforms, equipment and all supplies; cost of installation of any cost saving devices or equipment; cost and expense for the rental of music program service and loudspeaker systems including furnishing electricity; charges payable in connection with any

reciprocal easement agreements or operating or similar agreements; the cost of pest extermination; the cost of improvements to the Building that are: (i) made to comply with Laws or insurance requirements; or (ii) undertaken for the protection of the health and safety of occupants and customers of the Building; or (iii) made for the purpose of reducing Operating Expenses; all license and permit fees; all ground rent, real estate taxes, payments in lieu of taxes, and tax assessments of every kind and nature levied or assessed against the Building, including, but not limited to, general and special assessments, whether foreseen or unforeseen or ordinary or extraordinary, and assessments, charges or taxes made by, or by reason of any mall tax or business improvement district taxes, but excluding Real Estate Taxes and insurance payments for which Tenant is responsible pursuant to Article III; any commercially reasonable management or asset management fees, and an administrative cost and overhead fee in an amount equal to five percent (5%) of the total aggregate Operating Expenses (expressly excluding Real Estate Taxes and insurance payments for which Tenant is responsible). Notwithstanding anything in this Section 2.3 to the contrary, Operating Expenses shall not include any of the following: (i) depreciation on the Building; (ii) debt service; (iii) the cost of capital improvements, except as otherwise provided above; (iv) rental under any ground or underlying leases; (v) attorneys' fees and expenses incurred in connection with lease negotiations with prospective tenants, or default or enforcement proceedings with respect to defaulting tenants, or financing, refinancing or sale of the Building; (vi) the cost of tenant improvements; (vii) advertising expenses; (viii) real estate broker's or other leasing commissions; (ix) executives' salaries above the grade of property manager; (x) amounts received by Landlord through proceeds of insurance to the extent the proceeds are compensation for expenses which were previously included in Operating Expenses hereunder; (xi) cost of repair or replacements incurred by reason of fire or other casualty or by the exercise of the right of eminent domain; (xii) costs incurred in performing work or furnishing services for individual tenants (including Tenant) at such tenant's expense; (xiii) all Operating Expenses for which Landlord has received reimbursement, except by way of Additional Rent; (xiv) intentionally omitted; (xv) penalties due to any violation of Law by Landlord or other tenants; (xvi) damages incurred by Landlord for any default or breach by Landlord and any related judgment or settlement; and (xvii) structural repairs or replacements that are Landlord's responsibility under this Lease.

(2) Tenant's Proportionate Share of the Operating Expenses shall be paid by Tenant to Landlord in equal monthly installments, in advance, on the first day of each calendar month during the Term of this Lease, commencing on the first day of the month in which the Commencement Date occurs (provided that if the Commencement Date occurs on a date other than the first of the month, the amount due shall be prorated accordingly), in an amount equal to one-twelfth (1/12) of Tenant's Proportionate Share of the Operating Expenses as estimated by Landlord for the calendar year. The amount due for any partial fiscal year shall be prorated accordingly.

Within no more than ninety (90) days after the end of each calendar year, Landlord shall furnish Tenant with a written statement in reasonable detail, together with reasonably detailed backup, of the actual Operating Expenses and the amount of Tenant's Proportionate Share thereof for the preceding fiscal year. Landlord reserves the right, however, to change its fiscal year at any time during the Term of this Lease upon reasonable prior notice to Tenant. If the actual Operating Expenses exceed the aggregate of Tenant's monthly payments, Tenant shall pay to Landlord any deficiency due within fifteen (15) days after receipt of said statement by Landlord. If Tenant's monthly payments have exceeded the actual Operating Expenses, any surplus paid by Tenant shall

be credited against the next ensuing installment of Rent until such surplus is exhausted, unless such surplus has occurred during Tenant's last year prior to expiration of this Lease, in which event Landlord shall refund such excess to Tenant within sixty (60) days after determination of such surplus has been made. Failure of Landlord to provide the statement called for hereunder within the time prescribed shall not relieve Tenant of its obligations hereunder. The obligations of Landlord and Tenant to make the foregoing adjustment shall survive the expiration or earlier termination of this Lease. Tenant shall have sixty (60) days from receipt of Landlord's written Operating Expenses statement to challenge Landlord's calculations set forth therein. Failure to send a written notice to Landlord challenging the calculations set forth in Landlord's Operating Expenses statement within such time period shall be deemed to be an acknowledgment by Tenant of the accuracy of such statement. In the event Tenant challenges the accuracy of Landlord's Operating Expenses statement, Tenant must commence and complete its audit of Landlord's books (such audit to be conducted at the New York offices of Landlord during business hours by a certified public accountant (not hired on a contingency basis) retained by Tenant and acceptable to Landlord at Tenant's sole cost and expense) within thirty (30) days from the date of Tenant's notice challenging Landlord's Operating Expenses statement. Notwithstanding anything to the contrary contained herein, Landlord shall have the right to delay commencement of Tenant's audit for a period of not more than sixty (60) days upon notice to Tenant, whereupon the period provided for Tenant to commence and complete its audit shall be extended by the number of days that such audit is delayed by Landlord.

ARTICLE III

Real Estate Taxes; Insurance

SECTION 3.1 Tenant's Tax Payment. Tenant shall pay, in addition to the Fixed Rent, and as Additional Rent for such Lease Year, an amount (hereinafter "Tenant's Tax Payment") equal to Tenant's Proportionate Share of Real Estate Taxes for such Lease Year. Such Additional Rent shall be paid by Tenant notwithstanding the fact that Tenant may be exempt, in whole or in part, from the payment of any Real Estate Taxes due to Tenant's diplomatic, charitable, or otherwise tax exempt status, or for any other reason at all.

SECTION 3.2 Tax Statement and Timing of Tax Payment.

(A) If at any time after taxes are assessed for any Lease Year, Landlord shall furnish Tenant a Tax Statement and Tenant shall pay Tenant's Tax Payment within thirty (30) days after receipt of such Tax Statement.

(B) At Landlord's option, Landlord may invoice Tenant and Tenant shall remit Tenant's Tax Payment for each Lease Year in monthly installments in an amount equal to one-twelfth (1/12) of Tenant's Tax Payment estimated by Landlord, which installments shall be due and payable as Additional Rent, and paid together with the monthly installment of Fixed Rent. Landlord shall provide Tenant with a reconciliation statement of the amount Tenant actually paid pursuant to this Section 3.2(B) and the actual amount owed pursuant to the relevant tax bills within ninety (90) days of Landlord's receipt thereof. Tenant's Tax Payment for each Lease Year shall be due and payable as Additional Rent, together with the monthly installment of Fixed Rent, in an amount

equal to one-twelfth (1/12) of Tenant's Tax Payment estimated by Landlord. If the amount of such monthly payment exceeds the actual amount due for a Tax Year, the overpayment shall be credited to Tenant's next succeeding payment of Rent or refunded to Tenant promptly after the expiration of the Term, if at the end of the Term Tenant does not owe any Rent or Additional Rent to Landlord. If the amount paid by Tenant shall be less than the actual amount due, Tenant shall pay the difference to Landlord by the later of (i) thirty (30) days after receipt of notice thereof from Landlord or (ii) the date that the next installment of Fixed Rent shall become due and payable. Landlord's failure to render a Tax Statement with respect to any Tax Year shall not prejudice Landlord's right thereafter to render a Tax Statement with respect to any such Tax Year nor shall the rendering of a Tax Statement prejudice Landlord's right thereafter to render a corrected Tax Statement for that Tax Year.

SECTION 3.3 Adjustments to Tenant's Tax Payment. Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the assessed valuation of the Building. In the event that the assessed valuation for any Tax Year occurring within the Lease Term is reduced (as a result of settlement, final determination of legal proceedings or otherwise) then (i) the Real Estate Taxes imposed upon the Building in respect of the applicable Tax Year shall be retroactively adjusted to reflect such reduction, (ii) Tenant's Tax Payment shall be adjusted accordingly, subject to adjustment for Tax Expenses as provided herein, and (iii) Tenant shall receive a credit against Tenant's Tax Payment in the amount of Tenant's Proportionate Share of such reduction as adjusted in accordance with the provisions hereof.

SECTION 3.4 Tax Refunds. If, after Tenant shall have paid Tenant's Tax Payment and Tenant's Proportionate Share of Tax Expenses with respect to any Tax Year, Landlord shall receive a refund of any portion of the Real Estate Taxes with respect to such Tax Year by final determination of legal proceedings, settlement or otherwise, Landlord shall promptly after receiving such refund pay Tenant its Proportionate Share of such refund or, at Landlord's option, credit Tenant's Proportionate Share of such refund against the next succeeding installment(s) of Rent coming due, in both cases net of the total amount of Tax Expenses incurred by Landlord to obtain such refund.

SECTION 3.5 Prorated Allocation. In the event this Lease shall expire or terminate on a day other than the last day of a Lease Year, Tenant's Tax Payment for such Lease Year shall be prorated as of the date of such expiration or termination, so that Tenant shall be required to pay only such proportion thereof as the portion of such Lease Year prior to such expiration or termination bears to the entire Lease Year.

SECTION 3.6 Tax Statement Binding. Any Tax Statement sent to Tenant shall be binding upon Tenant unless, within one hundred eighty (180) days after such statement is sent, Tenant shall send a written notice to Landlord objecting to such statement and specifying the respects in which such statement is claimed to be incorrect. Pending the determination of such dispute Tenant shall pay all amounts of the Additional Rent shown on such statement, and such payment and acceptance shall be without prejudice to Tenant's position.

SECTION 3.7 No Rent Reduction. In no event shall the Rent (exclusive of the adjustments described in this Article III) be reduced by virtue of any decrease in Real Estate Taxes.

SECTION 3.8 Survival. The expiration or termination of this Lease during any Tax Year for any part or all of which there is Additional Rent payable under this Article III shall not affect the rights or obligations of the parties hereto respecting such Tax Year, and any statement relating to Tenant's Tax Payment with respect to such Tax Year may be sent to Tenant subsequent to, and all such rights and obligations shall survive, any such expiration or termination. Any payments due under such statement shall be payable within twenty (20) days after such statement is sent to Tenant.

SECTION 3.9 Insurance Payment. In addition to Tenant's Tax Payment, Tenant shall pay as Additional Rent Tenant's Proportionate Share of the cost of any insurance policies carried by or for the benefit of Landlord from time to time on the Building. Such payment shall be made from time to time within thirty (30) days of Landlord sending a statement to Tenant setting forth in reasonable detail the amount payable by Tenant pursuant to this Section 3.9.

SECTION 3.10 Non-Payment of Additional Rent. Except as expressly provided otherwise herein, any Additional Rent due under this Lease shall be due and payable by Tenant, and collectible by Landlord, within thirty (30) days after a demand therefor, and otherwise in the same manner as the Fixed Rent, and Landlord shall have all rights with respect thereto as it has with respect to the Fixed Rent, including all remedies for non-payment thereof.

ARTICLE IV

Condition of Premises

SECTION 4.1 Condition of Premises Notwithstanding anything to the contrary set forth in this Lease or in the Exhibits hereto, Tenant warrants, represents and acknowledges:

(A) It has inspected the Premises, is fully familiar with the physical condition and state of repair thereof and all other matters relating to this Lease and, subject to Landlord's Work, agrees to accept the Premises "as is," in its present state and condition, subject to reasonable use, wear, tear and natural deterioration, without any reduction, set-off, or abatement of Rent and without any charge to Landlord whatsoever for any change in such state and condition by reason thereof subsequent to the date of this Lease.

(B) Before entering into this Lease, Tenant has made such examination of the Premises and all other matters affecting or relating to this Lease as it deemed necessary. In entering into this Lease, Tenant has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Landlord or any agent employee or other representative of Landlord, or any other person representing or purporting to represent Landlord, that are not expressly set forth in this Lease, whether or not such representations, warranties or statements were made in writing or orally.

(C) Tenant further acknowledges that Landlord has not made any representation as to whether Tenant's use is permitted under any zoning laws or under any certificates of occupancy for the Building of which the Premises forms a part. Moreover, in the event Tenant's use is not permissible under the present certificate of occupancy, or in the event no valid certificate of occupancy exists and a new certificate of occupancy is required to accommodate Tenant's use

or as a result of any proposed alteration, then Tenant shall diligently proceed to cause amendment of the certificate of occupancy and shall be obligated to pay any and all amounts required to be paid in connection therewith, including, but not limited to, permit fees, architect's fees and any other cost and/or expense incurred by either Landlord or Tenant as a result of obtaining a new certificate of occupancy or amending the present certificate of occupancy on behalf of Tenant at Tenant's request. Upon the request of Tenant, and at Tenant's sole cost and expense, Landlord shall use reasonable efforts in cooperating with Tenant in its efforts to amend the certificate of occupancy.

ARTICLE V

Use

SECTION 5.1 Permitted Use. Tenant shall use and occupy the entire Premises solely and exclusively for a Cannabis dispensary and for on-site consumption of Cannabis or Cannabis products by customers (a "Cannabis lounge") and/or a health and wellness related use (collectively, the "Permitted Use") and related storage and administration in compliance with all laws in the State of California and for no other use or purpose whatsoever. Tenant shall dispense and permit on-site consumption of Cannabis only to those individuals who are over 21 years of age and who are otherwise legally permitted to obtain Cannabis consistent with the currently existing location at Hollywood, California. Tenant shall at all times operate and do business under the trade name "Have a Heart Compassion Care," and shall not operate from the Premises under any other name without Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall comply with all Laws relating to the Premises and Tenant's use thereof, including without limitation, Laws requiring the Premises to be closed on Sundays or any other days or hours, health, safety and building codes, and any permit or license requirements. Landlord makes no representation that the Premises are suitable for Tenant's purposes. Tenant's business shall be operated in a high-class manner. In no event shall Tenant use the Premises or any part thereof for conducting therein a discount or second-hand store, auction, distress or fire sale or bankruptcy or going-out-of-business sale. Landlord reserves the right, in Landlord's sole and absolute discretion, to determine the uses to which other space in or in the vicinity of the Building shall be put. Tenant acknowledges that Landlord shall have the right to control, in Landlord's sole discretion, what shall be placed, displayed or stored in the first five (5) feet of the Premises, and on all exterior signage areas and the storefront of the Premises and the façade of the Building (collectively, the "Control Area"). In the event Tenant uses the Control Area in violation of this Lease, Tenant shall be required to correct such violation within five (5) business days after receipt of written notice from Landlord, after which Landlord shall have all rights against Tenant in law and equity, and pursuant to this Lease, including, without limitation the right to terminate this Lease in the same manner as a default of Tenant as described in Article XVIII and Article XIX herein.

SECTION 5.2 Prohibited Conduct. Tenant shall not, without the consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, operate any coin or token operated vending machine or similar device for the sale of any goods, foods or beverages, including, without limitation, amusement devices.

SECTION 5.3 Advertising. Tenant shall not:

(A) use any advertising medium such as loudspeakers, sound amplifiers or flashing lights that may be heard or seen outside the Premises;

(B) install any banner, flag or the like on the exterior of the Building without the specific prior approval of Landlord other than any banner with the words "Grand Opening" or words of similar import, which banner shall only be permitted during the first ninety (90) days following the date Tenant opens the Premises for business to the public; or

(C) place in the windows any sign, decoration, letter, advertising matter, or other thing of any kind, other than shades or blinds and neatly lettered signs of reasonable size identifying Tenant and the services and products offered for sale.

SECTION 5.4 Additional Prohibited Conduct. Tenant shall not use, or permit the use of the Premises or any part thereof for: (1) demonstrations to the public; (2) the sale of candy, food, cigarettes, cigars, tobacco, newspapers, magazines, beverages or similar items or for the preparation, dispensing or consumption of food or beverages in any manner whatsoever, excepting such food, beverage, and other consumable items that also constitute Cannabis whether by infusion or otherwise; (3) manufacturing, printing or electronic data processing, except for the operation of normal business office equipment and machines for Tenant's own requirements, as distinguished from operation for commercial hire or for the sale of products or services to others; (4) rendition of medical, dental or other diagnostic or therapeutic services except as expressly set forth in this Lease; (5) maintenance of any gambling or gaming activities or any political activities or any club activities, whether public or private, or a school of any kind or an employment or placement agency; (6) the offices or business of a governmental or quasi-governmental bureau, department or agency, foreign or domestic, including an autonomous governmental corporation or diplomatic or trade mission; (7) an employment agency, executive search firm or similar enterprise or vocational training center or classrooms; (8) a telephone or secretarial or a messenger service; (9) a company engaged in the business of renting office or desk space; (10) a public finance (personal loan) business (other than a savings bank); (11) the sale, lease or rental of video tapes or DVDs; or (12) any use prohibited by any Condominium Documents (if applicable). In addition, Tenant agrees not to bring, or permit to be brought, any obscene or pornographic material into the Premises, and shall not permit or conduct any obscene, nude, or semi-nude live performances at the Premises, nor shall Tenant permit the use of the Premises for nude modeling, or for so-called "rubber-goods" shops, or as a sex club of any sort, or as a "massage parlor." Tenant agrees further that Tenant will not permit any of these uses by any sublessee or assignee of the Premises. This Section 5.4 shall directly bind any successors in interest to Tenant. In the event of a breach of this Lease arising from a violation of any of the provisions of this Section 5.4, Landlord shall be entitled to exercise any and all of its remedies hereunder without first giving Tenant any notice or cure period under Article XVIII hereof. Pornographic material is defined for purposes of this Section as any written or pictorial matter with prurient appeal and any objects or instruments that are primarily concerned with lewd or prurient sexual activity. Obscene material is defined here as it is in the applicable provisions of the California Penal Code.

SECTION 5.5 Window Cleaning. Tenant will not clean nor require, permit, suffer or allow any window in the Premises to be cleaned from the outside in violation of any applicable law or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

SECTION 5.6 Additional Use Covenants.

(A) Tenant shall, throughout the Term of this Lease, operate the business located at the Premises in a first-rate and reputable manner and in a manner that shall not detract from the character or appearance of the Building. Accordingly, Tenant shall (i) continuously and uninterruptedly occupy and use, during the Term, the entire Premises for the Permitted Use and conduct Tenant's business therein in a reputable manner; (ii) at a minimum, remain open for business on Mondays through Saturdays during the hours of 9:30 AM – 8:00 PM and on Sundays, during the hours of 12 PM to 6 PM (except New Year's Day, Christmas and Thanksgiving), or such hours as may be amended by Landlord from time to time upon at least two (2) weeks prior notice to Tenant; (iii) maintain quality displays in the display windows, if any; (iv) keep and maintain the Premises and Tenant's personal property and signs therein or thereon and the exterior and interior portions of all windows, doors and all glass or plate glass in a neat, clean, sanitary and safe condition; (v) clean the inside and outside of the storefronts whenever necessary, in the reasonable judgment of Landlord; (vi) apply for, secure, maintain and comply with all licenses or permits that may be required for the conduct by Tenant of the Permitted Use and to pay, if, as and when due all license and permit fees and charges of a similar nature in connection therewith and provide Landlord with copies thereof upon request; and, (vii) keep the Premises neat and clean, free from waste, offensive odors, and, in orderly and sanitary condition, free of vermin, rodents, bugs and other pests, including, but not limited to keeping the sidewalk adjacent to the Premises free from refuse, snow, ice, rubbish and debris. Further, Tenant covenants and agrees that at all times (a) the kind and quality of merchandise, goods and services offered in the Premises, and the conduct of Tenant's business therein will be first-rate and reputable in every respect, (b) the sales methods employed in said business, as well as Tenant's signage and displays and all other elements of merchandising, will be dignified and in conformity with the highest business dealing in the same or similar merchandise, goods and services or conducting a similar type of business, and (c) the appearance of the Premises (including the lighting and other appurtenances thereto), the appearance and deportment of all personnel employed therein, and the appearance, number, location, nature and subject matter of all displays and exhibits placed or installed in or about the Premises (if visible outside the Premises), and of any sign, lettering, announcement or any other kinds or forms of inscriptions displayed in or about the Premises (if visible outside the Premises) will be only such as meets Landlord's approval. If Tenant's business operation is not consistent and in harmony with the standards of similar type retail establishments in comparable buildings located in the vicinity of the Building, Tenant shall immediately remedy such deficiencies as to which Landlord shall give Tenant written notice (which remedy shall not limit or be in lieu of any other remedies that Landlord may have under this Lease for such default by Tenant).

(B) Under no circumstances may Cannabis be grown on the Premises. Further, Tenant and its guest(s) may not engage in any Illegal Drug-Related Activity on or near the Premises. Landlord may terminate this Lease or lock out Tenant from the Premises without any prior written notice or any liability to Landlord if (x) Tenant and/or guests engage in any activities which violate the provisions of this Section 5.6(B), or (y) Landlord determines in its sole discretion at any time that there may be a risk of forfeiture of the Premises due to Tenant's use and occupancy at the Premises. If this provision is violated, Tenant will be subject to charges, damages, and eviction. In addition, Tenant shall abide by all state and local laws in connection with its Permitted Use at the Premises, which shall include the requirement not to begin any Cannabis-related use at the Premises prior to obtaining the Permits.

(C) Landlord shall have the right upon Landlord's sole election, upon five (5) business days prior written notice to Tenant or, if sooner, upon the effective date of any court order, to terminate this Lease in the event any of these causes ("Early Termination Causes") arise:

(1) The seizure or threatened seizure by any governmental authority seeking forfeiture of the Premises, whether or not the court proceeding has actually commenced;

(2) The entry of judgment (whether final or not) that has the effect (whether by restraining order, injunction, declaration, or otherwise) of establishing the Tenant's use of the Premises constitutes a public or private nuisance;

(3) The commencement of an action under any federal, state, or local law (ordinance) or regulation seeking remediation of the Premises as a result of a violation by Tenant of any mandate pertaining to environmental sensitivity or commission of waste or any illegal activity, irrespective of Tenant's intent and course of action following its commencement;

(4) A judgment having the effect of establishing that Tenant's operation violates Landlord's contractual obligations (i) pursuant to any private covenants of record restricting the Premises, (ii) good faith and fair dealing to any third party, or (iii) pursuant to its obligations under its mortgage agreement with a Superior Mortgagee;

(5) An event that (i) requires closure of the Building for remediation of materially adverse circumstances created by Tenant's use of the Premises, or (ii) causes Landlord's insurance carrier to cancel casualty and/or liability coverage on the Building unless the Tenant procures coverage for the Building within five (5) business days thereafter, and commences and thereafter continues to pay any premium cost in excess of the premium (pre-cancellation) paid by Landlord without credit or offset against the Rent reserved under this Lease. This shall not include fire and other natural calamity events, unless the source of any such event is directly related to Tenant's operation.

(D) Tenant agrees that federal illegality of Tenant's Permitted Use shall not be a valid defense to any claim arising from this Lease, and Tenant waives the right to present any such defense related to the status of Cannabis under federal law, it being expressly agreed and bargained for by the parties that the current or future illegality of Cannabis under any federal laws is solely at Tenant's risk and expense.

SECTION 5.7 Continuous Operations. Tenant acknowledges that the continuous use covenant set forth in Section 5.6 herein is a material inducement for Landlord to enter into this Lease with Tenant and the damage to Landlord resulting from such failure, whether due to diminished value, safety, sale-ability or mortgage-ability or adverse publicity or appearance or otherwise will be impossible to accurately measure. Tenant therefore agrees that if Tenant shall (i) vacate, abandon or desert the Premises or (ii) cease operating or conducting its business therein in accordance with the terms of this Lease except during any Temporary Cessation (as hereinafter defined), then and in any of such events (hereinafter collectively referred to as "failure to do business"), Landlord shall have the right, at its option, to treat such failure to do business as an offer by Tenant to cancel this Lease. In the event Landlord accepts Tenant's offer to cancel this

Lease, Tenant shall, in consideration thereof, pay to Landlord an amount (the "Cancellation Payment") equal to two (2) year's Fixed Rent and Additional Rent then payable under this Lease (or the amount that would otherwise be payable without taking into account any rent credits or abatements then in effect), payable within ten (10) business days following Tenant's receipt of notice from Landlord that Landlord is accepting Tenant's offer to cancel this Lease (the "Cancellation Acceptance"). In the event of the giving of such Cancellation Acceptance and the making of the Cancellation Payment, (a) this Lease and the Term and estate hereby granted (unless the same shall have expired sooner pursuant to any of the conditions of limitation or other provisions of this Lease or pursuant to law) shall terminate on the date set forth in the Cancellation Acceptance with the same effect as if such date were the date hereinbefore specified for the expiration for the term of this Lease, (b) the Rent and all other charges payable hereunder shall be apportioned as of the date of the cancellation, (c) neither party hereto shall have any rights, estates, liabilities or obligations under this Lease for the period accruing after the date of cancellation, except those that, by the provisions of this Lease, expressly survive the expiration or earlier termination of the Term of this Lease, (d) the Letter of Credit shall be returned to Guarantor or Tenant, and, except for any obligations that accrued prior to the termination date set forth in the Cancellation Acceptance, the Guaranty shall automatically terminate and be of no further force and effect, and (e) at Landlord's election, Landlord and Tenant shall enter into a written agreement reflecting the cancellation of this Lease upon the terms provided for herein. Landlord's claim that Tenant has vacated, abandoned or deserted the Premises shall not be defeated solely because Tenant may have left all or part of its stock, signage, trade fixtures or other personal property in the Premises. As used herein, the term "Temporary Cessation" shall mean a temporary closing or temporary discontinuance of the operation of Tenant's business in the Premises as reasonably required for the following reasons: (i) to permit the performance of permitted repairs or permitted alterations in and to the Premises (which Temporary Cessation shall not exceed one hundred twenty (120) days), (ii) due to the taking by eminent domain as provided for in accordance with the terms of Article XIII hereof, (iii) due to fire or casualty as provided for and in accordance with the terms of Article XII hereof, (iv) up to three (3) days per year to permit Tenant to inventory its merchandise, (v) in connection with a "snow day" and (vi) to observe state and federal holidays; provided that in all of the foregoing instances, Tenant shall use diligent efforts to promptly re-open its retail business in the Premises. No closing shall relieve Tenant from the obligation to pay Rent accruing under this Lease, except as expressly otherwise set forth in this Lease.

SECTION 5.8 Tenant's Obligation to Refurbish. Tenant shall redecorate, repaint, re-carpet and re-fixture the Premises when necessary, to maintain the store appearance and condition at a level of quality consistent with the immediate vicinity of the Building. Without limiting the foregoing, if the Term of this Lease is in excess of five (5) Lease Years, between the sixth (6th) and eighth (8th) Lease Years, Tenant shall remodel all parts of the Premises to the standards of Tenant's latest prototype store or consistent with its newest locations within the region that the Building is located in, including, but not limited to, painting or otherwise decorating and refurbishing (including floor covering and wall covering) by Tenant subject to Landlord's prior written approval. Tenant shall present to Landlord plans and specifications for such work at the time such approval is sought.

ARTICLE VI

Tenant's Property

SECTION 6.1 Tenant's Property. All fixtures, equipment, improvements and installations attached to, or built into, the Premises at the commencement of or during the Term shall be and remain a part of the Premises and be deemed the property of Landlord ("Tenant's Property"), unless Landlord, by notice to Tenant no later than twenty (20) days prior to the Expiration Date or date of earlier termination of this Lease, elects to relinquish Landlord's rights thereto and to have Tenant's Property removed by Tenant, in which event, the same shall be removed from the Premises by Tenant, prior to the expiration or earlier termination of this Lease, at Tenant's expense. Prior to the expiration or earlier termination of this Lease, Tenant shall remove all or part of Tenant's Property that constitutes Moveable Property (hereinafter defined) from the Premises, and Tenant shall repair, or shall reimburse Landlord upon demand for the cost of repairing, any damage to the Premises or the Building occasioned by such removal. Any of Tenant's Property that constitutes Moveable Property that shall not be removed as aforesaid may be removed by Landlord at Tenant's expense or, if not so removed, shall be deemed to have been abandoned by Tenant. "Moveable Property" means all moveable furniture, equipment and any other items that are the property of Tenant and are not affixed to the Premises, excluding shelving.

With respect to any of Tenant's personal property that Tenant elects to leave in the Premises, Tenant waives any and all rights it may have under California Civil Code Sections 1980-1991.

ARTICLE VII

Utilities

SECTION 7.1 Utilities. It is specifically understood and agreed that Landlord shall not be required to furnish or provide any services whatsoever, including, but not limited to, utilities, heat, hot or cold water, sewer, air conditioning, gas, steam, electricity, cleaning services, exterminating services, garbage removal, security or any other kind of service or utility in or to the Premises. Tenant's consumption of water, electricity and gas shall be measured for all purposes by separate meters, as presently installed, or if not so installed, to be installed by Tenant at Tenant's expense, but subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Throughout the duration of Tenant's occupancy, Tenant shall, at Tenant's sole cost and expense, keep said meters and installation equipment in good working order and repair. Tenant shall arrange with the utility companies to obtain electricity, gas and water and shall pay directly to the utility companies for the water, electricity and gas consumed on the Premises and if Tenant shall fail to perform such maintenance or make such payment, Landlord shall have the right, but not the obligation, to perform such maintenance or pay such charges and in such event, Tenant shall within ten (10) days of Landlord's demand therefor, pay to Landlord, as Additional Rent, an amount equal to the cost of such maintenance or the amount expended by Landlord to pay such charges, plus interest on such amount at the rate set forth in Section 16.2 hereof from the date of such payment by Landlord to the date Tenant makes its payment to Landlord.

Tenant shall at all times comply with the rules, regulations, terms and conditions applicable to service, equipment, wiring and requirements of the public utility supplying electricity to the Building. Tenant shall not use any electrical equipment that, in Landlord's reasonable judgment, would exceed the capacity of the feeders, risers and other electrical installations serving the Premises or interfere with the electrical service to other tenants of the Building. In the event that, in Landlord's sole judgment, Tenant's electrical requirements necessitate installation of an additional riser, risers or other proper and necessary equipment, Landlord shall notify Tenant of same. Within ten (10) days after receipt of such notice, Tenant shall either cease such use of such additional electricity or shall request that additional electrical capacity (specifying the amount requested) be made available to Tenant. Landlord, in Landlord's sole judgment shall determine whether to make available such additional electrical capacity to Tenant and the amount of such additional electrical capacity and if the same necessitates installation of an additional riser, risers or other proper and necessary equipment including, without limitation, any switchgear, the same shall be installed by Landlord at Tenant's sole cost and expense, and shall be chargeable and collectible as Additional Rent and paid within thirty (30) days after the rendition of a bill to Tenant therefor. Tenant shall make no alterations or additions to the electrical system in the Building without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

Tenant shall, at Tenant's sole cost and expense, enter into an annual contract with a trash removal and disposal company fully licensed to remove and dispose of trash in California (which Landlord may designate), which company shall regularly remove Tenant's trash from the Premises and dispose of same. Tenant covenants that Tenant shall, at its own cost and expense, keep the Premises free and clear of rats, mice, insects and other vermin. In furtherance thereof, Tenant shall employ a licensed professional exterminator who will utilize the best prevailing method for the prevention of any infestation by, and extermination of, said animals and insects at least once a month. Tenant shall furnish Landlord with a copy of such extermination contract within ten (10) days after Landlord's request therefor. If, in Landlord's sole but reasonable judgment, Tenant shall fail to satisfactorily carry out the provisions of this paragraph, Landlord may, but shall not be obligated to, employ an exterminator service, and the reasonable cost and expense incurred by Landlord for such exterminator service shall be repaid to Landlord by Tenant, within twenty (20) days after demand therefor (together with reasonably detailed backup), and such amounts so repayable shall be considered as Additional Rent hereunder.

SECTION 7.2 Landlord's Liability. Landlord shall in no manner be liable for any failure, inadequacy or defect in the character or supply of alternating electric current, gas, water or steam furnished to the Premises by any public or private service company or any other supplier thereof if such inadequacy or defect is not due to the negligence or willful misconduct of Landlord, its agents, servants or employees (Landlord shall in any event, to the extent the same is within its control, use commercially reasonable efforts to minimize the effect of such failure, inadequacy or defect and to eliminate the same at the earliest practicable time).

SECTION 7.3 Stoppage or Interruption of Services. Landlord may stop or interrupt the supply of alternating electric current, gas, water, chilled water, sewer or steam at such times as may be necessary and for as long as may reasonably be required by reason of accidents, strikes, the making of repairs, alterations or improvements, inability to secure a proper supply of fuel, gas,

water, electricity, labor or supplies or by reason of any cause beyond the reasonable control of Landlord; provided, however, that Landlord shall use commercially reasonable efforts (except in an emergency) such that any such stoppage or interruption for the purpose of making any repair, alteration or improvement shall be made at such times and in such manner as to minimize any unreasonable interference with Tenant's use of the Premises, and Landlord shall give reasonable prior notice of not less than three (3) days (except in the event of emergency, when notice shall not be required) of the anticipated commencement, duration and nature thereof. Except in the event the cause of such interruption or stoppage is solely due to the negligence of Landlord or Landlord's agents, Tenant shall not be entitled to any abatement of Rent or other compensation nor shall this Lease or any of Tenant's obligations hereunder be affected by reason of such stoppage or interruption, unless (i) such stoppage or interruption exceeds ten (10) consecutive days (ii) Tenant actually ceases its operations at the Premises, and (iii) the only remedy that Tenant shall be entitled to is an abatement of Rent from and after the eleventh (11th) day after the stoppage or interruption until the date such stoppage or interruption ceases.

SECTION 7.4 Sprinkler. Anything elsewhere in this Lease to the contrary notwithstanding, if the Insurance Services Office or any bureau, department or official of the federal, state or city government require or recommend the installation of a sprinkler system or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system by reason of Tenant's business, or the location of partitions, trade fixtures, or other contents of the Premises, or for any other reason, or if any such sprinkler system installations, changes, modifications, alterations, additional sprinkler heads or other such equipment in the Premises and/or the Building become necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate set by any said exchange or by any fire insurance company, Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations, and supply additional sprinkler heads or other equipment as required, whether the work involved shall be structural or non-structural in nature. Notwithstanding the foregoing, Landlord shall have the right, at Landlord's option and at Tenant's expense, to make such sprinkler system installations, changes, modifications and/or alterations, as required. Tenant shall pay to Landlord as Additional Rent on the first day of each month during the Term of this Lease, Tenant's Proportionate Share of the contract price for sprinkler supervisory service.

ARTICLE VIII

Various Covenants

SECTION 8.1 Various Covenants. Tenant shall:

(A) take good care of the Premises, keep the Premises in a neat and clean condition and pay the cost of any injury, damage or breakage done by Tenant or by its employees, licensees or invitees, it being understood that except as provided in Section 9.1, Tenant shall not be required to make changes to the Structural Elements;

(B) observe and comply with the reasonable rules and regulations as Landlord at any time may adopt, promulgate and communicate on reasonable notice to Tenant (any consent or approval by Landlord required under any of such rules and regulations not to be unreasonably

withheld, conditioned or delayed); a list of the current Rules and Regulations are attached hereto as Exhibit C.

(C) permit Landlord, on not less than twenty-four (24) hours' advance written or verbal notice and accompanied by an authorized representative of Tenant, if Tenant arranges to have an authorized representative readily available (except in the event of an emergency, in which event no advance notice or authorized representative's accompaniment shall be required), and any holder of an underlying mortgage, and their agents, contractors and representatives, to enter the Premises at such hours as shall not unreasonably interfere with Tenant's business (i) to inspect the same, (ii) to comply with any law, order or requirement of any governmental authority or insurance body or (iii) to exercise any right reserved to Landlord under Article XI or elsewhere in this Lease;

(D) make no claim against Landlord for any injury or damage to Tenant or to any other person or for any damage to, or loss (by theft or otherwise) of, or loss of use of, any property of any other person, unless caused by the willful misconduct or negligence of Landlord, its agents, servants or employees;

(E) make no alteration, change, addition, improvement, repair or replacement in, to, or about, the Premises (a "Tenant Change") other than as permitted in Article XXIII hereof;

(F) promptly and duly pay all costs and expenses incurred for or in connection with any Tenant Change and discharge within thirty (30) days by payment, bonding or otherwise as provided by law, any mechanic's or other lien created against the Building in connection with any Tenant Change;

(G) not violate, or permit the violation of, any condition imposed by the standard "all risk" (or equivalent) insurance policy issued for similar buildings in the City of San Francisco, and not do, suffer or permit anything to be done, or keep, suffer or permit anything to be kept, in the Premises that would increase the fire or other casualty insurance rate on the Building or the property therein, or that would result in insurance companies of good standing refusing to insure the Building or any such property in amounts and against risks as reasonably determined by Landlord from time to time; provided, however, that if insurance is available, Tenant shall not be in default hereunder if Tenant shall pay to Landlord the amount of any increase in the insurance premiums resulting from any increase in the insurance rate;

(H) permit Landlord, at reasonable times upon reasonable notice and accompanied by an authorized representative of Tenant (and in a manner designed to avoid interference with the normal conduct of Tenant's business in the Premises), to show the Premises during usual business hours to any prospective purchaser or mortgagee and, during the last six (6) months of the Term, to any prospective lessee of the Premises. Landlord may place "to let" or similar signs on or about the Premises during the last six (6) months of the Term;

(I) not install or maintain any graphics or signage on the exterior of the Premises except as expressly approved by Landlord in writing (which approval shall not be unreasonably withheld, conditioned or delayed) subject to Tenant's compliance with all of the provisions of Article XXV herein.

(J) Tenant's Insurance.

(1) Tenant, at Tenant's expense, shall obtain and keep in full force and effect:

(i) An insurance policy for Tenant's Property and Alterations made by Tenant, in either case to the extent insurable under the available standard forms of "Special Cause of Loss Form" insurance policies, in an amount equal to one hundred percent (100%) of the replacement value thereof and include coverage for the perils of flood, windstorm, earthquake and mechanical/equipment breakdown, and provide coverage extensions for demolition and increased cost of construction, civil authority and utility service interruption. The policy shall name both Tenant and Landlord, as their respective interests may appear, and include business interruption for any time during which the Premises are fully or partially untenable due to an occurrence covered by the insurance policy. Such business interruption insurance shall include rental value insurance in an amount equal to not less than the Rent for a period of at least twelve (12) months. The property policy where applicable, shall include plate glass coverage for all plate glass in the Premises and store front (the insurance policy described in this clause (i) being referred to herein as "Tenant's Property Policy").

(ii) A policy of commercial general liability insurance, including without limitation, contractual liability coverage covering the indemnity agreement contained in this Lease, for the benefit of Landlord, Landlord's parent, any subsidiaries, Landlord's managing agent, Landlord's mortgagee and/or ground lessor and their respective officers, directors, employees, successors, assignors and any other party Landlord may designate (collectively referred to as "Landlord Parties," each of which shall be named as an additional insured under the policy), and Tenant, as their respective interests may appear. The general liability policy shall include the following minimum limits of insurance: General Aggregate (other than products/completed operations) limit \$2,000,000; Products/Completed Operations Aggregate limit \$2,000,000; Each Occurrence limit \$1,000,000; Personal and Advertising Injury limit \$1,000,000; Tenants Legal Liability limit \$1,000,000; Medical Expenses limit \$5,000. Such insurance policy shall (i) be an occurrence basis policy; (ii) be primary to all other insurance applicable to the Premises and operations on the Premises; and (iii) provide "first dollar" coverage. In the event that such insurance policy covers multiple locations, the General Aggregate shall apply "per location."

(iii) Workers compensation insurance as required by law. In addition, Tenant shall maintain the insurance required by Article XXIII hereof.

(iv) Automobile liability -- A policy of automobile liability insurance, including coverage for hired and non-owned auto liability, with a combined single limit of not less than \$1,000,000.

(v) Umbrella -- Umbrella form or Excess liability insurance providing, at a minimum, "following form" coverage over the insurance policies referred to in (ii), (iii) and (iv) herein with a limit of not less than \$4,000,000 per occurrence and per aggregate.

(2) Tenant's insurance policies shall contain a provision that (i) no act or omission of Tenant shall affect or limit the obligation of the insurer to pay the amount of any loss sustained, and (ii) the policy is non-cancelable with respect to the Landlord Parties unless at least thirty (30) days of advance written notice is given to Landlord, except that Tenant's insurance

policies may be cancelable on no less than ten (10) days of advance written notice to Landlord for non-payment of premium. If Tenant receives any notice of cancellation or any other notice from the insurance carrier that may adversely affect the coverage of the insureds under Tenant's insurance policies, then Tenant shall immediately deliver to Landlord a copy of such notice.

(3) Tenant shall cause Tenant's insurance policies to be issued by reputable and independent insurers that are (i) permitted to do business in the State of California, and (ii) rated in Best's Insurance Guide, or any successor thereto, as having a general policyholder rating of A and a financial rating of at least IX (it being understood that if such ratings are no longer issued, then such insurer's financial integrity shall conform to the standards that constitute such ratings from Best's Insurance Guide as of the date hereof).

(4) Tenant has the right to satisfy Tenant's obligation to carry Tenant's Property Policy and liability policies with a blanket insurance policy if such blanket insurance policy provides, on a per occurrence basis or per location basis, that a loss that relates to any other location does not impair or reduce the level of protection available for the Premises below the amounts required by this Lease.

(5) With respect to any loss resulting:

(i) from property damage liability, bodily injury liability, personal and advertising injury liability, and/or medical payments (as these terms are generally understood in insurance policies then in effect covering automobile liability, commercial general liability, and/or workers compensation and employers liability), and/or

(ii) from or for damage to Tenant's property, or to property under Tenant's care, custody, or control (including any indirect or consequential loss arising from such property damage),

which loss is covered by any insurance carried (or required to be carried under this Lease) by or for the benefit of Tenant, Tenant (and any person and/or entity claiming through Tenant) hereby releases Landlord Parties and waives any claim, based on negligence or otherwise, against Landlord Parties. Any deductible and/or self-insured retention under such insurance shall be deemed to be insurance carried by or for the benefit of Tenant.

This waiver of rights of recovery by Tenant also applies to any work done, being done or to be done by, for, or on behalf of Tenant by any contractor or Tenant, and shall survive the termination of such work or completion of such job or work.

(6) Tenant shall deliver to Landlord appropriate certificates of insurance required to be carried by Tenant pursuant to this Section 8.1(J), including evidence of waivers of subrogation and naming of additional insureds, by the Commencement Date and then no later than ten (10) days prior to the expiration of such policies. Additionally, Tenant shall deliver to Landlord a copy of Tenant's insurance policies within ten (10) days following Landlord's request for same.

(7) If (i) Tenant (or any other person claiming by, through or under Tenant) uses the Premises for any purpose other than the Permitted Use, and (ii) the use of the Premises by Tenant (or such other person) causes the premium for any insurance policy carried by

Landlord to exceed the premium that would have otherwise applied therefor if Tenant (or such person) used the Premises for the Permitted Use, then Tenant shall pay to Landlord, as Additional Rent, an amount equal to such excess, on or prior to the thirtieth (30th) day after the date that Landlord gives to Tenant an invoice therefor. Nothing contained in this Section 8.1(J)(7) expands Tenant's rights under Article V hereof.

(8) Landlord shall have the right, at any time and from time to time during the Term, on not less than thirty (30) days' notice to Tenant, to require that Tenant increase the amounts and/or types of coverage required to be maintained under this Article VIII to the amounts or coverages then customary for first-class retail stores in the vicinity of the Building, to the extent reasonably related to the nature of the business activities of the occupants of the Premises and customer traffic in the Premises.

(9) Tenant shall replace, at the expense of Tenant, any and all plate and other glass damaged or broken from any cause whatsoever in and about the Premises. Notwithstanding anything contained in the foregoing, Tenant shall be permitted to self-insure with respect to plate glass if Tenant is not able to obtain insurance coverage for this exposure.

(10) At the expiration or any earlier termination of this Lease, Tenant shall terminate its occupancy of, and quit and surrender to Landlord, the Premises broom-clean and in good condition except for (i) ordinary wear and tear, (ii) loss or damage by fire or other casualty that shall not have been occasioned by the fault or neglect of Tenant, and (iii) any other loss or damage with respect to which Tenant is relieved from liability pursuant to Section 12.1.

(K) Tenant's Indemnity.

(1) Tenant will defend, indemnify and save harmless each of the Landlord Parties from and against any and all damages, costs, reasonable attorneys' fees, liability and expense arising from (i) Tenant's use and occupancy of the Premises; (ii) any breach of this Lease by Tenant, including, without limitation, any damages, costs, reasonable attorneys' fees, liability and expense arising from Tenant's use of the Premises in violation of any federal laws; (iii) any other act or omission by Tenant or by any other person or entity for whose acts or omissions Tenant is legally responsible, and (iv) any and all claims, action, complaints, allegations or suits instituted against Tenant, its subtenants or its assignees, or against Landlord, its agents, employees or affiliates, by any person or entity, including, without limitation, customers, contractors, agents or employees of other licensees, concessionaires, or agents or employees of Tenant, in connection with loss of life, bodily injury, personal injury, emotional or mental injury or distress, and/or damage to property occurring in, on or about, or arising out of Tenant's use of the Premises and/or the Premises, its entranceways or its adjacent sidewalks or loading areas, and in addition, with respect to Tenant's contractors, occurring anywhere on or about the Premises, regardless of whether caused in whole or in part by any negligent or intentional act or omission of Tenant, its subtenants, assignees, agents, employees, licensees, concessionaires, customers and/or invitees, contractors, or any other person or entity. Without limiting the generality of the foregoing, Tenant specifically acknowledges that the indemnity undertaking herein shall apply to claims in connection with or arising out of any "Work" as described in Article XXIII, the use or consumption of any utilities in the Premises under Article VII, any repairs or other work by or for Tenant under

Section 8.3 and the transportation, use, storage, maintenance, generation, manufacturing, handling, disposal, release or discharge of any "Hazardous Substances or Waste" as described in Article XXIV (whether or not such matters shall have been theretofore approved by Landlord).

(2) The indemnity undertaking herein by Tenant shall not apply to the extent the loss, injury, or damage referred to herein is caused by or results from the negligence or willful misconduct of the Landlord Parties, or where and to the extent such indemnification by Tenant would be void by statute or under law. Tenant's indemnification of each Landlord Party, with respect to any claim, action, complaint, allegation or suit instituted against any of the Landlord Parties by an employee of Tenant or Tenant's agent, shall apply fully as set forth hereinabove and without defense or setoff pursuant to any Workers' Compensation laws. This indemnification provision shall be interpreted to be enforced to the full extent permitted by law.

(3) If any provision of this Tenant's Indemnification paragraph were to be held invalid in its current form by the law of any jurisdiction under which it is construed, then such provision shall be amended to the minimum extent necessary to comply with such law, and the provision shall be deemed to have always existed in such amended form in such jurisdiction. Tenant's obligations under this paragraph shall survive the expiration, early termination or modification of this Lease. Each of the Landlord Parties shall also be entitled to partial indemnification from Tenant and/or contribution from Tenant for the Landlord Party's pro rata share of liability, and/or any sums that the Landlord Party may be compelled to pay in excess of its pro rata share of liability, even where a loss arises from the joint negligence or willful misconduct of a Landlord Party and another party.

(4) Notwithstanding anything to the contrary contained herein, in the event Landlord is subject to any action or proceeding or is subject to any penalty, including without limitation any civil forfeiture under the Controlled Substances Act, Tenant shall fully defend, indemnify and hold Landlord harmless from and against any and all damages, costs, attorneys' fees, liability and expense arising with respect to same. This indemnity shall survive the termination of this Lease.

SECTION 8.2 Repairs by Landlord. Subject to Article XII and Article XIII hereof, Landlord, at its sole cost and expense except and to the extent that repairs and/or alterations to any of the following are necessitated as a result of Tenant's Permitted Use or Tenant's Work or a breach of the Lease by Tenant, in which case Tenant shall bear the cost and expense thereof, shall keep the foundations of the Building; the structural soundness of the roof and the exterior supports of the Building (collectively, the "Structural Elements") in good condition and repair, provided however, if any damage is caused by any act, alteration, negligence or omission of Tenant, Tenant shall be required to repair such damage, or reimburse Landlord, on demand, for the cost thereof, if Landlord makes such repair. Nothing contained herein shall require Landlord to undertake any such work on a so-called priority or overtime basis, unless Tenant elects to pay the additional cost of performance in that manner. All other repairs to the Premises shall be at Tenant's sole cost and responsibility. Notwithstanding anything to the contrary contained herein, except as otherwise expressly provided in this Lease, (i) Landlord shall not be responsible for repairs and maintenance other than to the Structural Elements, and (ii) Landlord shall only be obligated to repair Structural Elements that are not part of the Premises if the condition requiring the repair materially adversely affects Tenant's business in the Premises.

SECTION 8.3 Repairs by Tenant.

(A) Tenant, at its sole cost and expense, shall keep the Premises, stairways, sidewalks, curbs and the windows to the Premises, if any of the foregoing exist, clean and in good repair and condition and free of accumulation of dust, rubbish, snow and ice. Tenant shall maintain, operate and repair, at its sole cost and expense Tenant's heating, ventilation and air conditioning system and equipment ("HVAC"), the utilities, plumbing, sewer, sprinkler and electrical and all other systems serving the Premises. In the event that a violation is placed against Tenant, Landlord and/or the Premises, caused by Tenant's actions or omissions by the Department of Buildings, the Environmental Control Board, or any other governmental/municipal, administrative or legal agency, with regard to the sidewalks adjoining the Premises for accumulation of rubbish, snow or ice, disrepair of the sidewalk or any other reason, then Tenant shall remedy any such violation and pay any fines, penalties and interest related to such violation. In the event Tenant fails to comply with its obligations hereunder, then Landlord shall have the right but not the obligation to perform such obligations, with notice to Tenant, and charge Tenant the costs incurred by Landlord as Additional Rent, and Tenant shall pay same within thirty (30) days of being billed for same. Tenant waives the benefit of any applicable law purporting to allocate Tenant's responsibility for repairs other than as set forth in this Lease or affording Tenant any right to make repairs at the expense of Landlord or to terminate this Lease on the basis of any necessary repairs. Notwithstanding anything to the contrary contained herein, Tenant shall be responsible for the repair and maintenance of all parts of the Premises other than those that are Landlord's responsibility as provided in Section 8.2 above.

(B) Tenant shall not place a load upon any floor in the Premises or in the Building exceeding the lesser of fifty (50) pounds per square foot "live load" or the limit allowed by applicable law. Tenant shall not move any safe, heavy machinery, heavy equipment, business machines, freight, bulky matter or fixtures into or out of the Building without Landlord's prior consent, and shall make payment to Landlord of Landlord's reasonable, out-of-pocket costs in connection therewith. If such safe, machinery, equipment, freight, bulky matter or fixtures requires special handling, Tenant shall employ only persons holding a master rigger's license to do such work. All work in connection therewith shall comply with all legal and insurance requirements and the rules and regulations for the Building adopted by Landlord, as may be amended by Landlord from time to time, and shall be done at any time, provided that if such work is reasonably likely to materially interfere with the operation of the Building, then such work shall be done during such hours as Landlord may reasonably designate. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance.

Tenant hereby waives all right to make repairs at the expense of Landlord or in lieu thereof to vacate the Premises and its other similar rights as provided in California Civil Code Sections 1932(1), 1941 and 1942 or any other Legal Requirement (whether now or hereafter in effect). Moreover, Tenant shall be obligated to repair all unusual tenant fixtures and improvements installed by Tenant, such as garbage disposals, raised flooring, showers, safes, plumbing, and appliances.

SECTION 8.4 HVAC Maintenance Contract. As part of Tenant's obligation to maintain and repair the HVAC serving the Premises, Tenant shall enter into an annual contract with an air

conditioning repair firm approved by Landlord and fully licensed to repair air conditioning units in California, which firm shall regularly service the units and perform emergency and extraordinary repairs thereto. Upon request, Tenant shall provide to Landlord a copy of such annual contract and shall, upon receipt, forward to Landlord any and all notices from such contractor in connection therewith. Nothing herein shall limit Tenant's obligation to maintain the air conditioning units in good condition and repair throughout the Term.

SECTION 8.5 Violations. In the event any violation from the Department of Buildings, the Environmental Control Board, or any other governmental/municipal, administrative or legal agency is placed against Landlord, the Premises or the Building as a result of Tenant's use of the Premises, Tenant's Alterations or Tenant's acts or omissions and such violation (i) impedes Landlord's ability to perform its obligations under any other lease for space in the Building, or (ii) impedes the ability of Landlord, the Condominium (if applicable) to obtain permits from the San Francisco Department of Building Inspection or any other governmental/municipal agency, or (iii) impedes Landlord's, the Condominium's (if applicable) ability to obtain a temporary or permanent certificate of occupancy, then in addition to Tenant's obligation to cure such violation and pay any and all fines, penalties and interest related thereto, Tenant shall be obligated to reimburse Landlord as Additional Rent, within ten (10) days of Landlord's demand therefor, any and all expenses incurred by Landlord due to such violation, including, without limitation, loss of rent from other potential tenants of the Building.

ARTICLE IX

Compliance with Laws

SECTION 9.1 Compliance with Laws. Tenant, at its expense, shall comply with all Laws (whether any Laws are in effect on, or enacted or made effective after, the date hereof, whether contemplated or foreseen on the date hereof or not) that shall impose any violation, order or duty upon Landlord, the Condominium, or Tenant with respect to the Premises or the use or occupancy thereof or any Alteration (as hereinafter defined) performed by or on behalf of Tenant. If the Building shall now or hereafter be subject to any law, order or regulation affecting its structural integrity; the physical condition of its façade, roof, parapets or other exterior parts thereof; its life, fire, sprinkler or other safety systems; or the accessibility of the Building and its accoutrements to the handicapped or disabled; or the regulation, containment, abatement, or removal of hazardous substances therein (including, without limitation, asbestos and asbestos-containing materials), including, without limitation, compliance with the San Francisco Department of Building Inspection, and the Americans with Disabilities Act of 1990, as amended, that requires Landlord, the Condominium or any tenant or occupant of the Building to incur any obligation or expense to install, alter, make any addition to or improve the Building or any system thereof or any equipment or accoutrement to any of the foregoing or install any new system, Tenant shall reimburse Landlord in monthly installments, as Additional Rent hereunder, commencing on the first day following Landlord's notice or demand for payment thereof, Tenant's Proportionate Share of the cost of such alteration, addition, or improvement. The foregoing shall require Tenant to do all work and shall require Tenant to perform, at its sole cost and expense, asbestos abatement and abatement of any other hazardous or toxic material that may become necessary by reason of any Tenant installation, alteration, improvement or work.

The parties acknowledge that myriad regulations and local, state, and federal laws and private persons shall govern the operation of Tenant's use and that Tenant alone will be responsible for compliance with all mandates and requirements of any nature. The parties also acknowledge that under federal law, the production, distribution and sale of Cannabis remains a violation of the Controlled Substances Act and that, as between Landlord and Tenant, the risk of enforcement of such laws is on Tenant. Tenant's foregoing obligation shall encompass (i) all state and local laws and regulations from any governmental authority with jurisdiction over Tenant's use, and local zoning ordinances; and (ii) all federal laws to the extent those laws are not inconsistent with state and local laws allowing Tenant to use the Premises for the Permitted Use. The covenant to comply encompasses all applicable laws that become effective before and during the Lease Term, as may be extended (collectively, the "Mandates"), regardless of the cost of such compliance. Tenant's inability to comply with the Mandates shall be grounds for termination of this Lease.

This Agreement and all related documents, including all exhibits attached hereto and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State of California, United States of America without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of California. EACH PARTY ACKNOWLEDGES THAT: (I) CALIFORNIA HAS PASSED AMENDMENTS TO THE CALIFORNIA CONSTITUTION AND ENACTED CERTAIN LEGISLATION TO GOVERN THE CANNABIS INDUSTRY; AND (II) THE POSSESSION, SALE, MANUFACTURE, AND CULTIVATION OF CANNABIS PRODUCTS IS ILLEGAL UNDER FEDERAL LAW. EACH PARTY WAIVES ANY DEFENSES BASED UPON ILLEGALITY OR INVALIDITY OF CONTRACTS FOR PUBLIC POLICY REASONS AND/OR THE SUBSTANCE OF ANY DEFINITIVE AGREEMENT VIOLATING FEDERAL LAW. EACH PARTY HEREBY VOLUNTARILY AND UNCONDITIONALLY WAIVES, IN RELATION TO THIS AGREEMENT OR ANY ISSUE THEREUNDER: (A) ANY RIGHT OF REMOVAL OR APPEAL TO THE UNITED STATES FEDERAL DISTRICT COURTS, INCLUDING WITHOUT LIMITATION WAIVING THE RIGHT TO REMOVE TO FEDERAL COURT BASED ON DIVERSITY OF CITIZENSHIP; AND (B) ANY RIGHT TO COMPEL OR APPEAL ARBITRATION, TO CONFIRM ANY ARBITRATION AWARD OR ORDER, OR TO SEEK ANY AID OR ASSISTANCE OF ANY KIND IN THE UNITED STATES FEDERAL DISTRICT COURTS. Notwithstanding any provision to the contrary, this Agreement shall be enforced in accordance with California Civil Code §1550.5, namely, commercial activity conducted in compliance with California law and applicable local standards, requirements, and regulations shall be deemed to be a lawful object of a contract and not contrary to an express provision of law, any policy of express law, good morals, or public policy.

Tenant hereby covenants to dispose, according to Mandates, all unused inventory, refuse, and scrap materials and thereafter to clean to commercially acceptable standards all floors, walls, immovable fixtures, and air ducts serving the Premises. Tenant's covenant to comply with all applicable Mandates shall apply equally to dismantling Tenant's operations at the end of the Lease Term and surrender of the Premises. Landlord shall not return the Security Deposit to Tenant until an inspection of the Premises discloses that the above cleaning and disposal and removal of Alterations required by this Lease have been satisfactorily completed.

SECTION 9.2 Fire Rating Agencies. Tenant at its expense shall comply with all requirements of the California Board of Fire Underwriters, or any other similar body affecting the Premises and shall not use the Premises in a manner which shall increase the rate of fire insurance of Landlord, over that in effect prior to this Lease. If Tenant's use of the Premises increases the fire insurance rate, Tenant shall reimburse Landlord for all such increased costs.

ARTICLE X

Assignment and Subletting

SECTION 10.1 Assignment, Subletting and Other Transfers.

(A) Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns expressly covenants that it shall not transfer, assign, hypothecate, mortgage or otherwise encumber this Lease, nor underlet, or suffer or permit the Premises or any part thereof to be used by others, without the prior written consent of Landlord in each instance except as otherwise expressly provided in Section 10.1(B). The indirect or direct transfer of the majority of the stock of a corporate tenant or the majority partnership interest of a partnership tenant or the majority of the membership interest of a limited liability company tenant shall be deemed an assignment. If this Lease be assigned, or if the Premises or any part thereof be underlet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, undertenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of the covenant, or the acceptance of the assignee, undertenant or occupant as the tenant under this Lease, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Landlord to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or underletting.

(B) Notwithstanding anything to the contrary contained in Section 10.1(A), the following shall govern:

(1) Prohibition Without Consent. If Tenant shall at any time or times during the Term desire to assign this Lease or sublet all of the Premises, Tenant shall give notice thereof to Landlord, which notice shall be accompanied by (i) a conformed or photostatic copy of the executed proposed assignment or sublease, the effective or commencement date of which shall be not less than sixty (60) nor more than one hundred eighty (180) days after the giving of such notice, (ii) a statement setting forth in reasonable detail the identity of the proposed assignee or subtenant, the nature of its business and its proposed use of the Premises, and (iii) current financial information with respect to the proposed assignee or subtenant, including, without limitation, its most recent financial report, which shall have been certified by an independent public accountant. The aforesaid notice shall be deemed an offer from Tenant to Landlord whereby Landlord (or Landlord's designee) may, at its option, either (x) terminate this Lease and recapture the Premises or (y) sublet the Premises pursuant to the terms and conditions set forth in Tenant's request to so sublet the Premises in accordance with subsection (3) below. Said option may be exercised by

Landlord by notice to Tenant at any time within sixty (60) days after Landlord's receipt of the aforesaid notice; and during such sixty (60) day period Tenant shall not assign this Lease nor sublet such space to any person.

(2) Termination by Landlord. If Landlord exercises its option to terminate this Lease as provided in Section 10.1(B)(1) above, then this Lease shall end and expire on the date that such assignment or sublet was to be effective or commence, as the case may be, and the Rent due hereunder shall be paid and apportioned to such date. If Landlord exercises its option to terminate this Lease pursuant to 10.1(B)(1) above, Landlord shall be free to and shall have no liability to Tenant if Landlord should lease the Premises (or any part thereof) to Tenant's prospective assignee or subtenant.

(3) Sublease by Landlord. Landlord or its designee may, at its option, in lieu of exercising its termination option described in Section 10.1(B)(1) but subject to the same sixty (60) day period, sublease from Tenant the space described in Tenant's notice (such space being hereafter referred to as the "Leaseback Space"). If Landlord exercises its option to sublease the Leaseback Space from Tenant pursuant to the terms and conditions as set forth in Tenant's request to Landlord, then (i) the parties shall enter into an agreement to reasonably evidence same, and in such event there shall be no merger of Landlord's estates, and (ii) such sublease shall be at a rental rate equal to the product of the lesser of (x) the rent per rentable square foot then payable pursuant to this Lease, and (y) the rent per rentable square foot contained in the proposed and executed sublease agreement, multiplied by the rentable square foot area of the Leaseback Space. Landlord's sublease of the Leaseback Space shall be for the same term as that of the proposed sublease; and shall:

(i) be expressly subject to all of the covenants, terms and conditions of this Lease except such as are irrelevant or inapplicable, and except as expressly set forth in this Article 10 to the contrary;

(ii) give the subtenant the unqualified and unrestricted right, without Tenant's consent, to assign such sublease or any interest therein and/or to sublet all or any portion of the space covered by such sublease and to make alterations and improvements in the space covered by such sublease;

(iii) provide that any assignee or further subtenant of Landlord or its designee, may, at Landlord's option, be permitted to make alterations and decorations in such space and that any or all of such alterations and decorations may be removed by such assignee or subtenant, at its option, prior to or upon the expiration or other termination of such sublease, provided that such assignee or subtenant shall, at its expense, repair any damage caused by such removal; and

(iv) provide that (A) the parties to such sublease expressly negate any intention that the sublease estate be merged with any other estate held by either of such parties, (B) any assignment or sublease by Landlord or its designee (as the subtenant) may be for any purpose or purposes that Landlord, in its sole discretion, shall deem appropriate, (C) Tenant shall, at its sole cost and expense, at all times provide and permit reasonably appropriate means of ingress to and egress from such space so sublet by Tenant to Landlord or its designee, (D) Landlord may,

at Tenant's expense, make such alterations as may be required or deemed necessary by Landlord to physically separate the Leaseback Space from the balance of the Premises and to comply with any requirements, including insurance requirements relating to such separation, and (E) at the expiration of the term of such sublease, Tenant will accept the Leaseback Space in its then existing condition, subject to the obligations of the subtenant to make such repairs as may be necessary to preserve such premises in good order and condition.

If Landlord exercises its option to sublet the Leaseback Space:

- a. Performance by Landlord, or its designee, under a sublease of the Leaseback Space shall be deemed performance by Tenant of any similar obligation under this Lease and Tenant shall not be liable for any default under this Lease or deemed to be in default hereunder if such default is occasioned by or arises from any act or omission of the subtenant pursuant to such sublease;
- b. Tenant shall have no obligation, at the expiration or earlier termination of the Term, to remove any alteration, installation or improvement made in the Leaseback Space by Landlord (or Landlord's designee); and
- c. Any consent required of Tenant, as sub-landlord under the sublease, shall be deemed granted if consent with respect thereto is granted by Landlord under this Lease, and any failure of Landlord (or its designee) to comply with the provisions of the sublease other than with respect to the payment of Rent shall not constitute a default thereunder or hereunder if Landlord shall have consented to such non-compliance.

(4) Conditions for Landlord's Approval. In the event Landlord does not exercise its option provided to it pursuant to Section 10.1(B)(1) above and provided that Tenant is not in default of any of Tenant's obligations under this Lease (beyond applicable cure or grace periods) as of the time of Landlord's consent, and as of the effective date of the proposed assignment or commencement date of the proposed sublease, Landlord's consent (which must be in writing and form reasonably satisfactory to Landlord) to the proposed assignment or sublease shall not be unreasonably withheld, conditioned or delayed provided and upon condition that:

(i) Tenant shall have complied with the provisions of Section 10.1(B)(1) above and Landlord shall not have exercised its option under said Section 10.1(B)(1) above within the time permitted therefor;

(ii) In Landlord's sole but reasonable judgment, the proposed assignee or subtenant is engaged in a business or activity, and the Premises will be used in a manner, that (i) is in keeping with the then standards of the Building and/or with the standards of comparable buildings located in the vicinity of the Building, (ii) is limited to the use of the Premises for the Permitted Use, and (iii) will not violate any negative covenant as to use contained in any other lease of space in the Building;

(iii) The proposed assignee or subtenant is a reputable person or entity of good character and with sufficient financial worth considering the responsibility involved, and Landlord has been furnished with reasonable proof thereof;

(iv) The proposed assignee or sublessee is not a person with whom Landlord is then negotiating to lease space in the Building or any other property owned by Landlord or an affiliate of Landlord;

(v) The form of the proposed sublease or instrument of assignment (i) shall be in form reasonably satisfactory to Landlord and (ii) shall comply with the applicable provisions of this Article X;

(vi) Subject to Tenant's compliance with applicable Laws (other than federal laws, orders, rules and regulations, including but not limited to the Controlled Substances Act), and all other Cannabis-related laws, Tenant may sublease the first and second floors of the Premises for use as cannabis store-front retail and non-store front retail delivery businesses, and the third floor of the Premises for use as a cannabis consumption lounge business, and for no other purposes;

(vii) The amount of the aggregate rent to be paid by the proposed subtenant is not less than the then current market rent per rentable square foot for the Premises as though the Premises were vacant, and the rental and other terms and conditions of the sublease are the same as those contained in the proposed sublease furnished to Landlord pursuant to Section 10.1(B)(1) above;

(viii) Tenant shall reimburse Landlord on demand for the reasonable costs that may be incurred by Landlord in connection with said assignment or sublease, including without limitation, the costs of making investigations as to the acceptability of the proposed assignee or subtenant and the reasonable legal costs incurred in connection with the granting of any requested consent;

(ix) Tenant shall not have advertised or publicized in any way the availability of the Premises without prior notice to Landlord, nor shall any advertisement state the name (as distinguished from the address) of the Building or the proposed rental or list the Premises for subletting or assignment with a broker, agent or representative other than the then managing agent of the Building or other agent designated by Landlord;

(x) The proposed subtenant or assignee shall not be entitled, directly or indirectly, to diplomatic or sovereign immunity and shall be subject to the service of process in, and the jurisdiction of the courts of California;

(xi) The proposed assignee or sublessee concurrently with the delivery of the assignment or sublease agreement, as the case may be, delivers to Landlord such additional security as Landlord may reasonably request based on, among other things, the financial worth and business experience of such proposed assignee or subtenant (but in no event less than an amount equal to two (2) months' Fixed Rent payable by Tenant hereunder during the last Lease Year), to be held by Landlord as additional security in accordance with this Lease. In addition, the principals of the proposed assignee or subtenant, as the case may be, shall deliver a guaranty in favor of Landlord in form and substance reasonably satisfactory to Landlord;

(xii) The proposed assignee or sublessee, concurrently with the delivery of the assignment or sublease agreement, as the case may be, delivers to Landlord a

mutually certified statement of the full extent of the consideration, if any, to be paid to Tenant by the assignee or the sublessee for or by reason of such assignment or sublease, as the case may be, (including, but not limited to, sums paid for the sale of Tenant's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property); and

(xiii) The Guarantor (as hereinafter defined) shall remain fully liable under the Guaranty (as hereinafter defined).

(5) Reactivation of Termination Option. In the event that (i) Landlord fails to exercise its option under Section 10.1(B)(1) above and consents to a proposed assignment or sublease, and (ii) Tenant fails to execute and deliver the assignment or sublease to which Landlord consented within ninety (90) days after the giving of such consent, then Tenant shall again comply with all of the provisions and conditions of Section 10.1(B)(1) above before assigning this Lease or subletting the Premises.

(6) Sublease Provisions. With respect to each and every sublease or subletting authorized by Landlord under the provisions of this Lease, it is further agreed that:

(i) No subletting shall be for a term ending later than one (1) day prior to the Expiration Date of this Lease;

(ii) No sublease shall be delivered, and no subtenant shall take possession of the Premises or any part thereof, until an executed counterpart of such sublease has been delivered to Landlord;

(iii) Each sublease shall provide that it is subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and that in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over all of the right, title and interest of Tenant, as sublessor, under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not (a) be liable for any previous act or omission of Tenant under such sublease, (b) be subject to any counterclaim, offset or defense not expressly provided in such sublease and that theretofore accrued to such subtenant against Tenant, or (c) be bound by any previous modification of such sublease or by any previous prepayment of more than one (1) month's Fixed Rent. The provisions of this Article X shall be self-operative and no further instrument shall be required to give effect to this provision.

(iv) If any Laws require that any asbestos or other hazardous material contained in or about the Premises be dealt with in any particular manner in connection with any alteration of the Premises, then it shall be the subtenant's obligation, at the subtenant's expense, to deal with such asbestos or any other hazardous material in accordance with all such Laws.

(v) Each subletting pursuant to this Article X shall be subject to all of the covenants, agreements, terms, provisions and conditions contained in this Lease. Notwithstanding any such subletting to any subtenant and/or acceptance of Fixed Rent or Additional Rent by Landlord from any subtenant, (x) the Guarantor shall remain fully liable under the Guaranty, (y) Tenant shall remain fully liable for (i) the payment of the Rent due and to become

due hereunder and (ii) the performance of all the covenants, agreements, terms, provisions and conditions contained in this Lease on the part of Tenant to be performed, and (z) all acts and omissions of any licensee or subtenant, or anyone claiming under or through any subtenant, that shall be in violation of any of the obligations of this Lease shall be deemed to be a violation by Tenant. Tenant further agrees that notwithstanding any such subletting, no other and further subletting of the Premises by Tenant or any person claiming through or under Tenant shall or will be made except upon compliance with and subject to the provisions of this Article X. If Landlord shall decline to give its consent to any proposed assignment or sublease, or if Landlord shall exercise its option under Section 10.1(B)(1), Tenant shall indemnify, defend and hold harmless Landlord against and from any and all loss, liability, damages, costs and expenses (including reasonable counsel fees) resulting from any claims that may be made against Landlord by the proposed assignee or sublessee.

(7) Profits. If Landlord shall give its consent to any assignment of this Lease or to any sublease, Tenant shall in consideration therefor, pay to Landlord, as Additional Rent the following sums:

(i) in the case of an assignment, other than a Permitted Transfer, an amount equal to all sums and other considerations paid to Tenant by the assignee for or by reason of such assignment (including, but not limited to, sums paid for the sale of Tenant's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property, less, in the case of a sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns), less all expenses reasonably and actually incurred by Tenant on account of brokerage commissions and advertising costs in connection with such assignment, provided that Tenant shall submit to Landlord a receipt evidencing the payment of such expenses (or other proof of payment as Landlord shall require); and

(ii) in the case of a sublease other than a Permitted Transfer, any rents, additional charges or other consideration payable under the sublease to Tenant by the subtenant that is in excess of the Rent accruing during the term of the sublease in respect of the sublease space pursuant to the terms hereof (including, but not limited to, sums paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property, less, in the case of the sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns), less all expenses reasonably and actually incurred by Tenant on account of brokerage commissions and advertising costs in connection with such sublease, provided that Tenant shall submit to Landlord a receipt evidencing the payment of such expenses (or other proof of payment as Landlord shall require). The sums payable under this Section 10.1(B)(7)(ii) shall be paid to Landlord as and when payable by the subtenant to Tenant.

(8) Permitted Transfers. Notwithstanding anything to the contrary contained in this Article X or elsewhere in this Lease, and without any Landlord right of termination, recapture, sublease by Landlord or profit sharing, provided, and on the condition, that, Tenant shall not then be in Default hereunder (beyond applicable cure or grace periods), this Lease may be assigned and Tenant shall have the right to sublease all or any portion of the Premises (so long as the entire Premises is leased and/ or subleased to Tenant and the Permitted Transferees), without the consent of Landlord to (x) any one or more corporation, limited liability company or

other legal entity into which or with which Tenant may be merged or consolidated, or which shall purchase all or substantially all of the assets or a controlling interest in the stock of Tenant, (y) any one or more Affiliate (which term "Affiliate" shall mean any entity, directly or indirectly, through one or more intermediaries, which controls, is controlled by or is under common control with Tenant, as such terms are defined below, or is a partner of Tenant) or (z) any one or more successor entity created by merger, reorganization, recapitalization or acquisition of Tenant, provided each of the following conditions (i) through (v) shall be complied with. Landlord expressly acknowledges and agrees that Tenant intends to sublease portions of the Premises to three (3) or more related entities (which term shall be read to include any form of entity described in (x), (y) and/or (z), above) and, subject to Tenant's and the related entities' compliance with all applicable provisions of this Article X, each and any such sublease shall be considered a Permitted Transfer.

(i) If such assignment or sublease of the entire Premises shall be to a successor by merger or consolidation, reorganization or recapitalization or by acquisition of assets or a controlling interest in the stock of Tenant, such successor shall have acquired all or substantially all of the assets or a controlling interest in the stock, and assumed all of the liabilities, of Tenant, and shall have total assets and total net worth at least equal to the greater of the total of the assets and total net worth, respectively, of Tenant as of (i) the effective date of this Lease and (ii) the date which is twelve (12) months immediately prior to the date of the assignment or sublease.

(ii) If such assignment or sublease of the entire Premises shall be to an Affiliate, such Affiliate shall have assumed all of the liabilities hereunder of Tenant, and Tenant shall have expressly agreed, in writing, to continue to remain liable under the Lease, and Guarantor shall have expressly agreed, in writing, to remain liable under the Guaranty; provided, that with respect to such Affiliate, any future transaction or occurrence whereby it ceases to be an Affiliate shall not be deemed to be a Permitted Transfer (as herein defined) under this Section 10.1(B)(8) (but rather shall be deemed an assignment or sublease requiring Landlord's consent as provided hereinabove).

(iii) The assignee or subtenant, as applicable, shall at all times use the Premises for only the Permitted Use.

(iv) The transaction shall be made for a good faith operating business purpose, and not intended to evade compliance with the provisions of this Article concerning assignment.

(v) Landlord shall be given a duplicate original counterpart of the instrument of assignment, or if none then of the instrument effecting the assignment, five (5) business days prior to the effective date thereof (or, if such prior delivery is precluded by applicable Law or confidentiality agreement, within ten (10) business days following the effective date thereof).

For the purposes of this Subsection (8): (x) "control" shall mean the power by ownership or contract, effectively to control the operations and management of the entity controlled along with some equity ownership; and (y) "net worth" shall be deemed to mean an entity's equity, as reported in such entity's annual financial statements (prepared in accordance with generally

accepted accounting principles and audited by a "Big Four" accounting firm or other independent accounting firm reasonably acceptable to Landlord), less the intangible assets of such entity, including but not limited to, copyrights, trademarks, trade names, licenses, patents, franchises, goodwill, operating rights and deferred financing costs. Any assignment or sublease by Tenant pursuant to this Section 10(B)(8) to an Affiliate or in connection with a sale or merger shall be for a legitimate, bona fide purpose and not, either directly or indirectly, to transfer the leasehold created hereby in order to circumvent this Article X. Any such assignment or sublease to an Affiliate shall only constitute a Permitted Transfer if and for so long as the assignee or sublessee, as applicable, remains an Affiliate of Tenant, and upon cessation of such affiliation Tenant shall treat the assignee or sublessee, as applicable, as an unrelated third party and the transfer provisions of this Article X shall apply to such assignee or sublessee, as applicable. Any transaction meeting the requirements of this Subsection (8) shall be referred to as a "Permitted Transfer."

(9) Assumption by Assignee. Any assignment or transfer of this Lease shall be made only if, and shall not be effective until, the assignee shall execute, acknowledge and deliver to Landlord an agreement in form and substance satisfactory to Landlord whereby the assignee shall assume the obligations of this Lease on the part of Tenant to be performed or observed and whereby the assignee shall agree that the provisions in this Article X, shall, notwithstanding such assignment or transfer, continue to be binding upon it in respect of all future assignments and transfers. The original named Tenant covenants that, notwithstanding any assignment or transfer, whether or not in violation of the provisions of this Lease, and notwithstanding the acceptance of Rent by Landlord from an assignee, transferee, or any other party, the original named Tenant shall remain fully liable for the payment of the Rent and for the other obligations of this Lease on the part of Tenant to be performed or observed and the Guarantor shall remain fully liable under the Guaranty.

(10) Liability by Tenant. The joint and several liability of Tenant and any immediate or remote successor in interest of Tenant and the due performance of the obligations of this Lease on Tenant's part to be performed or observed shall not be discharged, released or impaired in any respect by any agreement or stipulation made by Landlord extending the time, or modifying any of the obligations, of this Lease, or by any waiver or failure of Landlord to enforce any of the obligations of this Lease. In no event shall any assignment of this Lease or sublease of all or any portion of the Premises, whether or not in violation of the terms and conditions of this Article X, release Tenant of any liability hereunder or release Guarantor of any liability under the Guaranty.

(11) Re-entry by Landlord. If Landlord shall recover or come into possession of the Premises before the date herein fixed for the termination of this Lease, Landlord shall have the right, at its option, to take over any and all subleases or sublettings of the Premises or any part thereof made by Tenant and to succeed to all the rights of said subleases and sublettings or such of them as it may elect to take over. Tenant hereby expressly assigns and transfers to Landlord such of the subleases and sublettings as Landlord may elect to take over at the time of such recovery of possession, such assignment and transfer not to be effective until the termination of this Lease or re-entry by Landlord hereunder or if Landlord shall otherwise succeed to Tenant's estate in the Premises, at which time Tenant shall upon request of Landlord, execute, acknowledge and deliver to Landlord such further instruments of assignment and transfer as may be necessary to vest in Landlord the then existing subleases and sublettings. Every subletting hereunder is

subject to the condition and by its acceptance of and entry into a sublease, each subtenant thereunder shall be deemed conclusively to have thereby agreed from and after the termination of this Lease or re-entry by Landlord hereunder or if Landlord shall otherwise succeed to Tenant's estate in the Premises, that such subtenant shall waive any right to surrender possession or to terminate the sublease and, at Landlord's election, such subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord, as its Landlord, under all of the then executory terms of such sublease, except that Landlord shall not (i) be liable for any previous act, omission or negligence of Tenant under such sublease, (ii) be subject to any counterclaim, defense or offset not expressly provided for in such sublease, which theretofore accrued to such subtenant against Tenant, (iii) be bound by any previous modification or amendment of such sublease or by any previous prepayment of more than one (1) month's rent and Additional Rent, which shall be payable as provided in the sublease, or (iv) be obligated to perform any work in the subleased space or the Building or to prepare them for occupancy beyond Landlord's obligations under this Lease, and the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment. Each subtenant or licensee of Tenant shall be deemed automatically upon and as a condition of occupying or using the Premises or any part thereof, to have given a waiver of the type described in and to the extent and upon the conditions set forth in this Article X.

ARTICLE XI

Changes by Landlord

SECTION 11.1 Changes by Landlord.

(A) Landlord shall have the right, without the same constituting an eviction or constructive eviction of Tenant in whole or in part and without any abatement of the Rent or liability to Tenant, to (i) place (and have access to) ducts, beams, pipes, joints, foundations, supports and conduits through the Premises (without a reduction or reconfiguration of the useable area of the Premises, except to a *de minimis* extent), (ii) enter the Premises on not less than twenty-four (24) hours' advance written or verbal notice, accompanied by an authorized representative of Tenant provided Tenant makes such a representative reasonably available (except in the event of an emergency, in which event no advance notice or authorized representative's accompaniment shall be required), to inspect the Premises, to show the Premises to others or to perform any work Landlord deems necessary to the Premises or the Building (including the Building systems) or for the purpose of complying with all Laws, (iii) alter, maintain or repair the Building (including the Building systems) or the land and (iv) take all material into the Premises that may be required in connection with any of the matters described in this Section. If Tenant is not present in the event of an emergency, Landlord or Landlord's contractors may enter the Premises (by force, if necessary) without liability to Tenant.

Notwithstanding the foregoing, Landlord shall have the right, at any time any portion of the Premises is occupied by Tenant's principals, agents, or contractors, including at times when the Premises is not open for business to the public, to enter the Premises for the purposes of ensuring compliance with the covenants, warranties, and representations of Tenant under this Lease. Landlord may photograph or video-record in any medium the activities of Tenant.

(B) Except as may be provided in this Lease, all exterior walls of the Building, core corridor walls, and exterior doors and entrances (other than surfaces facing the interior of the Premises and doors and entrances servicing only the Premises), balconies, terraces, vaults, Building systems and all other portions of the Building are reserved to Landlord for Landlord's use, are not part of the Premises, and, subject to the foregoing Section 11.1(A), Landlord may have access thereto through the Premises.

(C) Landlord shall exercise Landlord's rights under this Article XI in a manner that minimizes interference with the conduct of Tenant's business in the Premises and damage to the Premises, Tenant's Work and Tenant's Property (all of which shall promptly be repaired by Landlord, at its expense), it being understood and agreed that where feasible Landlord shall not exercise Landlord's rights under this Article XI during Tenant's hours of operation.

(D) Landlord shall be entitled to erect scaffolding or sidewalk sheds from time to time on and around the Building. In the event Landlord shall install or cause to be installed any scaffolding, sidewalk shed or any other protective structure on all or any portion of the storefront portion of the Building, Landlord shall use commercially reasonable efforts to minimize the period of time during which such scaffolding, sidewalk shed or other protective structure must remain in place, to the extent practicable, and the extent to which the same shall impair the visibility of the Premises. All scaffolding or sidewalk sheds, to the extent reasonably practicable, shall be double height, so as to clear any existing Tenant signs, lights and windows. In the event Tenant's signage or store windows are blocked, upon Tenant's request, but only to the extent permitted by applicable Laws, Landlord shall, at its sole cost and expense, install signage identifying Tenant by its trade name on the face of such scaffolding, sidewalk shed or other protective structure, at a location directly in front of Tenant's business storefront, which signage shall be prepared by Tenant at Tenant's sole cost and expense, it being understood and agreed that Landlord shall not place any advertising or signage, except where required by law, on the portion of the scaffolding directly in front of the Premises. In no event shall Tenant be entitled to any abatement, setoff or counterclaim against Rent as a result of the placement of scaffolding or sidewalk sheds on or around the Building of which the Premises forms a part.

ARTICLE XII

Casualty

SECTION 12.1 Damage Generally.

(A) Subject to Section 12.1(B), if any part of the Premises shall be damaged by fire or other casualty, Tenant shall give prompt notice thereof to Landlord and Landlord, after the collection of insurance proceeds attributable to such damage, shall with reasonable diligence repair such damage to any part of the Premises, the repair of which is Landlord's obligation hereunder, in a manner and at times that do not unreasonably interfere with Tenant's use of the Premises. Notwithstanding anything to the contrary contained herein, Landlord shall not be required to repair or restore any of Tenant's property or any alteration or leasehold improvement made by Tenant or for Tenant at Tenant's expense. Rent shall not be reduced or abated during the period of such repair, restoration or rebuilding even if the improvements are not tenantable. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting

in any way from the undertaking of such repair. The provisions of this Lease, including this Article 12, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, the Premises or the property or any part of either, and any legal requirement, including Sections 1932(2), 1933(4), 1941 and 1942 of the California Civil Code, with respect to any rights or obligations concerning damage or destruction shall have no application to this Lease or to any damage to or destruction of all or any part of the Premises or the property or any part of either, and are hereby waived.

(B) Notwithstanding Section 12.1(A), if the Building shall be substantially destroyed by fire or other casualty and if in the reasonable opinion of Landlord it would not be economically feasible to rebuild the Building and Landlord elects not to rebuild, then Landlord shall by notice to Tenant within ninety (90) days after the date of such destruction (the "Destruction Date") terminate this Lease as of the Destruction Date and if such notice shall be given this Lease and the term and estate hereby granted shall terminate as of the Destruction Date with the same effect as if the Destruction Date were the Expiration Date of the term of this Lease and Tenant shall pay the Rent thereunder justly apportioned to the Destruction Date.

(C) In the event Landlord does not terminate this Lease in accordance with the provisions herein above, Landlord shall repair or rebuild the Premises in accordance with Section 12.1 (A) above. The estimates required herein shall be provided by an independent architect, representative and/or contractor selected by Landlord within thirty (30) days following said damage or casualty.

(D) Landlord shall have no obligation to carry insurance of any kind on Tenant's goods, furniture or furnishings or on Tenant's Property, and Landlord shall not be obligated to repair any damage thereto or to replace the same.

(E) Notwithstanding anything to the contrary, Landlord's restoration obligations shall be limited to the amount of insurance proceeds actually received by Landlord less any deductible, and Landlord shall only be required to restore the Premises to the condition it was in on the Commencement Date.

(F) If the Premises shall be damaged by fire or other casualty to the extent of more than twenty-five percent (25%) of the cost of replacement thereof during the last two (2) years of the Term, Landlord may terminate this Lease by notice to Tenant given within ninety (90) days after such event, and upon the date specified in such notice, which shall be not less than thirty (30) days and not more than sixty (60) days after the giving of said notice, this Lease shall terminate and Tenant shall forthwith quit, and surrender the Premises to Landlord without prejudice to any rights Landlord may have against Tenant prior to the termination of this Lease.

SECTION 12.2 Express Agreement. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Building or the Premises by fire or other casualty, and any law that purports to govern the absence of express agreement, including without limitation applicable Real Property Law of the State of California, and any successor or other law of like import, shall have no application.

ARTICLE XIII

Condemnation

SECTION 13.1 Condemnation.

(A) If there shall be a taking of the entire Premises in condemnation proceedings or by any right of eminent domain, this Lease and the Term and estate hereby granted shall forthwith cease and terminate as of the earlier of the date of vesting of title in such taking or the date of taking of possession by the condemning authority.

(B) In the event of a taking of a portion of the Premises in the manner described in subsection (A) above, Tenant shall not be entitled to any abatement of Rent on account of such taking with respect to the portion of the Premises not so taken; provided, however, that Tenant shall be entitled to an abatement of Fixed Rent on account of such taking by a percentage, which shall be equal to a fraction, the numerator of which shall be the area of the portion of the Premises so taken and the denominator of which shall be the area of the entire Premises prior to such taking.

SECTION 13.2 Award. In the event of a taking of all of the Premises or the storefront, Landlord shall be entitled to receive the entire award in the condemnation proceeding, including any award made for the value of the estate vested by this Lease in Tenant, and Tenant hereby assigns to Landlord any and all right, title and interest of Tenant now or hereafter arising in or to any such award or any part thereof; provided, however, that nothing contained herein shall preclude Tenant from intervening in any such condemnation proceeding to claim or receive from the condemning authority any compensation to which Tenant may otherwise be lawfully entitled in such case in respect of Tenant's Property, for moving to a new location, or reimbursement for tenant improvements, provided the same do not include any value of the estate vested by this Lease in Tenant and further provided the same do not in any way diminish the value of Landlord's award.

SECTION 13.3 Condemnation for a Limited Period. Notwithstanding the foregoing, if all or any portion of the Premises shall be condemned or taken for governmental occupancy for a limited period of less than ninety (90) days, this Lease shall not terminate, the Rent shall not be abated and Tenant shall be entitled to receive the entire award therefor (whether paid as damages, rent or otherwise) unless the period of governmental occupancy extends beyond the expiration of this Lease, in which case Landlord shall be entitled to such part of such award as shall be properly allocable to the cost of restoration of the Premises, and the balance of such award shall be apportioned between Landlord and Tenant as of the date of such expiration. If the termination of such governmental occupancy is prior to expiration of this Lease, Tenant shall to the extent of any award restore the Premises as nearly as possible to the condition in which they were prior to the condemnation or taking.

ARTICLE XIV

Accidents to Sanitary And Other Systems

SECTION 14.1 Accidents to Sanitary and Other Systems. Tenant shall give to Landlord prompt notice of any damage to, or defective condition in, any part of the Premises or the Structural

Elements or any of the Building's mechanical, electrical or plumbing systems, and (i) if and to the extent the same is defined as Tenant's responsibility under Section 8.3, Tenant shall promptly remedy any such damage or defective condition in the Premises and (ii) Landlord shall remedy with reasonable diligence any such damage or defective condition in the Structural Elements or any of the Building's mechanical, electrical or plumbing systems located outside of the Premises; provided, however, that if any such damage or defective condition was caused by, or is attributable to, Tenant Alterations or the unreasonable or improper use of such system by Tenant or its employees, licensees or invitees, the cost of the remedy thereof shall be paid by Tenant upon demand.

ARTICLE XV

Subordination: Non-Terminability of Lease

SECTION 15.1 Subordination. This Lease and all rights of Tenant hereunder are and shall be subject and subordinate to all ground leases, master leases, overriding leases and underlying leases, party wall agreements, reciprocal easements and operating agreements, building sharing agreements, façade and/or open space easements and other matters of record affecting the land, the Building, and/or that portion of the Building of which the Premises are a part, now or hereafter existing, and to all mortgages and assignments of leases and rents (each such mortgage or assignment is hereinafter referred to as a "mortgage") that may now or hereafter affect the land and/or the Building and/or that portion of the Building of which the Premises are a part and/or any of such leases, whether or not such mortgages shall also cover other lands and/or buildings and/or leases, to each and every advance made or hereafter to be made under such mortgages, and to all renewals, modifications, replacements and extensions of such leases and such mortgages and spreaders and consolidations of such mortgages. This Section shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, and provided said instrument expressly recognizes Tenant's right to quiet enjoyment as set forth in Section 22.1 hereof, Tenant shall promptly execute, acknowledge and deliver any commercially reasonable instrument that Landlord, the lessor under any such lease or the holder of any such mortgage or any of their respective successors-in-interest may reasonably request to evidence such subordination; and if Tenant fails to execute, acknowledge or deliver any such instruments within ten (10) business days after Landlord's written request therefor, Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute and deliver any such instruments for and on behalf of Tenant. Any lease to which this Lease is, at the time referred to, subject and subordinate is herein called "Superior Lease" and the lessor of a Superior Lease or its successor in interest, at the time referred to, is herein called "Superior Lessor"; and any mortgage to which this Lease is, at the time referred to, subject and subordinate is herein called "Superior Mortgage" and the holder of a Superior Mortgage is herein called "Superior Mortgagee." If any Superior Mortgagee or Superior Lessor requires one or more modifications to this Lease and the requested modifications do not materially and adversely modify Tenant's rights and obligations under this Lease, Tenant shall execute whatever documentation shall be required by such Superior Mortgagee or Superior Lessor to effect the modifications and to return such documentation to Landlord within ten (10) business days of the date such documentation shall be delivered, it being understood and agreed that Tenant's failure to return such documentation to Landlord within such ten- (10) business-day period shall constitute a default under this Lease.

SECTION 15.2 Non-Terminability of Lease.

(A) Tenant's Interest Not Transferable. Neither Tenant's interest in this Lease, nor any estate hereby created in Tenant nor any interest herein, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law except as may specifically be provided pursuant to the United States Bankruptcy Code or any state bankruptcy, insolvency or similar statute, as amended from time to time (the "Bankruptcy Code").

(B) Termination. In the event the interest or estate created in Tenant hereby shall be taken in execution or by other process of law, or if any guarantor of Tenant's obligations under this Lease or its or their executors, administrators or assigns, if any, shall be adjudicated insolvent or bankrupt pursuant to the provisions of any State Act or the Bankruptcy Code or if Tenant is adjudicated insolvent by a court of competent jurisdiction other than the United States Bankruptcy Court, or if a receiver or trustee of the property of Tenant or any Tenant's guarantor shall be appointed by reason of the insolvency or inability of Tenant or said guarantor to pay its debts, or if any assignment shall be made of the property of Tenant or any guarantor for the benefit of creditors, then and in any such events, this Lease and all rights of Tenant hereunder shall automatically cease and terminate with the same force and effect as though the date of such event were the date originally set forth herein and fixed for the expiration of the Lease Term, and Tenant shall vacate and surrender the Premises but shall remain liable as hereinafter provided.

(C) Tenant's Obligation to Avoid Creditors' Proceedings. Tenant or any guarantor aforesaid shall not cause or give cause for the appointment of a trustee or receiver of the assets of Tenant or such guarantor and shall not make any assignment for the benefit of creditors, or become or be adjudicated insolvent. The allowance of any petition under any insolvency law except under the Bankruptcy Code or the appointment of the trustee or receiver of Tenant or any guarantor or of the assets of either of them, shall be conclusive evidence that Tenant caused, or gave cause therefor, unless such allowance of the petition, or the appointment of the trustee or receiver, is vacated within forty-five (45) days after such allowance or appointment. Any act described in this Section 15.2(C) shall be deemed a material breach of Tenant's obligations hereunder and an event of default, and this Lease shall thereupon automatically terminate. Landlord does, in addition, reserve any and all other remedies provided in this Lease or at law or in equity.

(D) Rights and Obligations Under the Bankruptcy Code. Upon filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and/or as debtor in possession, and any trustee who may be appointed agree as follows: (i) to perform each and every obligation of Tenant under this Lease including, but not limited to, the manner of conduct of Tenant's business as provided in this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (ii) to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Premises an amount equal to all Rent otherwise due pursuant to this Lease; (iii) to reject or assume this Lease within sixty (60) days of the filing of such petition under Chapter 7 of the Bankruptcy Code or within one hundred twenty (120) days (or such shorter time as Landlord, in its sole discretion, may deem reasonable so long as notice of such period is given) of the filing of the petition under any other chapter; (iv) to give Landlord at least forty-five (45) days prior written notice of any proceeding relating to any assumption of this Lease; (v) to give at least thirty (30) days prior

written notice of any abandonment of the Premises, any such abandonment to be deemed a rejection of this Lease; (vi) to do all other things of benefit to Landlord otherwise required under the Bankruptcy Code; (vii) to be deemed to have rejected this Lease in the event of the failure to comply with any of the above; and (viii) to have consented to the entry of an order by an appropriate United States Bankruptcy Court providing all of the above, waiving notice and hearing of the entry of same.

(E) No Waiver. No default of this Lease by Tenant, either prior to or subsequent to the filing of such a petition, shall be deemed to have been waived unless expressly done so in writing by Landlord.

(F) Other Obligations. Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of assumption and/or assignment are the following: (i) the cure of any monetary defaults and the reimbursement to Landlord of pecuniary loss within no more than thirty (30) days of assumption and/or assignment; (ii) the deposit of an additional sum of money with Landlord equal to six (6) months' Rent, to be held as a security deposit to the extent permitted by the Bankruptcy Code or by an appropriate United States Bankruptcy Court; (iii) the use of the Premises only as set forth in this Lease and the quality, quantity and/or lines goods or services required to be offered for sale remaining unchanged; (iv) the reorganized debtor or assignee of such debtor in possession or of Tenants' trustee demonstrating in writing that it has sufficient background including, but not limited to substantial experience and financial ability to operate out of the Premises in the manner contemplated in this Lease and meeting all other reasonable criteria of Landlord as did Tenant upon execution of this Lease; (v) the prior written consent of any mortgagee to which this Lease has been assigned as collateral security; and, (vi) the Premises, at all times, remaining a single unit with no physical changes of any kind being made to the Premises unless in compliance with the applicable provisions of this Lease.

ARTICLE XVI

Right to Perform Covenants of Tenant

SECTION 16.1 Tenant's Default. If Tenant shall be in default under this Lease beyond any applicable notice and grace periods, Landlord may cure the same at the expense of Tenant (i) in the case of emergency or in case such default will result in a violation of law, a cancellation of an insurance policy maintained for the Building, or damage to the Building or to space leased to another tenant of the Building, immediately and without notice and (ii) in any other case, if such default continues after thirty (30) days from the date that Landlord gives Tenant notice of Landlord's intention to so perform the same (the "Cure Period"); provided, that if a default cannot with due diligence be cured within thirty (30) days from the date of such notice for causes beyond Tenant's reasonable control, the Cure Period shall be deemed extended if (a) immediately upon the receipt of such notice, Tenant advises Landlord of Tenant's intention to institute all steps necessary to cure such default and (b) Tenant institutes and thereafter diligently prosecutes to completion all steps necessary to cure the same.

SECTION 16.2 Payments. Bills for all reasonable costs and expenses incurred by Landlord in connection with any performance by it under Section 16.1 shall be payable within thirty (30) days after notice of the amount thereof together with interest thereon at six percent (6%) over the prime commercial lending rate at the time announced by Citicorp, N.A. to be in effect at its principal office in New York City and shall be deemed Additional Rent hereunder.

SECTION 16.3 Additional Rent. If any cost, expense, charge, amount or sum (other than Fixed Rent) payable by Tenant as provided in this Lease is not paid when due, the same shall be due and payable by Tenant as Additional Rent hereunder and Landlord shall have the same remedy for failure to pay Additional Rent as it has for the failure to pay Fixed Rent.

ARTICLE XVII

Estoppel Certificates

SECTION 17.1 Estoppel Certificates. Tenant shall, upon not less than ten (10) business days' prior notice, execute, acknowledge and deliver to Landlord a statement (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (ii) certifying the dates to which the Rent has been paid in advance, (iii) stating whether or not to the best knowledge of Tenant, Landlord is in default under this Lease, and if so, specifying such default and/or (iv) certifying to such other matters with respect to this Lease as may be reasonably requested. Tenant hereby irrevocably constitutes and appoints Landlord as attorney in fact for Tenant to execute any such instrument for and on behalf of Tenant if Tenant fails to timely execute and deliver same to Landlord. Any such certificate may be relied upon by any third party, prospective purchaser or mortgagee of the Premises or any part thereof.

ARTICLE XVIII

Default

SECTION 18.1 If: (i) Tenant fails to pay when due any installment or other payment of Rent and such failure continues for five (5) days after the date when due (with respect to the Fixed Annual Rent and monthly installments of Additional Rent), or within five (5) days after written notice from Landlord (with respect to all other charges hereunder); or (ii) Tenant fails to keep in effect any insurance required to be maintained; or (iii) Tenant vacates or abandons the Premises for more than thirty (30) consecutive days, other than due to Alterations or casualty; or (iv) Tenant becomes insolvent, makes an assignment for the benefit of creditors, files a voluntary bankruptcy or an involuntary petition in bankruptcy is filed against Tenant which petition is not dismissed within sixty (60) days of its filing, or (v) Tenant fails to perform or observe any of the other covenants, conditions or agreements contained herein on Tenant's part to be kept or performed and such failure shall continue for thirty (30) days after notice thereof given by or on behalf of Landlord, provided, however, that if such failure is not susceptible to being cured within thirty (30) days and Tenant immediately commences such cure, then said thirty- (30) day period shall be extended so long as Tenant is actively, diligently and continuously attempting to effectuate such cure (and, upon Landlord's request, giving Landlord written detailed status reports of the progress of such efforts), but in no event shall such thirty- (30) day period be extended by more than one

hundred eighty (180) days, or (vi) if the interest of Tenant shall be sold under execution or other legal process, or (vii) if Tenant makes any transfer, assignment, conveyance, sale, pledge, disposition of all or a substantial portion of Tenant's property for the benefit of its creditors, then any such event or conduct shall constitute a "default" hereunder.

If Tenant shall file a voluntary petition pursuant to the United States Bankruptcy Reform Act of 1978, as the same may be from time to time be amended (the "Bankruptcy Code"), or take the benefit of any insolvency act or be dissolved, or if an involuntary petition be filed against Tenant pursuant to the Bankruptcy Code and said petition is not dismissed within thirty (30) days after such filing, or if a receiver shall be appointed for its business or its assets and the appointment of such receiver is not vacated within thirty (30) days after such appointment, or if it shall make an assignment for the benefit of its creditors, then Landlord shall have all of the rights provided for in the event of nonpayment of the Rent.

SECTION 18.2 Legal and Other Costs. Tenant acknowledges that if Tenant shall fail to timely comply with any and all of its obligations under this Lease, Landlord will incur unanticipated legal and other costs in the preparation and service of a notice advising Tenant of such failure, and that \$1,000 is a reasonable estimate of such costs. Tenant shall pay such sum as Additional Rent (in addition to any other sums required hereunder) within seven (7) days of the date of any such notice Landlord shall deliver to Tenant.

SECTION 18.3 Cross-Default. If the term of any other lease between Tenant or its affiliate, as tenant, and Landlord or its affiliate, as landlord, shall be terminated or become terminable because of a default by the tenant under such other lease, Landlord shall be entitled, upon notice to Tenant, (i) to give to Tenant a notice of intention to end the Term of this Lease in accordance with the provisions set forth in Section 18.1(B) hereof, or (ii) to add any sums due the landlord under such lease to the Additional Rent due under this Lease.

ARTICLE XIX

Re-Entry by Landlord; Damages; End of Term

SECTION 19.1 Re-entry; Remedies. The remedies provided Landlord under this Lease are cumulative.

(a) Upon the occurrence of any default that remains uncured beyond applicable cure or grace periods, Landlord may serve notice on Tenant that the Term and the estate hereby vested in Tenant and any and all other rights of Tenant hereunder shall cease on the date specified in such notice and on the specified date this Lease shall cease and expire as fully and with the effect as if the Term had expired for passage of time.

(b) Landlord will have the remedy described in California Civil Code Section 1951.4 (a landlord may continue the lease in effect after the tenant's breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations), and, without terminating this Lease in case of a default or if this Lease shall be terminated for default as provided herein, Landlord may re-enter the Premises, remove Tenant, or cause Tenant to be removed from the Premises in such manner as Landlord may deem advisable

(subject to Tenant's right to legal due process), and using such reasonable force as may be necessary and lawful. In the event of re-entry without terminating this Lease, Tenant shall continue to be liable for all Rents and other charges accruing or coming due under this Lease.

(c) If Landlord, without terminating this Lease, shall re-enter the Premises or if this Lease shall be terminated as provided in paragraph (a) above:

(i) All Rent due from Tenant to Landlord shall thereupon become due and shall be paid up to the time of re-entry, dispossession or expiration, together with reasonable costs and expenses (including, without limitation, attorneys' fees) of Landlord;

(ii) Landlord without any obligation to do so, may relet the Premises or any part thereof for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the Term and may grant such concessions in reletting as Landlord, in the exercise of its reasonable business judgment, deems desirable, provided, however, that Landlord shall not be obligated to relet or attempt to relet the Premises on a priority basis over other vacant space in the Building. In connection with such reletting, Tenant shall be liable for all actual and reasonable costs of the reletting including, without limitation, rent concessions, leasing commissions, legal fees and alteration and remodeling costs; and

(iii) If Landlord shall have terminated this Lease, Tenant shall also be liable to Landlord for all damages provided for in law and under this Lease resulting from Tenant's breach including, without limitation, the difference between the aggregate rentals reserved under the terms of this Lease for the balance of the Term together with all other sums payable hereunder as Rent for the balance of the Term, less the fair rental value of the Premises for that period determined as of the date of such termination. For purposes of this paragraph, Tenant shall be deemed to include any guarantor or surety of the Lease.

(d) If permissible by law, Tenant hereby waives all right to trial by jury in any claim, action, proceeding or counterclaim by either Landlord or Tenant against each other or any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and/or Tenant's use or occupancy of the Premises.

(e) Tenant shall pay upon demand, all actual costs and expenses, including court costs and reasonable legal fees, incurred by Landlord in enforcing Tenant's obligations under this Lease, or resulting from Tenant's default under this Lease.

(f) In addition to the above, Landlord shall have any and all other rights provided a Landlord under law or equity for breach of a lease or tenancy by a Tenant.

SECTION 19.2 Right to Injunction. In the event of a breach or threatened breach on the part of either party with respect to any of the covenants or agreements on the part of or on behalf of the other to be kept, observed or performed, Landlord or Tenant shall also have the right of injunction.

SECTION 19.3 Certain Waivers. Tenant waives and surrenders all right and privilege that it might have under or by reason of any present or future law to redeem the Premises or to have a

continuance of this Lease for the Term hereof after Tenant is dispossessed or ejected therefrom by process of law or under the terms of this Lease. Tenant also waives the provisions of any law relating to notice and/or delay in levy of execution in case of any eviction or dispossession for nonpayment of Rent, or of any successor or other law of like import.

ARTICLE XX

Notices

SECTION 20.1 Notices. Any notice, consent, approval, agreement, certification, request, bill, demand, statement, acceptance or other communication hereunder (each, a "Notice") shall be in writing and shall have been duly given or furnished if delivered in person, mailed or dispatched in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or by a recognized national air courier service such as Federal Express for next business day delivery, addressed to the party to which the same is to be delivered or given, in all cases, at such party's address(es) as set forth below or to such other address or addressee as said party may designate by a notice given pursuant hereto. All notices, demands and requests shall be effective upon receipt, if delivered in person; three (3) business days after being deposited in the United States mail; or one (1) business day after being deposited with the recognized national air courier service as required above. Rejection or other refusal to accept or inability to deliver because of changed address of which notice was not given as required herein shall be deemed to be receipt of the notice, demand or request sent. Any notices hereunder shall for all purposes be deemed to have been sent by Landlord or Tenant, as applicable, if sent by such respective party's attorney.

All notices sent to Landlord shall be sent to:

152 Geary St. LLC
25 West 39th Street, 11th Floor
New York, New York 10018
Attn: Justin A. Xenitelis, Esq., General Counsel

With an additional copy by like means to:

Wachtel Missry LLP
885 Second Avenue, 47th Floor
New York, New York 10017
Attn: Morris Missry, Esq.

All notices sent to Tenant shall be sent to:

Vijaya Properties, LLC
3958 6th Avenue NW, Suite 3
Seattle, Washington 98107
Attn: Jim Kennedy

With an additional copy to Guarantor by like means to the extent any such notice relates to the Guaranty and/or the Letter of Credit to:

Interurban Capital Group, Inc.
3958 6th Avenue NW
Seattle, Washington 98107
Attn: Jim Denedy

With an additional copy of any notice to Tenant and/or Guarantor by like means to:

Fifth Avenue Law Group PLLC
701 5th Avenue, Suite 2800
Seattle, Washington 98104
Attn: David Kerr and John M. Sharp

ARTICLE XXI

Miscellaneous

SECTION 21.1 Limitation of Landlord's Liability. The covenants and agreements on the part of Landlord to be performed under this Lease shall be binding upon Landlord herein named only for so long as Landlord retains an interest in the Building and shall not survive the transfer of its interest in the Building (provided that nothing herein contained shall relieve Landlord from any liability hereunder accrued prior to the date of such transfer), and in the event of such transfer such covenants and agreements shall thereafter be binding upon each transferee of such interest, but only with respect to the period beginning with the date of such transfer and ending with the date of subsequent transfer of such interest. Notwithstanding any other provision in this Lease to the contrary, Tenant shall look solely to Landlord's interest in the Building for the recovery of any judgment against Landlord and in no circumstances shall Landlord or any partner, member, manager, shareholder, officer or director be personally liable nor shall Tenant have recourse to any other assets of Landlord for satisfaction of any claim Tenant may have against Landlord. For purposes of this Lease, the term "Landlord's interest in the Building" shall be deemed to include, without limitation, all rents, sale proceeds, insurance proceeds, condemnation proceeds and other income and proceeds derived therefrom.

SECTION 21.2 Entire Agreement. This Lease contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection therewith and neither party nor any agent or representative of either thereof has made or is making, and neither party in executing and delivering this Lease is relying upon, any warranties or representations, except to the extent set forth in this Lease. All understandings and agreements heretofore made between Landlord and Tenant relating to the leasing of the Premises are merged in this Lease, which alone fully and completely expresses their agreement. The Exhibits annexed to this Lease are hereby incorporated herein and made a part hereof. Landlord and Tenant specifically acknowledge that they have had the opportunity to consult counsel of their choosing with respect to the negotiation of this Lease and the rights and obligations set forth herein. Any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Lease, or to any schedules or exhibits hereto.

SECTION 21.3 No Waiver, Etc. The failure of Landlord or Tenant to insist in any instance upon the strict keeping, observance or performance of any covenant or agreement contained in this Lease or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect. No waiver by either Landlord or Tenant of any covenant or agreement contained in this Lease shall be deemed to have been made unless set forth in a writing executed by the party whose rights are being waived. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder unless accepted by Landlord. The receipt and retention by Landlord, and the payment by Tenant, of Rent with knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach by either Landlord or Tenant.

SECTION 21.4 Oral Modification. This Lease sets forth the entire agreement between the parties, superseding all prior agreements and understandings, written or oral, and may not be altered or modified except in writing and signed by both parties.

SECTION 21.5 Surrender and Holding Over. Tenant shall deliver up and surrender to Landlord possession of the Premises upon the expiration or earlier termination of the Lease Term, broom clean, free of debris and Tenant's personal property, in good order, condition and state of repair (excepting ordinary wear and tear, damage by casualty or condemnation, and any repairs that are Landlord's obligation hereunder) and shall deliver the keys at the office of Landlord. If not sooner terminated as herein provided, this Lease shall terminate at the end of the Lease Term without the necessity of notice from either Landlord or Tenant to terminate the same; Tenant hereby waiving notice to vacate the Premises and agreeing that Landlord shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of premises from a tenant holding over to the same extent as if statutory notice had been given. If Tenant or any party claiming under Tenant remains in possession of the Premises, or any part thereof, after any termination of this Lease, no tenancy or interest in the Premises shall result therefrom, unless Landlord elects as hereinafter provided, but such holding over shall be an unlawful detainer and all such parties shall be subject to immediate eviction and removal. If, without the consent of Landlord, Tenant or any party claiming under Tenant remains in possession of the Premises, or any part thereof, after any termination of this Lease, Landlord may, in addition to its other rights, elect at its sole option and discretion to treat such holding over by Tenant as the creation of a month-to-month tenancy subject to all of the terms, covenants and conditions as are set forth in this Lease insofar as the same are applicable to a month-to-month tenancy, except that the monthly Fixed Rent of such holdover, shall be: (A) for the first sixty (60) days after such holdover, one hundred fifty percent (150%) of the monthly Fixed Rent payable in the last Lease Year of the Lease Term and the average monthly amount of all other Additional Rent and other charges paid by Tenant in the last Lease Year of the Lease Term, and (B) thereafter, three hundred percent (300%) of the greater of (x) fair market rental value of the Premises and (y) the aggregate sum of the monthly Fixed Rent payable in the last Lease Year of the Lease Term and the average monthly amount of all other Additional Rent and other charges paid by Tenant in the last Lease Year of the Lease Term. If Tenant or any party claiming under Tenant shall holdover with Landlord's consent (negotiations between Landlord and Tenant, prior to the end of the Lease Term for a Lease Term extension, shall not be deemed Landlord's consent to a holdover) then such holding over shall be on such terms as Landlord and Tenant shall determine, or if no specific determination is made, then on a month-by-month basis, subject to all of the terms, covenants and conditions as set forth

in this Lease insofar as the same are applicable to a month-to-month tenancy. The period of any holding over by Tenant as aforesaid, whether on a month-to-month basis or otherwise, shall be deemed an automatic extension of the Term for only a period concurrent with the period of such holding over. In the event Tenant or any party claiming under Tenant shall holdover without Landlord's consent and if Landlord incurs any expense in removing Tenant, any subtenant, or any other person holding by, through, or under Tenant or any subtenant, who has failed to so surrender the Premises or any part thereof, Tenant shall reimburse Landlord, as Additional Rent (x) for the cost and expense (including, without limitation, reasonable attorneys' fees, disbursements and court costs) of removing such subtenant or such person and (y) any and all damages in connection with the loss of any future tenant, and such obligation shall survive the expiration or earlier termination hereof.

SECTION 21.6 Severability. If any covenant or agreement of this Lease or the application thereof to any person or circumstance shall be held to be invalid or unenforceable, then and in each such event the remainder of this Lease or the application of such covenant or agreement to any other person or any other circumstance shall not be thereby affected, and each covenant and agreement hereof shall remain valid and enforceable to the fullest extent permitted by law.

SECTION 21.7 Attorneys' Fees. In the event either party requires the services of an attorney in connection with enforcing the terms of this Lease or in the event suit is brought for the recovery of any Rent due under this Lease or for the breach of any covenant or condition of this Lease, or for the restitution of the Premises to Landlord, and/or eviction of Tenant during the Term of this Lease or after the expiration thereof, the prevailing party will be entitled to a reasonable sum for its attorneys' fees, witness fees, and other court costs, both at trial and on appeal. In determining the amount of an attorneys' fee award, the hourly rates actually charged by the prevailing party's attorneys shall be deemed reasonable.

SECTION 21.8 Broker. Tenant hereby warrants to Landlord that Tenant has not employed or dealt with a broker, agent or finder in connection with this Lease. Tenant shall indemnify and hold Landlord harmless from and against any claim or claims for brokerage or other commissions asserted by any broker, agent or finder employed by Tenant or with whom Tenant has dealt with in connection with this Lease. Tenant's indemnity obligations under this Section shall survive expiration or earlier termination hereof.

SECTION 21.9 Successors and Assigns. The covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, their respective successors and assigns and all persons claiming by, through or under them.

SECTION 21.10 Consent. In the event that it is provided in this Lease that the exercise of any right by, or performance of any obligation of, Tenant shall be subject to the consent or approval of Landlord, and that the consent or approval of Landlord shall not be unreasonably withheld or delayed, then in any case in which Landlord shall withhold or delay its consent, such determination by Landlord shall be conclusive upon Tenant, unless Tenant shall, within thirty (30) days after Notice from Landlord of its determination, elect to have this matter submitted for determination to a Court of competent jurisdiction or for expedited arbitration pursuant to the rules of the American Arbitration Association, which such submission shall be the sole remedy of Tenant for any such withholding of consent or approval by Landlord. In the event that any matter shall be submitted

by Tenant pursuant to the provisions of this Section, the sole issue shall be the determination as to whether the withholding of consent or approval by Landlord shall have been reasonable or unreasonable, and in the event that a determination shall be made that the withholding of consent or approval by Landlord was unreasonable, then the decision shall annul such withholding of consent or approval, such annulment being the sole remedy of Tenant; it being the intention of the parties hereto (as to which they are conclusively bound) that in no event shall any such withholding or delay of consent or approval by Landlord, or any decision with respect thereto: (i) impose any financial liability upon or result in any damages being recoverable from Landlord other than the recovery of Tenant's reasonable attorney fees; and/or (ii) create any right cognizable or remedy enforceable in favor of Tenant and against Landlord in law or equity or under any special statutory proceeding or at all; provided, however, that any such decision may also provide for an assessment of the costs of the proceeding with respect thereto as between Landlord and Tenant. Any consent or approval required of Landlord in any provision of this Lease may be withheld by Landlord in its sole discretion unless the provision requiring such consent or approval specifically states that Landlord shall not withhold, condition or delay such consent or approval unreasonably.

SECTION 21.11 Postponement of Performance. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reasons of strikes, labor troubles, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, Acts of God, fire or other casualty, condemnation or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, after the Commencement Date, which date shall be subject to a delay occasioned by the above causes, nothing contained in this Section shall operate to excuse Tenant from the prompt payment of Rent or any other payments or charges required by the terms of this Lease (except as otherwise specifically provided for pursuant to the terms of this Lease), or shall operate to extend the Lease Term. Delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party.

SECTION 21.12 Express Provision to the Contrary. If any provision of this Lease shall conflict in any respect with any law, statute, rule or regulation of any governmental or quasi-governmental authority having jurisdiction, then in such respect the provisions of this Lease shall govern and control in lieu thereof and shall be deemed to be express provisions to the contrary of any such law, statute, rule or regulation.

SECTION 21.13 Intentionally Omitted.

SECTION 21.14 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by the provisions of this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the property, Landlord shall have no liability therefor and Tenant shall not be entitled to any reduction or diminution of Tenant's obligations under this Lease.

SECTION 21.15 Information Requests. Tenant shall, within fifteen (15) days after Landlord's request, provide Landlord or its agent with all information reasonably requested by Landlord, its agent, or its or their compliance committee with respect to Tenant, Guarantor and Tenant's affiliates, including, without limitation, its and their respective officers, directors or shareholders, and subtenants, including, without limitation, a certified statement (by Tenant's chief financial officer) of Tenant's and Tenant's affiliate's and subtenant's, and Guarantor's then-current financial statements.

SECTION 21.16 Offer. The submission and negotiation of this Lease shall not be deemed an offer to enter the same by Landlord, but the solicitation of such an offer by Tenant. Tenant agrees that its execution of this Lease constitutes a firm offer to enter the same, which may not be withdrawn for a period of three (3) weeks after delivery to Landlord. During such period and in reliance on the foregoing, Landlord may, at Landlord's option, deposit any Security Deposit and Rent, proceed with any alterations or improvements, and permit Tenant to enter the Premises and make alterations or improvements. If Landlord shall fail to execute and mail or deliver this Lease to Tenant within such period, Tenant may revoke its offer to enter this Lease by sending notice thereof to Landlord before Landlord mails, e-mails or delivers an executed copy of this Lease to Tenant. In such case, Landlord shall return any Security Deposit and Rent to Tenant, and Tenant shall promptly remove any alterations, improvements, fixtures or personal property made or placed in or upon the Premises by Tenant or its contractors, agents or employees and restore the same to good condition as required under this Section 21.16. If Tenant shall seek to revoke its offer to enter this Lease in violation of the foregoing provisions, Landlord shall have the options of forfeiting and retaining any Security Deposit and Rent theretofore paid, as liquidated damages without executing and delivering this Lease to Tenant, or executing and delivering this Lease to Tenant and enforcing the same as a valid and binding lease agreement.

SECTION 21.17 Facade Easement. Tenant acknowledges that Landlord may grant a facade and/or open space easement with respect to the Building to an organization qualified by the Internal Revenue Service to accept such an easement, such as the Trust for Architectural Easements, and that Tenant's use of the Premises shall in all respects be subject to the terms of any such easement and all rules and regulations relating thereto.

SECTION 21.18 Counterparts. This Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. This Lease may be executed in one or more counterparts, each of which may be a so-called "pen" original, telecopy or electronic file portable data format (.PDF), each of which shall be deemed an original, and all of such counterparts shall together constitute one and the same instrument.

SECTION 21.19 Rule of Construction. This Lease shall not be construed against the party preparing it but shall be construed as if both parties jointly prepared the agreement, and any uncertainty and ambiguity shall not be interpreted against any one party. Any law or regulation which provides that the language of a contract shall be construed against the drafter shall not apply to this Lease.

SECTION 21.20 Safety and Security. Landlord shall have no obligation to provide any safety or security devices, services or programs for Tenant or the Building and shall have no liability for failure to provide the same or for inadequacy of any measures provided. Tenant shall,

at its sole discretion and in order to comply with all state and local Laws applicable to Tenant's Permitted Use, and at its sole cost and expense, provide all safety and security devices, services and/or programs in and at the Premises; provided Tenant provides Landlord with the ability to access the Premises twenty-four (24) hours a day, seven (7) days a week without forcibly entering the Premises.

SECTION 21.21 Additional Representations. Tenant hereby represents that (i) it has the due authority to enter into this Lease, (ii) is duly organized under the state of its formation and is qualified to conduct business in California.

ARTICLE XXII

Quiet Enjoyment

SECTION 22.1 Quiet Enjoyment. Tenant, upon keeping, observing and performing all of the covenants and agreements of this Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease from and against anyone claiming by, through or under Landlord.

ARTICLE XXIII

Alterations

SECTION 23.1 Alterations.

(A) Except as otherwise set forth herein, Tenant shall not before or during the Term make or suffer to be made any alterations, additions or improvements (including, without limitation, Tenant's Work) in or to the Premises (herein collectively called "Alterations") without first obtaining Landlord's written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed, based on detailed plans and specifications submitted by Tenant and prepared by an architect licensed and registered in the State of California. Notwithstanding the foregoing, Tenant shall have the right to make Alterations consistent with Tenant's Alterations made at Hollywood, California without Landlord's prior written consent; provided, however, that Landlord's consent may be withheld in Landlord's sole discretion if any Alterations performed by Tenant at any time will affect the Structural Elements or any Building systems or the façade of the Building or trigger the requirement for additional code compliance or similar work not included in the Alterations.

(B) (1) All repairs, replacements, and reconstruction (including, without limitation, all Alterations) made by or on behalf of Tenant or any of Tenant's agents shall be made and performed (i) at Tenant's cost and expense and at such time and in such manner as Landlord may designate, (ii) by contractors or mechanics approved by Landlord, (iii) in such manner so as to be at least equal in quality of materials and workmanship to the original work or installation, (iv) in accordance with such reasonable requirements as Landlord may impose with respect to insurance and bonds to be obtained by Tenant in connection with the proposed work, (v) in accordance with the rules and regulations for the Building adopted by Landlord and/or the Condominium (if applicable), from time to time, and in accordance with all applicable Laws or

governmental authorities having jurisdiction over the Premises, (vi) so as not to interfere with the use and enjoyment of the Building by Landlord, or any other persons, and (vii) in compliance with such other reasonable requirements as Landlord may from time to time promulgate.

(2) In connection with its performance of Tenant's Work and any Alterations, Tenant covenants and agrees as follows:

(i) No Alteration shall at any time be made that shall impair the structural soundness or diminish the value of the Building.

(ii) At the time Tenant requests Landlord's written consent to any Alteration, Tenant shall deliver to Landlord detailed plans and specifications therefor. Tenant shall pay to Landlord any fees or expenses incurred by Landlord including, without limitation, the cost of Landlord's in house architect and engineers (not to exceed \$3,000.00) in connection with Landlord's submitting such plans and specifications, if it so chooses, to an architect or engineer selected by Landlord for review or examination and/or for supervision during performance of Alterations. Landlord's approval of any plans or specifications does not relieve Tenant from the responsibility for the legal sufficiency and technical competency thereof.

(iii) Before commencement of any Alterations, Tenant, at its expense, shall obtain the necessary consents, authorizations and licenses from all federal, state and/or municipal authorities having jurisdiction over such work.

(iv) Before the commencement of any Alterations, Tenant at its own expense, shall deliver to Landlord a security company performance and completion bond in a company acceptable to Landlord in an amount equal to the estimated costs of such work plus twenty-five percent (25%), guaranteeing the completion of such work free and clear of all liens, encumbrances, security agreements, chattels, mortgages, conditional bills of sale and according to the plans and specifications therefor.

(v) Before the commencement of any Alterations, Tenant at its own cost and expense, shall deliver to Landlord an architect's statement stating that the Alterations comply with the requirements of the Americans with Disabilities Act.

Landlord may also require, as a condition to its consent to any Alterations, that any architect retained by Tenant in connection with such alterations be certified as a CASp (as defined below), and that following the completion of such Alterations, such architect shall certify the Premises as meeting all applicable construction-related accessibility standards pursuant to California Civil Code Section 55.53. Statement Regarding Inspection by Certified Access Specialist. Pursuant to California Civil Code Section 1938, Landlord hereby advises Tenant that, as of the date of this Lease, the Premises have not been inspected by a Certified Access Specialist (a "CASp"), as that term is defined in California Civil Code Section 55.52(a)(3). A CASp can inspect the Premises and determine whether the Premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy of Tenant, if requested by the Tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp

inspection, the payment of the fee for the CASp inspection, and, subject to the terms and conditions set forth in this Lease, with Tenant being responsible for the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

(vi) All work done in connection with any change or alteration shall be diligently prosecuted to its completion, done in a good and workmanlike manner, free of mechanics liens, pursuant to the plans or drawings prepared by a licensed architect previously submitted to Landlord. Furthermore, all work done must be in compliance with the building and zoning laws, and with all other Laws, and Tenant shall procure and deliver to Landlord certificates of occupancy and all other certificates required by law.

(vii) Contractor Insurance. During the course of Tenant's Work and Alterations pursuant to this Article XXIII, in addition to any insurance that may be required under this Lease, Tenant's contractor(s) shall provide and maintain in full force and effect during the Term of this Lease, all warranty periods and other periods as specified herein, insurance policies providing coverages as specified in Exhibit E attached hereto.

(viii) Tenant agrees to indemnify and save Landlord harmless from and against any and all bills for labor performed and equipment, fixtures and materials furnished to Tenant and applicable sales taxes thereon as required by California law and from and against any and all liens, bills or claims therefor or against the Premises or the Building and from and against all losses, damages, costs, expenses, suits and claims whatsoever in connection with Alterations. The cost of Alterations shall be paid for in cash or its equivalent, so that the Premises and the Building shall at all times be free of liens for labor and materials supplied or claimed to have been supplied.

(ix) If the performance of Alterations shall cause damage to or otherwise interfere with the occupancy of adjacent buildings, Tenant shall upon Landlord's demand remedy or remove the condition or conditions complained of. Tenant further covenants and agrees to indemnify and save Landlord harmless from and against any and all claims, losses, damages, costs, expenses, suits and demands whatsoever made or asserted against Landlord by reason of the foregoing.

(x) After each Alteration has been completed, Tenant shall obtain and deliver to Landlord a "write-off" or a "letter of completion" or such other documentation satisfactory to Landlord from the applicable municipal authority evidencing that such Alteration is complete and in accordance with all legal requirements and shall thereafter obtain and deliver to Landlord a change in the Certificate of Occupancy or Certificate of Completion if required by reason of the Alteration. Nothing herein shall be deemed to limit Landlord's right, if permitted under applicable law, to file or post notices of non-responsibility in the appropriate filing office or in or on the Premises.

(xi) Tenant shall cause its contractors, subcontractors, materialmen and all others performing work, or providing goods, materials and/or services to Tenant or the Premises, to work and co-exist in harmony with others performing work in, or occupying portions of, the Building. Notwithstanding anything contained in this Lease to the

contrary, if any contractors or tradespeople employed or utilized by Tenant, or any suppliers of services to Tenant, shall cause (or if their presence at the Building shall otherwise result) in any actual or threatened work stoppage, picketing, labor disruption or other dispute at the Building (whether or not Landlord's consent or approval was required for Tenant's use of such contractor, tradesperson and/or supplier), then, Tenant shall, upon written notice from Landlord (which notice may be delivered to Tenant by hand at the Premises notwithstanding any provision contained in this Lease to the contrary), immediately cease use of such contractor, tradesperson or supplier, as the case may be, and otherwise immediately resolve the dispute or condition that gave rise to such actual or threatened work stoppage, picketing or labor disruption. If Tenant shall fail to so comply with the foregoing provisions of this Section immediately upon written notice from Landlord, then, such failure shall be deemed to be a material breach of Tenant's obligations under this Lease and Landlord shall have the right, in addition to any other rights and remedies that Landlord may be afforded at law or in equity, to terminate this Lease upon ten (10) days' written notice to Tenant, without regard to any grace periods contained in this Lease.

ARTICLE XXIV

Hazardous Substances and Waste

SECTION 24.1 Definitions. As used in this Lease, "Hazardous Substances or Waste" shall include, but not be limited to, dip tanks, welding stations, spray booths and those materials defined by Environmental Laws as such. "Environmental Laws" shall include, but not be limited to, each and every federal, state and local law, statute, code, ordinance, regulation, rule or other requirement of Governmental Authorities having jurisdiction over the Building (including, but not limited to, consent decrees and judicial or administrative orders), relating to the environment, including but not limited to, those applicable for the storage, treatment, disposal, handling and release of any Hazardous Substances or Waste, all as amended or modified from time to time, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601, et seq.), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §9601-9675, et seq.) and as further amended ("CERCLA"); the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901, et seq.); the Clean Water Act, as amended (33 U.S.C. §1251, et seq.); the Clean Air Act, as amended (42 U.S.C. §7401, et seq.); the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. §136, et seq.); the Toxic Substance and Control Act of 1976, as amended (15 U.S.C. §2601, et seq.); the Hazardous Materials Transportation Act of 1975, 49 U.S.C. Sections 1801-1812, the California Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code Sections 25300 et seq., the Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code Sections 25500 et seq., the California Hazardous Waste Control Law, California Health & Safety Code Sections 25100 et seq. (together with any amendments thereto, any regulations thereunder and any amendments to any such regulations as in effect from time to time, the "CHWCL"), California Health & Safety Code Sections 25015-25027.8 and Emergency Planning and Community Right to Know Act of 1986, as may be amended from time to time (42 U.S.C. §11001 to 11050, et seq.), with regard to the storage of Hazardous Substances or Waste and petroleum products.

SECTION 24.2 Tenant's Representations. Tenant represents to Landlord that at all times, it shall: (i) comply with and take all action required by Environmental Laws (to the extent they

relate to the specific manner in which Tenant uses and occupies the Building and the Premises) and maintain and operate the Premises in accordance therewith; (ii) at its own cost and expense maintain in effect any permits, licenses or other governmental approvals, if any, required by Environmental Laws for Tenant's specific use of the Premises; and (iii) promptly make all disclosures to Landlord and/or Governmental Authorities that may be required by Environmental Laws.

SECTION 24.3 Notices. If at any time Tenant shall become aware, or have reasonable cause to believe, that any Hazardous Substances or Waste has come to be located on or beneath the Building or Premises, Tenant shall immediately give written notice of that condition to Landlord. In addition, Tenant shall immediately notify Landlord in writing of: (i) any enforcement, cleanup, removal or any other action instituted or threatened by Governmental Authorities pursuant to Environmental Laws; (ii) any claim made or threatened by any person against Tenant or the Building or Premises, relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or claimed to result from Hazardous Substances or Waste; and (iii) any reports made to any Governmental Authorities arising out of or in connection with the foregoing. Tenant shall also furnish Landlord with copies of all reports, complaints, notices, warnings and claims made or received.

SECTION 24.4 Indemnification. Tenant shall indemnify, defend by counsel reasonably acceptable to Landlord (for the purposes hereof, counsel selected by Tenant's insurer shall be deemed acceptable to Landlord), protect and hold harmless Landlord and each of Landlord's partners, directors, members, managers, owners of direct or indirect interest in Landlord, officers, employees, agents, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses, costs or expenses (including reasonable attorneys' fees, consultants fees and experts fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by: (i) the presence in, on or under the Building or the Premises, or the discharge or release, in or from the Building or the Premises, of any Hazardous Substances or Waste to the extent that such presence, discharge or release is caused or created by Tenant's or its agents', employees', contractors' or invitees' use, operation or activities in the Building or the Premises, including but not limited to discharge or release as a result of Tenant alterations thereof; or (ii) Tenant's failure to comply with Environmental Laws, where such compliance is Tenant's obligation. For the purposes of this indemnity the acts or omissions of Tenant, its agents, employees, contractors or invitees, whether or not they are negligent, intentional, willful or unlawful, shall be attributable to Tenant, and Tenant's obligations shall survive the expiration of the Lease Term.

SECTION 24.5 Landlord's Consent. Tenant acknowledges and agrees that it shall not be unreasonable for Landlord to withhold its consent to any proposed assignment, subletting or other transfer of Tenant's interest in this Lease (where such consent is required) nor shall Tenant have the right to assign, sublet or transfer this Lease or its interest therein, without Landlord's consent (if such transfer without consent is provided elsewhere in this Lease) if: (i) the anticipated use, or method of use, of the Premises by the proposed assignee, sublessee or transferee (collectively "Transferee") involves the generation, storage, use, treatment or disposal of Hazardous Substances or Waste; (ii) the proposed Transferee has been required by a prior landlord or Governmental Authority to take remedial action in connection with Hazardous Substances or Waste; or (iii) the

proposed Transferee is subject to an enforcement order issued by Governmental Authorities pursuant to Environmental Laws.

ARTICLE XXV

Signage and Access

SECTION 25.1 Landlord Consent to Signage. Tenant shall not exhibit, inscribe, paint or affix any sign, canopy, awning, banner, advertisement, notice or other lettering (collectively, "Sign Items") on any exterior portion of the Premises without the prior written consent of Landlord in each instance which shall not be unreasonably withheld, conditioned or delayed provided such signage is substantially in conformity with Tenant's Sign Items at Hollywood, California and Landlord's design guidelines and in compliance with all applicable governmental codes and regulations. A plan of all Sign Items proposed to be exhibited, inscribed, painted or affixed on the exterior of the Premises shall be prepared by Tenant in conformity with Exhibit B attached hereto and made a part hereof and the standards promulgated by the local community or business association (if any) and submitted to Landlord for Landlord's consent. Tenant shall obtain all approvals for such Sign Items required by any applicable governmental agency, including without limitation the San Francisco Planning Department and the San Francisco Department of Building Inspection and any replacement or successor agencies, and all such Sign Items shall be tasteful, non-offensive and appropriate to a first-class commercial building in San Francisco. Upon all such approvals, and upon the granting of Landlord's consent, Tenant may install such approved Sign Items at Tenant's sole expense, in accordance with all applicable legal requirements. Upon installation of any such Sign Items, such Sign Items shall not be removed, changed or otherwise modified in any way without Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant agrees to keep any canopy or awning installed on the exterior of the Premises in good condition and repair throughout the Term hereof at Tenant's sole cost and expense, including, without limitation, the periodic cleaning and replacement of the same, as reasonably required (or as reasonably requested by Landlord).

SECTION 25.2 Interior Displays and Signage. Tenant shall not place in the windows any sign, decoration, letter, advertising matter, or other thing of any kind, other than shades or blinds and neatly lettered professionally prepared signs and/or professionally prepared displays identifying Tenant and/or the services and products offered for sale; provided that any such signage, displays or decorations (i) are approved, if required, by any applicable governmental agency, including without limitation the San Francisco Landmarks Planning Department and the San Francisco Department of Building Inspection and any replacement or successor agencies; and (ii) shall be tasteful, non-offensive and appropriate to a first-class commercial building in San Francisco.

SECTION 25.3 Facade Changes. Landlord does not demise any portion of the exterior of the Premises or the Building or grant any rights with respect thereto. Accordingly, Tenant or anyone claiming by, through or under Tenant shall not alter the facade of the exterior of the Premises without Landlord's consent, which may be withheld in Landlord's sole and absolute discretion. Tenant shall not place or install or maintain on the exterior of the Premises any awning, canopy, banner, flag, pennant, aerial, antenna, advertisements or projections of whatsoever kind or nature.

SECTION 25.4 Violation of Requirements. Any signage, advertisement, notice or other lettering that shall be exhibited, inscribed, painted or affixed by or on behalf of Tenant in violation of the provisions of this Article XXV may be removed by Landlord and the cost of any such removal shall be paid by Tenant as Additional Rent.

SECTION 25.5 Removal of Sign. In the event Landlord or Landlord's representatives shall deem it necessary to remove any sign in order to paint or to make any other repairs, alterations or improvements in or upon the Building or the Premises or any part thereof, Landlord shall have the right to do so, provided the same be removed and replaced at Landlord's expense, whenever the said repairs, alterations or improvements shall have been completed.

SECTION 25.6 Signage Replacement. Tenant acknowledges that Landlord may at any time and from time to time, and at Landlord's sole expense, remove any signage installed on the exterior of the Premises and replace the same with building-standard signage adopted by Landlord for the Building as part of Landlord's signage program (the "Signage Replacement"). Tenant further acknowledges and agrees that the Signage Replacement may be performed at such times and in such a manner as Landlord may elect, and that Tenant is not and will not be entitled to any abatement of Fixed Rent or Additional Rent in connection with the Signage Replacement. Furthermore, Tenant hereby agrees to release Landlord from all claims by reason of loss or interruption of business, damages, liability, action or causes of action of every kind and nature whatsoever arising under or in connection with the Signage Replacement and any temporary obstruction or blocking of Tenant's storefront that may result therefrom.

ARTICLE XXVI

Late Charges

SECTION 26.1 Late Charges.

(A) If Tenant shall fail to pay all or any part of any Rent after the same shall have become due and payable, Tenant shall pay as Additional Rent hereunder to Landlord a late charge of four cents (\$.04) for each dollar of the amount of such Rent that shall not have been paid to Landlord when due. In addition to the foregoing, if Tenant fails to pay any Rent after its due date, Tenant shall pay interest thereon from the date due until the date paid at an annual rate equal to six (6) percentage points above the rate then most recently announced by Citibank, N.A., New York, New York, or its successor, as its corporate base lending rate, which rate may change from time to time, and such interest shall be deemed to be Additional Rent.

(B) In the event Tenant pays any rent or other charge with a check that is, for any reason, refused for payment by the bank on which it is drawn, Tenant shall pay Landlord a \$75.00 service charge as Additional Rent.

(C) The late charge and service charge described above shall be (i) payable on demand and (ii) without prejudice to any of Landlord's rights and remedies hereunder, at law or in equity, for nonpayment or late payment of rent or other sums, but shall be in addition to any such rights and remedies. No failure by Landlord to insist upon the strict performance by Tenant of Tenant's obligations to pay late charges, interests and service charges as provided in this Article

shall constitute a waiver by Landlord of its right to enforce the provisions of this Article XXVI in any such instance or in any instance thereafter occurring. The provisions of this Article XXVI shall not be construed in any way to extend the grace periods or notice period provided for in this Lease.

ARTICLE XXVII

Excavations

SECTION 27.1 Excavations. If an excavation shall be made upon land adjacent to the Premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Premises for the purpose of doing such work as said person shall deem necessary to preserve the wall of the Building of which the Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against Landlord, or diminution or abatement of Rent.

ARTICLE XXVIII

Security Deposit

SECTION 28.1 Letter of Credit. Guarantor, on behalf of Tenant, shall have deposited with Landlord simultaneously with the execution of this Lease, the sum of One Million Fifty Thousand Dollars (\$1,050,000.00) (the "Security Deposit"), by Letter of Credit (as hereinafter defined) in the form as Landlord shall approve in its sole and absolute discretion, as security for the faithful performance, observance and compliance with all of the terms, covenants and conditions of this Lease on Tenant's part to perform, observe or comply with. Guarantor and Tenant agree that, in the event that Tenant defaults under any of the terms, covenants or conditions in this Lease on Tenant's part to observe, perform or comply with (including, without limitation, the payment of any installment of Fixed Rent or any amount of Additional Rent), which default continues after any notice and applicable cure or grace periods required under this Lease and the expiration of any applicable cure or grace period, Landlord may notify the Issuing Bank (as hereinafter defined) and thereupon receive all of the monies represented by the said Letter of Credit and use, apply, or retain the whole or any part of such proceeds, or both, as the case may be, to the extent required for the payment of any Fixed Rent, Additional Rent, or any other sums as to which Tenant is in default, or for any sum that Landlord may expend or may be required to expend by reason of any such default (including any damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord). In the event that Landlord applies or retains any portion or all of such Letter of Credit, the amount not so used, applied or retained shall continue to be treated as Tenant's Security Deposit, and Guarantor and Tenant shall restore the amount so applied or retained by delivering a substitute Letter of Credit to Landlord within five (5) business days after Landlord's demand therefor, so that, at all times, the amount held by Landlord shall be the full amount of the Security Deposit. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, that portion, if any, of the Letter of Credit not used, applied or retained shall be returned to Guarantor no later than one hundred twenty (120) days after the later of (x) Expiration Date (or such earlier date upon which the Lease may terminate) and (y) delivery of possession of the Premises to Landlord, in accordance with, and subject to, the applicable provisions of this Lease.

SECTION 28.2 Letter of Credit Form. (A) The letter of credit (the "Letter of Credit") to be delivered as the Security Deposit under this Article shall be a clean, irrevocable and unconditional letter of credit issued by and drawn upon a commercial bank (hereinafter referred to as the "Issuing Bank") with offices for banking purposes in the City of New York having assets of not less than One Billion Dollars (\$1,000,000,000.00), which Letter of Credit shall have a term of not less than one (1) year, be automatically renewable, be in a form approved by Landlord, be for the account of Landlord and be in the amount of the Security Deposit. The Letter of Credit shall provide that:

(i) The Issuing Bank shall pay to Landlord an amount up to the face amount of the Letter of Credit upon presentation of the Letter of Credit and a sight draft in the amount to be drawn;

(ii) The Letter of Credit shall be deemed to be automatically renewed, without amendment, for consecutive periods of one (1) year each during the Term of this Lease, unless the Issuing Bank sends written notice (hereinafter called the "Non-Renewal Notice") to Landlord by certified or registered mail, return receipt requested, not less than ninety (90) days prior to the then expiration date of the Letter of Credit with an ultimate expiration no earlier than one hundred twenty (120) days after the Expiration Date of the Lease, that it elects not to have such Letter of Credit renewed; and

(iii) The Letter of Credit shall be transferable by the beneficiary thereof, without charge, and any failure of Guarantor or Tenant, or any of Tenant's successors or assigns as permitted under this Lease, to pay the transfer charges shall not affect the beneficiary's ability to transfer the Letter of Credit; the Letter of Credit may be transferred as aforesaid from time to time, by the then-beneficiary under the Letter of Credit; to effectuate a transfer under the Letter of Credit, the beneficiary must notify the Issuing Bank in writing signed by an authorized signatory of beneficiary, of the name and address of the transferee and of the effective date of the transfer; and upon the Issuing Bank's receipt of such writing, the Issuing Bank will issue an amendment to the Letter of Credit that changes the name and address of the beneficiary hereof and shall deliver the original of such amendment to the new beneficiary/transferee and a copy thereof to the prior beneficiary/transferor.

(B) In the event that the Issuing Bank sends a Non-Renewal Notice, Guarantor and Tenant shall have five (5) business days from the date of issuance thereof to provide Landlord with a substitute Letter of Credit which meets the requirements of this Article. In the event that Guarantor and/or Tenant fail within such period to provide Landlord with a substitute Letter of Credit, Landlord shall have the right, exercisable in accordance with this Article and without any notice to Tenant or Guarantor, to draw down on the Letter of Credit, which moneys shall be held by Landlord as a cash deposit subject to Landlord's right to use such cash funds, at Landlord's sole option, for purposes of having issued, on Tenant's behalf, a substitute Letter of Credit.

SECTION 28.3 Transfer. In the event of a sale or transfer of the real property, the Building or the then-landlord's interest therein or a leasing by the then-landlord of any of same,

Landlord shall have the right, at no cost or expense to Landlord, to transfer or assign such Letter of Credit to the vendee, transferee or lessee, and Landlord shall notify Guarantor and Tenant, by certified mail, return receipt requested, of such sale, transfer or lease, together with the name and address of such vendee, transferee or lessee, and Landlord shall thereupon be released by Guarantor and Tenant from all liability for the return of such Letter of Credit. In such event, and subject to the satisfaction of the foregoing requirements, Guarantor and Tenant agree to look solely to the new landlord for the return of said Letter of Credit. In connection with the foregoing, Guarantor and Tenant shall reasonably cooperate with Landlord and such vendee, transferee or lessee in connection with the transfer or assignment of such Security Deposit including, without limitation, executing and delivering, within five (5) business days after demand therefor, any and all instruments, certificates, agreements or other documents that Landlord, such vendee, transferee or lessee or the Issuing Bank may reasonably require.

SECTION 28.4 No Assignment. Guarantor and Tenant covenant that they will not assign or encumber, or attempt to assign or encumber, the Security Deposit, and that neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment, or attempted encumbrance.

SECTION 28.5 Replacement. In the event that at any time during the Term of this Lease, the Issuing Bank files for protection under any chapter of the United States Bankruptcy Code or the bankruptcy code of the state or county of its formation or is seized by the appropriate regulatory authorities of the State of New York, the United States or the state or nation of its formation and as a result thereof is incapable of or unable to, or prohibited from honoring the then existing Letter of Credit (hereinafter referred to as the "Existing L/C") then, upon the happening of the foregoing, Landlord may send written notice to Guarantor and Tenant (hereinafter referred to as the "Replacement Notice") requiring Guarantor and/or Tenant to replace the Existing L/C with a new letter of credit (hereinafter referred to as the "Replacement L/C") from an Issuing Bank meeting the qualifications described in this Article, within thirty (30) days of the date of such notice. Upon receipt of a Replacement L/C meeting the qualifications of this Article, Landlord shall simultaneously return the Existing L/C to Guarantor. In the event that a Replacement L/C meeting the qualifications of this Article is not received by Landlord within the time specified, the Existing L/C may be presented for payment by Landlord and the proceeds thereof shall be held by Landlord in accordance with this Article.

SECTION 28.6 Issuing Bank Credit Rating. In the event that the Issuing Bank's credit rating is reduced below P-2 (or equivalent) by Moody's Investors Service, Inc. or below A-2 (or equivalent) by Standard Poor's Corporation (the "Minimum Rating Requirement"), then Landlord shall have the right to require that Guarantor and Tenant obtain from a different issuer a Replacement L/C that complies in all respects with the requirements of this Article XXVIII, and Guarantor's and/or Tenant's failure to obtain such a Replacement L/C within thirty (30) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) shall entitle Landlord to immediately draw upon the then existing Letter of Credit in whole or in part, without notice to Guarantor or Tenant. In the event the issuer of any Letter of Credit held by Landlord is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship

occurs, said Letter of Credit shall be deemed to not meet the requirements of this Article XXVIII, and, within fifteen (15) days thereof, Guarantor and/or Tenant shall replace such Letter of Credit with other collateral acceptable to Landlord in its sole and absolute discretion (and Guarantor's or Tenant's failure to do so shall, notwithstanding anything in this Lease to the contrary, constitute an Event of Default hereunder for which there shall be no notice or grace or cure periods being applicable thereto other than the aforesaid thirty (30) day period). If at any time during the Term there is no Issuing Bank that satisfies the Minimum Rating Requirement from which Guarantor or Tenant is able to obtain, at a commercially reasonable cost, a Replacement L/C, then Landlord may draw down the full amount of the existing Letter of Credit (unless Guarantor or Tenant post cash security equal to the amount of the Security Deposit within ten (10) days after written notice that Landlord intends to draw down on the existing Letter of Credit) and retain the proceeds thereof as substitute security, subject to the provisions of this Article XXVIII, provided that Landlord shall invest any amounts so drawn or otherwise posted by Guarantor and/or Tenant and not immediately thereafter applied to cure any default or to pay damages then due and payable in a mutual fund designated by Landlord that invests solely in U.S. Treasury bills. Following any such draw by Landlord, Guarantor or Tenant may, and at Landlord's option shall, obtain a Replacement L/C in the amount of the Security Deposit from a bank that satisfies the Minimum Rating Requirement and upon issuing of same to Landlord, Landlord shall return such funds drawn by Landlord, together with all interest accrued thereon in accordance with this Article XXVIII.

ARTICLE XXIX

Condominium

SECTION 29.1 Condominium.

A. Tenant acknowledges that the Building and the land of which the Premises form a part may be subjected to the condominium form of ownership prior to the end of the term of this Lease. Tenant agrees that if, at any time during the term, the Building and the land shall be subjected to the condominium form of ownership, then, this Lease and all rights of Tenant hereunder are and shall be subject and subordinate in all respects to any condominium declaration (the "Declaration") and any other documents (together with the Declaration, collectively, the "Condominium Documents"; the condominium association and/or the board thereof, hereafter, the "Condominium") which shall be recorded in order to convert the Building and the land of which the Premises form a part to create a "common interest development" within the meaning of Section 4100 of the Davis-Stirling Common Interest Development Act ("CID Act"), or successor provision, which is also a "condominium project," as defined in California Civil Code Section 4125, and a "subdivision" as defined in Section 11000 of the California Business and Professions Code; provided that the Declaration and the Condominium Documents do not increase the obligations or diminish the rights of Tenant hereunder or reduce Landlord's obligations hereunder or have an adverse impact upon the rights of Tenant hereunder (in any case beyond a *de minimis* extent) and provided further that Landlord shall use commercially reasonable efforts to cause the board of managers of the Condominium (the "Board") shall enter into a non-disturbance agreement with Tenant, confirming that, so long as Tenant is not in default of its obligations under this Lease after notice and expiration of applicable cure or grace periods, any foreclosure of the unit of which the Premises are a part or the exercise by the Board of any of its rights under the Condominium Documents shall not result in termination of this Lease or otherwise interfere with the rights of

Tenant under this Lease including, but not limited to, Tenant's right to quiet enjoyment as set forth in Section 22.1 hereof. If any such Declaration is to be recorded, Tenant, upon request of Landlord, but subject to the foregoing, shall enter into an amendment of this Lease in such respects as shall be necessary to conform to such condominiumization, including, without limitation, appropriate adjustments to Tenant's Percentage and to real estate taxes payable during the base tax year, subject to paragraph G below.

B. Subject to the other provisions of this Article 29, Tenant agrees that it shall comply with the rules and regulations of the Condominium (which shall not diminish Tenant's rights or increase Tenant's obligations under the Lease, in each case, more than to a de minimis extent) as well as Landlord's rules and regulations. Tenant's use of the Premises shall comply in all respects with the provisions of the Condominium Documents.

C. Notwithstanding anything to the contrary contained herein, but subject to Tenant's Permitted Use hereunder, if at any time during the Term, Landlord shall receive notice from the Condominium, unit owners of the Condominium or occupants of the Building or other persons that any use or manner of use or the operation of the Premises or part thereof by Tenant or other persons claiming by, through or under Tenant, violates any provision of the Condominium Documents or results in a breach of any duty or obligation which Landlord may have or owe to the Condominium, any unit owner of the Condominium or other occupant of the Building or other person, then Tenant hereby agrees to indemnify, defend and hold Landlord, its successors and assigns, harmless from and against any cost, loss or expense (including reasonable attorneys' fees) suffered or incurred by Landlord, its successor or assigns, in connection with any such claim and any action or proceeding thereon, such indemnification obligation to survive the expiration or other termination of this Lease.

D. If at any time, pursuant to law or the provisions of the Condominium Documents, the Building shall cease to be a condominium, unless any condition exists pursuant to which this Lease may otherwise be terminated, then, this Lease shall continue in full force and effect between Tenant and the new owner of the Building, except that this Lease shall be deemed modified to delete provisions relating to the Condominium which are no longer relevant. At the request of Landlord, Tenant will execute a modification of this Lease confirming such changes at that time.

E. With regard to any items of repair, maintenance, restoration, services or other obligations of Landlord under this Lease which under the Condominium Documents or by law is the duty or responsibility of the Condominium, the Board, or the owner of any other unit in the Condominium (each of the foregoing being a "Responsible Party"), Landlord shall cause the Responsible Party to perform such work or obligations.

F. Tenant acknowledges that Landlord retains the right, at any time during the term, and from time to time, to split the Building into two (2) or more separate condominium units. In any such event, Tenant agrees as follows: (i) Tenant will give such consents if any, as may be required to effectuate any such further condominiumization within the Building; (ii) Tenant agrees that it will promptly cooperate and comply with all requests made by Landlord in furtherance of

any such further condominiumization, which may include, without limitation, executing such documents as may necessary in connection with the further condominiumization and consenting to any modifications of this Lease as may be reasonably requested by Landlord in connection therewith, provided the same do not increase the obligations of Tenant under this Lease or have an adverse impact upon the rights of Tenant or increase any of Landlord's rights or diminish any of Landlord's obligations under this Lease and Tenant agrees that its failure to so cooperate on a timely basis shall, at Landlord's option, constitute a default by Tenant under this Lease entitling Landlord to exercise all remedies hereunder after notice and the expiration of the grace period applicable to non-monetary defaults; and (iii) Tenant agrees that from after any such conversion of the Building to two (2) or more condominium units, the word "Landlord" as used herein shall refer to the owner of the unit or units of the Condominium which comprise the Premises and such other definitional changes as may be appropriate shall be made. From and after such further condominiumization, if any, the computation of Tenant's Percentage shall be appropriately adjusted to reflect the relative size of the Premises to the tax lot constituting the condominium unit(s) containing the Premises, and any other escalation or other changes payable on the basis of a percentage of square footage of the Building shall be appropriately adjusted, if necessary, to accurately reflect Tenant's Percentage thereof. Without limiting the generality of the foregoing, from and after such condominiumization, the base taxes shall be determined by multiplying the base taxes referred to in Article III of this Lease times a fraction, the numerator of which is the amount of real estate taxes initially payable by the Condominium containing the Premises when the Condominium has been established and the denominator of which is the total amount of real estate taxes payable by all Condominiums in the Building when all such Condominiums have been established.

ARTICLE XXX

INTENTIONALLY OMITTED

ARTICLE XXXI

Tax and Energy Incentive Program

SECTION 31.1 Tax and Energy Incentive Program. Should Landlord, in its sole discretion, elect to apply for any benefits under any incentive program, (the "Incentive Programs"):

(A) Tenant shall, in order to assist Landlord in obtaining any incentives, abatement, discounts, subsidies or refunds, (i) promptly execute and file any necessary documents associated therewith; (ii) cause its agents to execute such applicable documents; and (iii) follow all reasonably required procedures and time lines in the execution of such documents reasonably requested by Landlord.

(B) Notwithstanding anything contained herein to the contrary, Landlord shall not be required to apply for any such Incentive Programs and has made no representations to Tenant with respect to such Incentive Programs.

ARTICLE XXXII

Anti-Terrorism Requirements

SECTION 32.1 Anti-Terrorism Requirements. Tenant represents and warrants that (i) neither Tenant nor any person who owns any direct or indirect beneficial interest in Tenant or any of them, is listed on the list maintained by the United States Department of the Treasury, Office of Foreign Assets Control (commonly known as the OFAC List) or otherwise qualifies as a person with whom business by a United States citizen or resident is prohibited and (ii) neither Tenant nor any person who owns any direct or indirect beneficial interest in Tenant or any of them is in violation of any anti-money laundering or anti-terrorism statute, including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56 (commonly known as the USA PATRIOT Act), and the related regulations issued thereunder, including temporary regulations, all as amended from time to time.

ARTICLE XXXIII

Guaranty

SECTION 33.1 Guaranty. Upon execution and delivery of this Lease by Tenant to Landlord, Tenant shall deliver to Landlord the Guaranty executed by Interurban Capital Group, Inc., a Delaware corporation ("Guarantor") in the form annexed hereto and made a part hereof as Exhibit D (the "Guaranty").

ARTICLE XXXIV

No Recordation

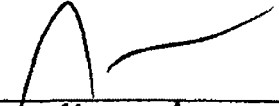
SECTION 34.1 No Recordation. This Lease shall not be recorded. The recordation of this Lease by Tenant shall constitute a default by Tenant under this Lease.

[Signature Page to Immediately Follow]

IN WITNESS WHEREOF, Landlord and Tenant have set their hands, the day, month and year first above written.

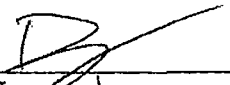
LANDLORD:

152 GEARY ST. LLC

By: 
Name: Marys Missy
Title: Authorized Signatory

TENANT:

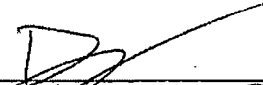
VIJAYA PROPERTIES, LLC

By: 
Name: James H. Donnelly
Title: CFO Interurban Capital Group, sole member

For the purpose of acknowledging and agreeing to Article XXVIII hereof:

GUARANTOR:

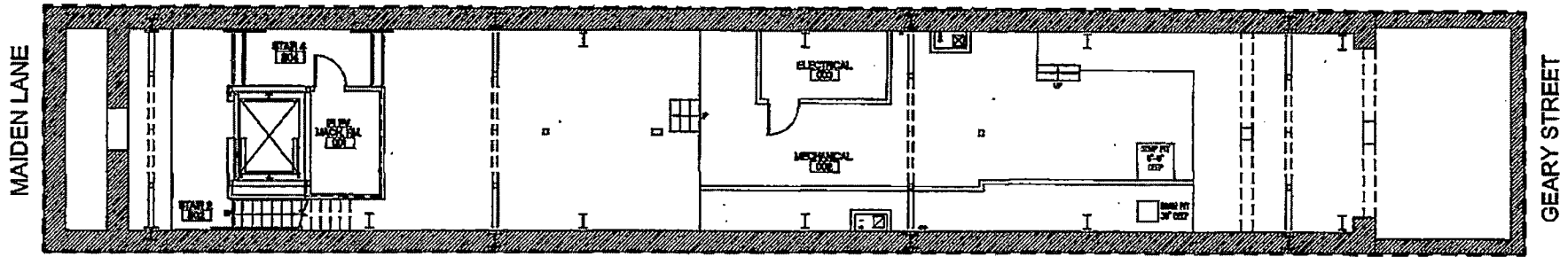
INTERURBAN CAPITAL GROUP, INC.

By: 
Name: James H. Donnelly
Title: CFO

[ATTACHED]

Premises

EXHIBIT A



MAIDEN LANE

GEARY STREET



CELLAR FLOOR PLAN
SCALE: NTS



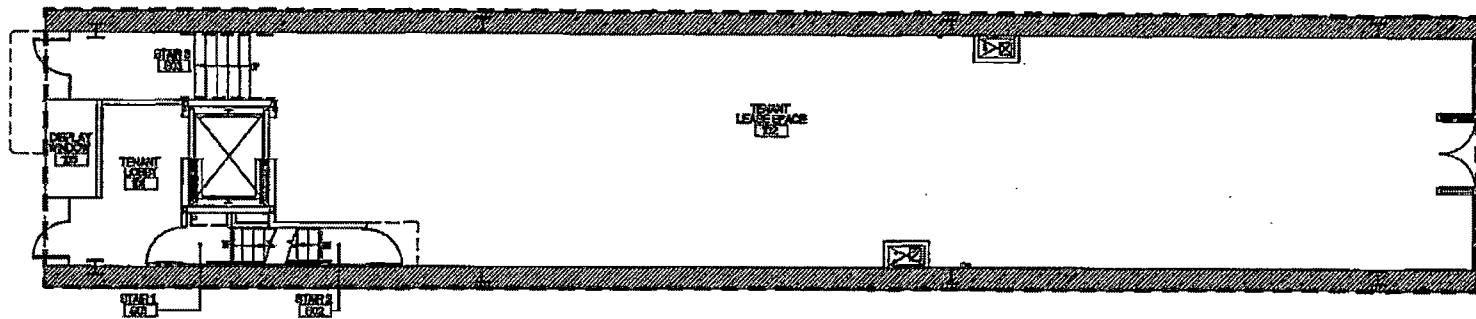
25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL. 212 529-5055

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE PREMISES, COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT, WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY, ALTER, CONSOLIDATE AND OCCUPANTS OF THE PREMISES AT ANY TIME.

152 GEARY STREET
SAN FRANCISCO, CA
DATE: 2016-02-23
DRAWN BY: MP



MAIDEN LANE



GEARY STREET



GROUND FLOOR PLAN

SCALE: NTS

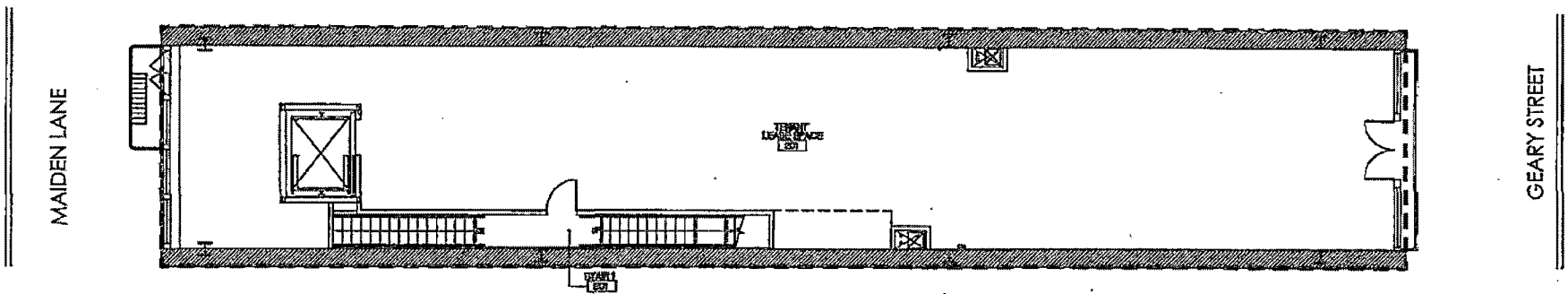


25 WEST 39TH STREET
 NEW YORK, N.Y. 10018
 TEL 212 529-5055

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152 GEARY STREET
 SAN FRANCISCO, CA
 DATE 2016-02-29
 DRAWN BY: MF

LOD



SECOND FLOOR PLAN
SCALE: NTS



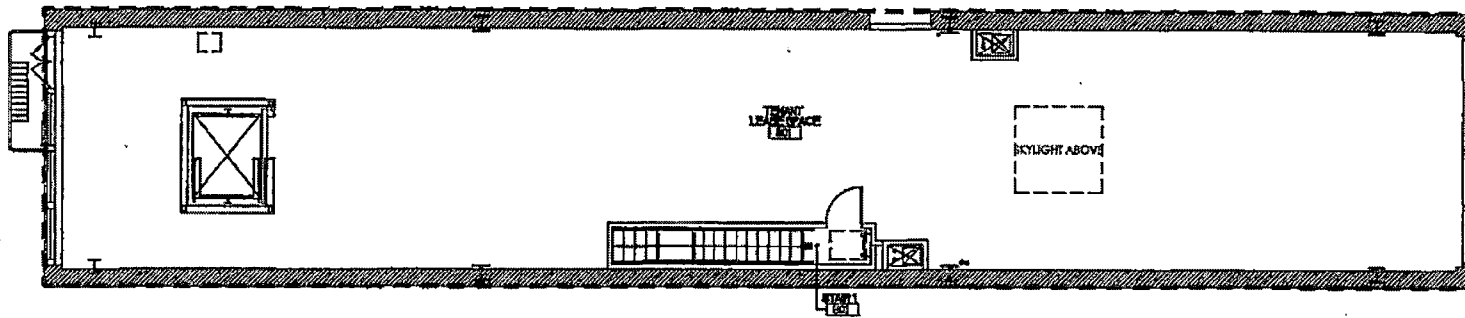
25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE PREMISES, COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT, WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY SIZE, CONFIGURATION AND OCCUPANTS OF THE PREMISES AT ANY TIME.

152 GEARY STREET
SAN FRANCISCO, CA
DATE: 2016-09-29
DRAWN BY: MP



MAIDEN LANE



GEARY STREET



THIRD FLOOR PLAN
SCALE: NTS



25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

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152 GEARY STREET
SAN FRANCISCO, CA
DATE: 2016-01-29
DRAWN BY: MP

LOD

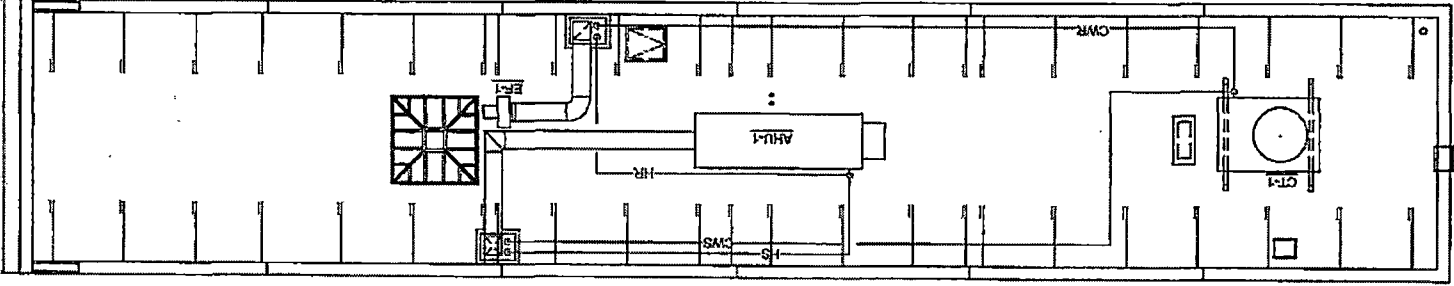


25 WEST 39TH STREET
 NEW YORK, N.Y. 10018
 TEL 212 529-5055



SCALE N1S

ROOF FLOOR PLAN



MAIDEN LANE

LOD

152 GEARY STREET
 SAN FRANCISCO, CA
 DATE: 01/16/05
 DRAWN BY: MP

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE PREMISES, COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS REPRESENTED ON THIS EXHIBIT, OR THAT ANY DEFICIENCIES WILL BE REPAIRS OR MAINTENANCE, WHICH MAY BE REPAIRS OR MAINTENANCE OF THE PREMISES AND OCCUPANTS OF THE PROPERTY. LANDLORD MAKES THE RIGHT TO MODIFY SIZE, CONFIGURATION AND OCCUPANTS OF THE PREMISES AT ANY TIME.

01/16/05 Geary Street CA 94102-1010 152-24, 152 Geary, JLL FLOOR PLAN, 2/28/2010 02:58 PM, Adobe PDF

GEARY STREET

EXHIBIT B

Signage Plan

[ATTACHED]

EXHIBIT C

Rules and Regulations

A. GENERAL

1. Compliance With Laws. Tenant agrees to observe and perform all insurance requirements and comply with all Laws pertaining to Tenant's business or Tenant's Permitted Use of the Premises, including, among others, (i) all requirements concerning health and safety standards and environmental protection, (ii) all requirements under the Americans With Disabilities Act, and (iii) the obtaining of all permits (including, but not limited to, the Permits) required by applicable Law.
2. No Discrimination. Tenant agrees, in the conduct of Tenant's business, not to discriminate against or segregate (or to permit anyone acting under the color of Tenant's authority to discriminate against or segregate) any person on account of sex, sexual orientation, age, race, color, creed, religion, marital status, ancestry or physical handicap. This covenant also governs Tenant's employment practices and selection of suppliers and contractors.
3. Rights of Access. On not less than twenty-four (24) hours' advance written or verbal notice, accompanied by an authorized representative of Tenant, provided Tenant makes such representative reasonably available (except in the event of an emergency, in which event no advance notice or authorized representative's accompaniment shall be required), Landlord and Landlord's experts/consultants may enter the Premises in order to inspect the condition of the Premises, to verify Tenant's compliance with this Lease and applicable law and to effect required or necessary repairs. Any such entry will be at Landlord's expense unless it reveals a violation of applicable law or a condition that if not promptly remedied would result in a default under this Lease. As long as Landlord acts in good faith and with reasonable care, no such entry shall constitute an eviction or disturbance of Tenant's possession nor render Landlord liable to Tenant.
4. Building Additional Reserved Rights. Provided the following have no material adverse effect on Tenant's Permitted Use or right to quiet enjoyment as set forth in Section 22.1 of the Lease, Landlord reserves the following additional rights: (i) to change the character, use and quality standards of the Building; (ii) to change the name or street address of the Building; (iii) to control access to and from Building common areas; (iv) to rearrange, relocate, close or change corridors, elevators, stairs, lavatories, doors, lobbies, entrances or exits to the Building; and (v) subject to Section 3, above, to exhibit the Premises to prospective lessees, purchasers or others.
5. No Solicitation. Tenant acknowledges Landlord's legitimate interest in preventing solicitation from and around the Premises and in, from and around the Building. Tenant agrees not to solicit or permit customer solicitation, canvassing or peddling by any persons stationed in or near the entrance to the Premises, in any Building lobby or common area, or otherwise in the immediate vicinity of the Building.
6. Labor Disputes. If labor disputes or activities involving Tenant or the conduct of Tenant's business result in a picket line being established upon or in the vicinity of the Premises or the

Building, or if there is related or similar activity that, in Landlord's judgment, interferes with or adversely affects the operations of the Building, then, upon at least five (5) days' notice to Tenant, Landlord may terminate this Lease unless within that five- (5) day period Tenant causes the objectionable activity to be enjoined or otherwise disbanded for the duration of the labor dispute.

7. Distress Sales. Tenant must not conduct or permit on the Premises any auction, fire, bankruptcy, going out of business or relocation sale, or any similar distress sale, whether or not otherwise permitted by applicable law.

8. Alcoholic Beverages. Tenant must not use or permit the Premises to be used for the making, storing, using, selling or giving away of any alcoholic beverage, as that term is defined under any applicable law.

9. Cooking. Unless specifically permitted by the Schedule or a Rider to this Lease, Tenant must not cook or permit cooking on the Premises other than food preparation customarily performed with a microwave oven for use by Tenant's employees only.

10. Access. Tenant must not obstruct or encumber any areas of the Building outside Tenants' Premises, nor use them for any purpose other than entering and leaving the Premises. If the Premises are accessible from a public sidewalk, Tenant is responsible for keeping the areas directly in front of the Premises clean and free from ice, snow, dirt, rubbish and other accumulation.

11. Miscellaneous. Tenant must not cover or obstruct the sashes, sash doors, skylights, windows and doors that reflect or admit light into areas of the Building outside Tenant's Premises, nor shall Tenant place or permit parcels, bottles or other articles on the window sills. Tenant must not throw anything out of the doors, windows or skylights of the Premises.

12. Plumbing Fixtures. Plumbing fixtures must be used only for their generally accepted purposes. Tenants are responsible for damages resulting from abuse or misuse of these fixtures by Tenant or Tenant's employees or invitees.

13. Defacing Prohibited. Tenant must not in any way deface any part of the Premises or the Building. Floor coverings of any kind may only be used in a manner, and with such adhesives, as Landlord first approves.

14. Vehicles; Animals. No bicycles, vehicles, animals, birds or fish shall be permitted in the Premises, except aids for the disabled.

15. Objectionable Odors. Other than odors customarily associated with Cannabis use, Tenant must not cause or permit any unusual or objectionable odors to be produced or to emanate from the Premises. Tenant may only allow smoking of cannabis as permitted under applicable Laws (other than federal laws, orders, rules and regulations, including but not limited to the Controlled Substances Act), and all other Cannabis-related laws, provided Tenant obtains the Permits.

16. Disturbing Noises. Tenant must not make or permit any unseemly or disturbing noises or otherwise disturb or interfere with other tenants, guests and patrons of the Building. Tenant must

not place or permit antennae of any kind, loud speakers, sound amplifiers, flashing lights or spotlights on the roof or inside or outside of the Premises or the Building.

17. Locking Mechanisms. Other than as allowed by Section 21.20 of the Lease (but in all events, permitting Landlord to have access to the Premises twenty-four (24) hours a day, seven (7) days a week in the case of an emergency through the use of a master key, Tenant must not place additional gates, locks or bolts of any kind upon any doors or windows outside Tenant's Premises, nor shall Tenant change existing locks or their mechanisms. Upon expiration of the Term, Tenant must return all keys to such areas either furnished to or otherwise procured by Tenant. If Tenant loses any key furnished to Tenant by Landlord, Tenant must replace it or promptly pay Landlord its cost. Upon termination of this Lease or Tenant's right to possession, Tenant must surrender to Landlord all keys and combinations used by Tenant in connection with the Premises and otherwise advise Landlord as to the operation of all locks, combination or otherwise, on safes, cabinets, doors and vaults in the Premises.

18. Freight. There shall be no major loading or unloading in the Building between 8 A.M. and 6 P.M. or on any Saturday, Sunday or holiday. Tenant acknowledges it has been advised that the freight elevators servicing the Building can be used from 8 A.M. to 6 P.M. on business days, only for less than truckload deliveries which will not unreasonably interfere with use of the freight elevator by or on behalf of Landlord. Exclusive freight elevator use must be scheduled with Landlord at least three (3) days in advance and is subject to availability and Landlord's then Building-standard charges for such exclusive use. All movement of bulky materials or items to and from the Premises must take place during hours Landlord determines. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight that violates this Lease. Unless equipped with rubber tires and side guards, hand trucks are not to be used in the Building. Tenant must not permit such use. Tenant must not take or permit supplies, merchandise, fixtures, equipment, appliances or trash to be taken in or out of the Building except through proper service doors designated by Landlord. Tenant must also comply with Landlord's reasonable instructions concerning parking, loading and unloading in or around the Building.

19. Prohibited Uses. Tenant must not use or permit the Premises to be used for any Illegal Drug-Related Activity, or as an employment bureau, or for any immoral purpose (provided that the term "immoral purpose" expressly excludes Tenant's Permitted Use). Tenant must not engage or pay any employees on the Premises except those actually working for Tenant on the Premises.

20. Use of Landlord's Employees. Requests for action by Landlord, or Landlord's employees, must be made at the main office in the Building. Tenant must not request Landlord's employees to perform any work for Tenant or to do anything outside of their regular duties without first obtaining Landlord's written consent. If Landlord makes its employees available to assist Tenant, Tenant must promptly pay Landlord for its employee's services at reasonable hourly rates.

21. Window and Door Coverings. Tenant may install awnings, shades, Venetian blinds or window or door coverings of any kind only with Landlord's prior written approval. If so installed, Tenant must maintain them in good and attractive condition, at Tenant's cost and risk.

22. Floor Overloading. Tenant must not overload any floor.

EXHIBIT D

FORM OF GUARANTY

GUARANTY OF LEASE (this "Guaranty") dated as of ____ September, 2018 by Interurban Capital Group, Inc., a Delaware corporation, having an address at 3958 6th Avenue NW, Seattle, Washington 98107 ("Guarantor") in favor of 152 Geary St. LLC, a Delaware limited liability company, having an address at c/o Thor Equities at 25 West 39th Street, New York, New York 10018 ("Landlord").

STATEMENT OF FACTS

- A. Reference is made to that certain Lease dated as of even date herewith (the "Lease"), between Landlord, as landlord, and Vijaya Properties, LLC, a Delaware limited liability company, as tenant ("Tenant"), with respect to certain premises (the "Premises") in the building located at 152 Geary Street, San Francisco, California, as more particularly described in the Lease. All terms used but not defined in this Guaranty shall have the respective meanings ascribed to such terms in the Lease.
- B. Landlord requires, as a condition to the execution by it of the Lease, that the Guarantor execute and deliver this Guaranty.
- C. The Guarantor wishes to execute and deliver to Landlord this Guaranty, to induce Landlord to execute and deliver the Lease.
- D. The Guarantor will derive substantial benefit from the Lease as a result of the Guarantor's beneficial interest in Tenant.

AGREEMENT

1. Guarantor, on behalf of itself and its heirs, executors and administrators and successors and assigns, does hereby unconditionally guaranty to Landlord and to Landlord's executors, administrators, heirs and successors and assigns, full and timely payment, performance and observance of, and compliance with, all of Tenant's obligations under the Lease, including, without limitation, the full and prompt payment of all Fixed Rent, Additional Rent and all other charges and sums due and payable by Tenant under the Lease (including, without limitation, Landlord's reasonable attorneys' fees and disbursements) (collectively, the "Obligations"). Guarantor waives any notice of nonpayment, non-performance, non-observance or non-compliance, or proof, notice or demand whereby to charge Guarantor. Guarantor hereby further expressly covenants and agrees that its obligations hereunder shall in no way be terminated or otherwise affected or impaired by reason of any assertion by Landlord against Tenant of any of the rights or remedies available to Landlord pursuant to the Lease or allowed at law or in equity. Guarantor's liability under this Guaranty is a guaranty of payment and performance, not collection. To the extent Guarantor is released from its obligations for any reason, the same shall in no way release Guarantor from its Lease obligations as they relate to the Letter of Credit.

2. It is agreed that any security deposited under the Lease shall not be computed as a deduction from any amount owed and payable by Tenant or Guarantor under the

terms of this Guaranty.

3. Guarantor further covenants and agrees that (i) this Guaranty shall remain and continue in full force and effect during any period when Tenant is occupying the Premises as a "statutory tenant" (including, but not limited to a month-to-month tenancy), and (ii) Guarantor shall reimburse Landlord for any and all costs incurred in connection with the enforcement of this Guaranty, including without limitation, Landlord's reasonable attorneys' fees and disbursements.

4. Subject to the terms hereof, this Guaranty is an absolute and unconditional guaranty of payment and performance. Guarantor hereby covenants and agrees to and with Landlord and its successors and assigns, that Guarantor may be joined in any action or proceeding against Tenant in connection with the Obligations, and that recovery may be had against Guarantor in such action or proceeding or in any independent action or proceeding against Guarantor without Landlord or its successors or assigns first pursuing or exhausting any remedy or claim against Tenant or its heirs, executors, administrators, successors or assigns or any other remedy or claim under any other security for, or guaranty of, the obligations of Tenant under the Lease.

5. Except as provided in Section 1 hereof, this Guaranty shall be a continuing guaranty, and shall survive the expiration or earlier termination of the Lease. Guarantor further covenants and agrees that this Guaranty shall not be affected or impaired by, and shall remain and continue in full force and effect as to any modification of the Lease and as to any assignment or subletting and shall cover, apply to and incorporate all of the terms, covenants and conditions of all such modifications, assignments and sublettings without need of any notice to or consent of Guarantor.

6. GUARANTOR IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER LANDLORD OR GUARANTOR RELATING TO THE LEASE OR THIS GUARANTY AND WAIVES THE BENEFIT OF ANY STATUTE OF LIMITATIONS AFFECTING GUARANTOR'S LIABILITY UNDER THIS GUARANTY.

7. This Guaranty is, and shall be deemed, a contract entered into under the laws of the State of California and shall be governed by the provisions hereof and by the laws of the State of California, as same may from time to time exist, without reference to or application of any choice of law or conflicts of law doctrines, and no defense shall be interposed in any action or proceeding hereon unless such defense is also given or allowed by the laws of the State of California. Guarantor agrees to submit to personal jurisdiction in the State of California in any action or proceeding arising out of this Guaranty. As a further inducement to Landlord to make and enter into the Lease, Guarantor covenants and agrees that (i) the Superior Court of California in and for the County of San Francisco (or, in a case involving diversity of citizenship, the United States District Court for the Northern District of California) shall have jurisdiction of any action or proceeding and (ii) service of any summons and complaint or other process in any such action or proceeding may be made by certified mail, return receipt requested, directed to Guarantor at the address below set forth or at such other address designated by Guarantor, personal service being hereby waived.

8. If any of the provisions of this Guaranty, or the application thereof to any

person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such provision to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected hereby and every provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

9. Should Landlord be obligated by any bankruptcy or other law to repay to Tenant, or to any trustee, receiver or other representative of Tenant, any Fixed Rent previously paid that would be an obligation of Guarantor under this Guaranty, then this Guaranty shall be reinstated to include the amounts of such repayment. Landlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it, in good faith and on the advice of counsel, believes that such obligation exists.

10. No provision of this Guaranty may be changed, waived, discharged or terminated except by an instrument in writing signed by both Landlord and Guarantor.

11. Subject to the applicable statute of limitations, no delay on the part of Landlord in exercising any right, power or privilege under this Guaranty, the Lease, or any other document shall operate as a waiver of any such privilege or right. All remedies of Landlord afforded by reason of this Guaranty, the Lease or any other document are separate and cumulative remedies, and no one remedy, whether exercised by Landlord or not, will be in exclusion of any other remedy and shall not limit or prejudice any other legal or equitable remedy that Landlord may have.

12. All notices, demands, elections and other communications desired or required to be delivered or given under this Guaranty shall be in writing, in a securely sealed envelope, sent by certified mail, return receipt requested or overnight courier, receipt requested addressed to the party to which the same is to be delivered or given, in all cases, at such party's address as set forth below or at such other address as said party shall have designated in writing in accordance herewith, and shall be deemed to have been delivered and given upon first attempted delivery as evidenced by a receipt therefor. Attorneys for Landlord may send notices to Guarantor on Landlord's behalf, and attorneys for Guarantor may send notices to Landlord on Guarantor's behalf, which notices shall be fully binding.

All notices sent to Landlord shall be sent to:

c/o Thor Equities LLC
25 West 39th Street, 11th Floor
New York, New York 10018
Attn: Justin A. Xenitelis, General Counsel

All notices sent to the Guarantor shall be sent to:

Interurban Capital Group, Inc.
3958 6th Avenue NW
Seattle, Washington 98107
Attn: Jim Denedy, CFO

with additional copies by like means to:

Fifth Avenue Law Group PLLC
701 5th Avenue, Suite 2800
Seattle, Washington 98104
Attn: David Kerr and John M. Sharp

13. This Guaranty shall inure to the benefit of Landlord and Landlord's respective successors and assigns.

14. In the event of more than one Guarantor, the obligations of each Guarantor hereunder are joint and several.

15. Guarantor waives and disclaims any claim or right against Tenant by way of subrogation or otherwise in respect of any payment that Guarantor may be required to make hereunder, to the extent that such claim or right would cause Guarantor to be a "creditor" of Tenant for purposes of the United States Bankruptcy Code (11 U.S.C. §101 *et seq.*, as amended), or any other Federal, state or other bankruptcy, insolvency, receivership or similar law. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid and performed in full, Guarantor shall hold such amount in trust for Landlord and shall pay such amount to Landlord immediately following receipt by Guarantor, to be applied against the Obligations, whether matured or unmatured, in such order as Landlord may determine. Guarantor hereby subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

16. This Guaranty may be executed in one or more counterparts, each of which may be an original, telecopy or electronic file portable data format (.PDF), each of which shall be deemed an original, and all of such counterparts shall together constitute one and the same instrument.

17. Guarantor shall, within ten (10) days after Landlord's request (up to twice a year), issue a certificate as Landlord reasonably requests, confirming this Guaranty, Guarantor's lack of defenses, and similar matters as Landlord reasonably requires, directed to such addressee(s) as Landlord designates.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Guaranty on the day and year first above written.

Interurban Capital Group, Inc.

By: _____

Name: _____

Title: _____

EXHIBIT E

Contractor's Insurance

The contractor performing and overseeing Tenant's Work and any other Alterations as provided in the Lease ("Contractor") accepts by its signature below the provisions of this Exhibit.

1. Contractor shall at its sole cost and expense procure and maintain insurance policies with the following minimum limits, coverages and terms as set forth herein (the "Policies").
 - a. Commercial General Liability (CGL) with a limit of not less than **\$1,000,000** General Aggregate Limit; **\$1,000,000** Products-Completed Operations Aggregate Limit; **\$1,000,000** Personal & Advertising Injury Limit; **\$1,000,000** Each Occurrence Limit; **\$50,000** Fire Damage Legal Limit; **\$5,000** Medical Expenses Limit. CGL insurance shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage). The CGL policy shall include (i) ISO Additional Insured Endorsement CG 20 37 10 01 or its equivalent, providing coverage for Landlord, Landlord's parent, any subsidiaries, Landlord's managing agent, Landlord's mortgagee and/or ground lessor and their respective officers, directors, employees, successors, assignors and any other party Landlord may designate (collectively referred to as "Landlord Parties") with respect to liability arising out of the ongoing operations of Contractor; (ii) ISO Additional Insured Endorsement CG 20 10 10 01 or its equivalent, providing coverage for Landlord Parties with respect to liability arising out of completed operations of the Contractor for a period of at least two (2) years following Landlord's final acceptance of Contractor's work; and (iii) a separate general aggregate limit for the Project. The CGL policy shall not have a 'third-party-action-over' exclusion.
 - b. Business automobile liability insurance, including non-owned and hired automobile coverage, with a combined single limit of not less than **\$1,000,000**.
 - c. Statutory Workers' Compensation, Disability Benefits and employer's liability insurance covering all employees associated with the Project, with the following employers liability limits (or such limits as would satisfy the underlying insurance limits requirement of the umbrella liability insurance referred to in f. below): **Bodily Injury by accident - \$500,000 each accident; Bodily Injury by disease - \$500,000 policy limit; Bodily Injury by disease - \$500,000 each employee.** Wherever permitted, the Workers Compensation policy shall include a Waiver of Our Right to Recover from Others endorsement WC 00 03 13. This endorsement will name the Landlord Parties.
 - d. Property insurance on the Contractor's property, including but not limited to tools and equipment not intended to be incorporated into the project.

- e. Professional Liability/Errors or Omissions Coverage with a limit of not less than **\$1,000,000** for Professional Contractors providing professional services such as, but not limited to, architectural, engineering, or design services.
 - f. Umbrella liability insurance with a limit of **\$5,000,000** in excess of the Contractor's liability insurance policies required in subsections a, b, and c above.
 - g. If there is any change in Contractor's scope of work or any material change in the manner or risk of the work that Contractor is to perform, Contractor shall maintain such other, further and increased insurance as Landlord may reasonably require.
2. Each of the Policies shall be primary insurance, and not be contributing with, nor be in excess of, coverage that Landlord Parties may carry or may have available. All Policies shall be issued by an insurance company or companies licensed to do business in the State in which the work is being performed, and having a current A.M. Best rating of not less than "A, IX," or an equivalent rating issued by another nationally recognized insurer rating agency (such as S&P, Moody's, or Fitch Ratings.)
 3. Each Policy shall contain a provision that it is not subject to change or cancellation unless thirty (30) days' prior written notice by certified mail, return receipt requested, shall have been given to the Landlord by the insurer.
 4. Each Policy shall include waivers of subrogation.
 5. All Policies purchased and maintained by Contractor (other than Workers' Compensation and Employers' Liability insurance and Professional Liability insurance) shall designate Landlord Parties as additional insureds.
 6. With respect to Workers' Compensation, the Alternate Employer endorsement listing Landlord as alternate employer should be included.
 7. Contractor shall provide Landlord with copies of all insurance certificates and applicable policy endorsements complying with the insurance requirements provided for herein before the Contractor begins work and from time to time thereafter as requested by Landlord. Landlord may require Contractor to provide complete copies of all insurance policies and/or policy endorsements of its Sub-Contractors.
 8. Contractor shall be responsible for any delay or costs incurred by Landlord by reason of Contractor not providing the Landlord with Policies that are in compliance with the requirements of this Exhibit.
 9. The provisions of this Exhibit are not intended to, and shall not, relieve or excuse Contractor from any of its other obligations hereunder, including its obligation to hold Landlord harmless in the manner and to the extent provided herein or provided by law.
 10. With respect to any loss resulting:

- a. from property damage liability, bodily injury liability, personal and advertising injury liability, and/or medical payments (as these terms are generally understood in insurance policies then in effect covering automobile liability, commercial general liability, and/or workers compensation and employers liability), and/or,
- b. from or for damage to Contractor's property, or to property under Contractor's care, custody, or control (including any indirect or consequential loss arising from such property damage),

which loss is covered by any insurance carried (or required to be carried) by or for the benefit of Contractor, Contractor (and any person and/or entity claiming through Contractor) hereby releases each of the Landlord Parties and waives any claim, based on negligence or otherwise, against the Landlord Parties. Any deductible and/or self-insured retention under such insurance shall be deemed to be insurance carried by or for the benefit of Contractor.

11. The Contractor shall require each Sub-Contractor it retains, either in the subcontract or otherwise by appropriate written agreement, to waive all rights of recovery against the Landlord Parties and the Contractor with respect to any loss resulting:
 - a. from property damage liability, bodily injury liability, personal and advertising injury liability, and/or medical payments (as these terms are generally understood in insurance policies then in effect covering automobile liability, commercial general liability, and/or workers compensation and employers liability), and/or,
 - b. from or for damage to Contractor's property, or to property under Contractor's care, custody, or control (including any indirect or consequential loss arising from such property damage),

which loss is covered by any insurance carried (or required to be carried hereunder) by or for the benefit of Sub-Contractor, Sub-Contractor (and any person and/or entity claiming through Sub-Contractor) shall also release each of the Landlord Parties and the Contractor and waive any claim, based on negligence or otherwise, against the Landlord Parties and the Contractor. Any deductible and/or self-insured retention under such insurance shall be deemed to be insurance carried by or for the benefit of Sub-Contractor.

12. The Contractor shall assist and cooperate with the Landlord in every manner reasonably possible in connection with the adjustment of all claims for recovery under any insurance policy concerning the Project or the property where the Project is located.
13. Tenant and the Contractor hereby acknowledge and agree that operations, work and services performed and/or provided by Contractor are also performed for and provided to the Landlord Parties. If any of the Contractor's insurance policies requires that the Contractor must have a written agreement with the Landlord Parties to provide the Landlord Parties with the protection of the Contractor's insurance (such as, but not limited to, insured status for the Landlord Parties, waiver of insurer's subrogation rights in favor of the Landlord Parties, and the Contractor's insurance

applying on a 'primary and non-contributory' basis vis-à-vis the Landlord Parties) then, to the limited extent required by such insurance policies, this Exhibit shall be construed as a written agreement between the Contractor and each of the Landlord Parties.

14. If there is any conflict in the provisions contained in (or if any of such provisions are inconsistent with) this Lease; this Exhibit; any proposal, purchase order, sales order, or any other document that forms part of or is incorporated into the construction agreement by reference or inference; or any other document binding upon Contractor or Tenant, the more restrictive provisions and/or requirements and the higher standard, for the benefit of Landlord, as the case may be, shall prevail and be binding upon Contractor and Tenant.
15. Tenant shall cause any Contractor or Sub-Contractor performing any work in the Premises to include the requirements set forth in this Exhibit in any construction contract, and the Contractor shall execute a copy of this Exhibit (which shall thereupon be evidence of Contractor's or Sub-Contractor's agreement to the terms and provisions set forth herein); it being acknowledged that Landlord will rely upon such agreement and that Landlord shall be entitled to the benefits contained herein.

Authorized Signatory of the Contractor

Date

Print Name: _____

EXHIBIT B

GUARANTY

GUARANTY OF LEASE (this "Guaranty") dated as of October 1 ~~September~~, 2018 by Interurban Capital Group, Inc., a Delaware corporation, having an address at 3958 6th Avenue NW, Seattle, Washington 98107 ("Guarantor") in favor of 152 Geary St. LLC, a Delaware limited liability company, having an address at c/o Thor Equities at 25 West 39th Street, New York, New York 10018 ("Landlord").

STATEMENT OF FACTS

- A. Reference is made to that certain Lease dated as of even date herewith (the "Lease"), between Landlord, as landlord, and Vijaya Properties, LLC, a Delaware limited liability company, as tenant ("Tenant"), with respect to certain premises (the "Premises") in the building located at 152 Geary Street, San Francisco, California, as more particularly described in the Lease. All terms used but not defined in this Guaranty shall have the respective meanings ascribed to such terms in the Lease.
- B. Landlord requires, as a condition to the execution by it of the Lease, that the Guarantor execute and deliver this Guaranty.
- C. The Guarantor wishes to execute and deliver to Landlord this Guaranty, to induce Landlord to execute and deliver the Lease.
- D. The Guarantor will derive substantial benefit from the Lease as a result of the Guarantor's beneficial interest in Tenant.

AGREEMENT

1. Guarantor, on behalf of itself and its heirs, executors and administrators and successors and assigns, does hereby unconditionally guaranty to Landlord and to Landlord's executors, administrators, heirs and successors and assigns, full and timely payment, performance and observance of, and compliance with, all of Tenant's obligations under the Lease, including, without limitation, the full and prompt payment of all Fixed Rent, Additional Rent and all other charges and sums due and payable by Tenant under the Lease (including, without limitation, Landlord's reasonable attorneys' fees and disbursements) (collectively, the "Obligations"). Guarantor waives any notice of nonpayment, non-performance, non-observance or non-compliance, or proof, notice or demand whereby to charge Guarantor. Guarantor hereby further expressly covenants and agrees that its obligations hereunder shall in no way be terminated or otherwise affected or impaired by reason of any assertion by Landlord against Tenant of any of the rights or remedies available to Landlord pursuant to the Lease or allowed at law or in equity. Guarantor's liability under this Guaranty is a guaranty of payment and performance, not collection. To the extent Guarantor is released from its obligations for any reason, the same shall in no way release Guarantor from its Lease obligations as they relate to the Letter of Credit.

2. It is agreed that any security deposited under the Lease shall not be computed as a deduction from any amount owed and payable by Tenant or Guarantor under the terms of this Guaranty.

whom or which it is held invalid or unenforceable, shall not be affected hereby and every provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

9. Should Landlord be obligated by any bankruptcy or other law to repay to Tenant, or to any trustee, receiver or other representative of Tenant, any Fixed Rent previously paid that would be an obligation of Guarantor under this Guaranty, then this Guaranty shall be reinstated to include the amounts of such repayment. Landlord shall not be required to litigate or otherwise dispute its obligations to make such repayments if it, in good faith and on the advice of counsel, believes that such obligation exists.

10. No provision of this Guaranty may be changed, waived, discharged or terminated except by an instrument in writing signed by both Landlord and Guarantor.

11. Subject to the applicable statute of limitations, no delay on the part of Landlord in exercising any right, power or privilege under this Guaranty, the Lease, or any other document shall operate as a waiver of any such privilege or right. All remedies of Landlord afforded by reason of this Guaranty, the Lease or any other document are separate and cumulative remedies, and no one remedy, whether exercised by Landlord or not, will be in exclusion of any other remedy and shall not limit or prejudice any other legal or equitable remedy that Landlord may have.

12. All notices, demands, elections and other communications desired or required to be delivered or given under this Guaranty shall be in writing, in a securely sealed envelope, sent by certified mail, return receipt requested or overnight courier, receipt requested addressed to the party to which the same is to be delivered or given, in all cases, at such party's address as set forth below or at such other address as said party shall have designated in writing in accordance herewith, and shall be deemed to have been delivered and given upon first attempted delivery as evidenced by a receipt therefor. Attorneys for Landlord may send notices to Guarantor on Landlord's behalf, and attorneys for Guarantor may send notices to Landlord on Guarantor's behalf, which notices shall be fully binding.

All notices sent to Landlord shall be sent to:

c/o Thor Equities LLC
25 West 39th Street, 11th Floor
New York, New York 10018
Attn: Justin A. Xenitelis, General Counsel

All notices sent to the Guarantor shall be sent to:

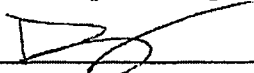
Interurban Capital Group, Inc.
3958 6th Avenue NW
Seattle, Washington 98107
Attn: Jim Denedy, CFO

with additional copies by like means to:

Fifth Avenue Law Group PLLC

IN WITNESS WHEREOF, the undersigned has executed and delivered this Guaranty on the day and year first above written.

Interurban Capital Group, Inc.

By:  _____


Name: James H. Kennedy

Title: CFO

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
ROEY Z. RAHMIL (SBN 273803) JOSEPH LEE MATALON (NY Bar 2313831)
SHARTSIS FRIESE LLP (pro hac vice application forthcoming)
One Maritime Plaza, 18th Floor M A T A L O N PLLC
San Francisco, CA 94111-3598 450 Seventh Avenue, 33rd Floor
San Francisco, CA 94111-3598 New York, NY 10123 Tel: 212-244-9000
 TELEPHONE NO.: 415-421-6500 FAX NO.: 415-421-2922
 ATTORNEY FOR (Name): 152 GEARY ST. LLC

FOR COURT USE ONLY

F I L E D
 Superior Court of California
 County of San Francisco

SEP 22 2020
CLERK OF THE COURT
 BY:  Deputy Clerk
ANGELICA SUNGA

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO
 STREET ADDRESS: 400 McAllister Street
 MAILING ADDRESS:
 CITY AND ZIP CODE: San Francisco, CA 94102
 BRANCH NAME:

CASE NAME: 152 GEARY ST. LLC v VIJAYA PROPERTIES, LLC

CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)		Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

CASE NUMBER:
CGC-20-587001

JUDGE:
 DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<p>Auto Tort</p> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <p>Other PI/DP/WD (Personal Injury/Property Damage/Wrongful Death) Tort</p> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/DP/WD (23) <p>Non-PI/DP/WD (Other) Tort</p> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/DP/WD tort (35) <p>Employment</p> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<p>Contract</p> <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <p>Real Property</p> <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <p>Unlawful Detainer</p> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <p>Judicial Review</p> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<p>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</p> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <p>Enforcement of Judgment</p> <input type="checkbox"/> Enforcement of judgment (20) <p>Miscellaneous Civil Complaint</p> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <p>Miscellaneous Civil Petition</p> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive
4. Number of causes of action (specify): Four: Breach of Contract (Lease and Guaranty)
5. This case is is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: September 22, 2020
 Roey Z. Rahmil _____
 (TYPE OR PRINT NAME) (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)–Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (*not asbestos or toxic/environmental*) (24)
Medical Malpractice (45)
Medical Malpractice–Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36) Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract (*not unlawful detainer or wrongful eviction*)
Contract/Warranty Breach–Seller Plaintiff (*not fraud or negligence*)
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case–Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage (*not provisionally complex*) (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ–Administrative Mandamus
Writ–Mandamus on Limited Court Case Matter
Writ–Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal–Labor
Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment (*non-domestic relations*)
Sister State Judgment
Administrative Agency Award (*not unpaid taxes*)
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint (*not specified above*) (42)
Declaratory Relief Only
Injunctive Relief Only (*non-harassment*)
Mechanics Lien
Other Commercial Complaint Case (*non-tort/non-complex*)
Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition (*not specified above*) (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief From Late Claim
Other Civil Petition