

GROUND LEASE

THIS GROUND LEASE (“**Lease**”) is dated for reference purposes as of this _____ day of May, 2020 (the “**Effective Date**”), by and between MOULTON NIGUEL WATER DISTRICT, a California water district existing and operating pursuant to Division 13 of the California Water Code (“**Landlord**”) and CYPRESS EXPRESS PARTNERS, LLC, a California limited liability company (“**Tenant**”), who, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, agree as follows:

Section 1. Background. Landlord is the owner of record of that certain real property (“**Property**”) located in the City of Laguna Niguel, Orange County, California, commonly known as 27500 La Paz Road, Laguna Niguel, California, (Assessors Parcel Nos. 636-461-04, 636-461-06) and more particularly described in Exhibit “A” attached hereto. Tenant wishes to lease the Property from Landlord, together with all rights, privileges and easements appurtenant thereto. Landlord is willing to lease the Property to Tenant. The Property and such appurtenant rights, privileges and easements are collectively referred to as the “**Premises.**”

Section 2. Lease of Premises/Tenant's Investigation of the Premises. Landlord hereby leases, transfers and demises to Tenant, and Tenant hereby leases and takes from Landlord, the Premises for the terms and upon the agreements, covenants and conditions set forth in this Lease. Notwithstanding the fact that the Term does not begin until the Commencement Date, Landlord hereby grants to Tenant a limited license to enter upon any portion of the Property for the purpose of conducting, at Tenant's sole cost and expense, any surveys, soil tests, environmental engineering, and like-kind investigations which Tenant deems desirable.

(a) Tenant shall keep the Property free from any liens arising from such work or the exercise of said license, and shall indemnify and hold Landlord and the Property harmless from any and all claims, losses, damages, liabilities and/or expenses (including without limitation reasonable attorneys' fees) arising from such work or the exercise of said license. If the Lease terminates because of the failure of a condition stated in Article 5, Tenant shall restore the Property to its condition prior to such work or the exercise of said license. Tenant's obligations under this Section 2 shall survive termination of the Lease.

(b) Tenant and its employees, agents, contractors and subcontractors (collectively “**Representatives**”) shall carry, maintain, and keep in full force and effect, with an insurance company admitted to do business in California (1) a policy or policies of broad-form comprehensive general liability insurance written on an occurrence basis with minimum limits of \$2,000,000.00 combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts by Tenant, its Representatives and their respective officers, employees, agents, and independent contractors in performance of services under this Section 2; (2) property damage insurance with a minimum limit of \$1,000,000.00; (3) automotive liability insurance, with minimum combined single limits coverage of \$1,000,000.00; and (4) worker's compensation insurance as required by law. Landlord shall be added as an additional insured on the policy(ies) as to comprehensive general liability, property damage, and automotive liability coverages, and such insurance shall include a waiver of subrogation. Tenant shall deliver to Landlord a copy of the certificates of insurance effectuating the insurance required hereunder, or

such other evidence as Landlord may reasonably require, prior to Tenant's or Tenant's Representative's entry onto the Property, which certificates shall provide that such insurance shall not be terminated or modified without at least thirty (30) days' prior written notice to Landlord.

Section 3. Term; Options to Extend.

(a) Initial Term. The initial term ("**Initial Term**") of this Lease shall commence ("**Commencement Date**") 30 days after Tenant has received all Entitlements for the operation of its business on the Premises and shall continue for a period of twenty five (25) Lease Years. Should the Initial Term commence on a date other than the first day of a calendar month, the Term shall be extended by this fractional month. Each period of twelve (12) consecutive calendar months during the term (following any adjustment for a fractional month as described in the preceding sentence) is referred to hereafter as a "**Lease Year.**" Tenant shall record the Memorandum of Lease described in Section 39 below, in the form attached hereto as Exhibit "B" ("**Memorandum**").

(b) Pre-Term Entitlement Period. "**Entitlements**" shall be defined as approval by the City of Laguna Niguel of (i) a zone change from Public Institutional District to Community Commercial District and (ii) a use permit for a car wash at the Property, which will include a drive through feature for the car wash. While Tenant's Approved Use as described in Section 9 may include retail space and a drive through feature for such retail space, approval of Entitlements shall not necessarily include approval of any drive through feature as it relates to the retail space (the "**Retail Add Ons**"). The lack of approval for the Retail Add Ons, as a part of the Entitlements, shall not be the basis for a refund of the Lease Commitment Fee or the basis for a Lease termination based on failure to receive Entitlements. Tenant shall submit its application for the Entitlements, consistent with Tenant's Approved Use described in Section 9, which may or may not include Retail Add Ons, at Tenant's election, within 60 days of the Effective Date, and shall diligently pursue approval of such Entitlements thereafter. Tenant shall provide written updates on the Entitlement approval process every 30 days after the application for the Entitlements is submitted. Tenant shall notify Landlord of any meetings with government agencies or representatives related to Tenant's application for the Entitlements, and Landlord and/or its representatives shall have the right to attend any such meetings. Landlord agrees to reasonably cooperate with Tenant in connection with such application and processing in a reasonably timely fashion, so as not to unreasonably hinder or delay Tenant's efforts in this regard. Landlord agrees to appoint a point person to aid in the coordination of such application and processing, but Landlord may change such person from time to time upon written notice to Tenant. If the Entitlements have not been received within 270 days from the Effective Date of this Lease, this Lease may be terminated by Landlord or by Tenant upon 10 days' notice to the other, after such 270 day period (the "**Outside Date**") and the Lease Commitment Fee shall be promptly refunded. Notwithstanding the foregoing, if Tenant has not received the Entitlements by the Outside Date despite diligently pursuing approval, Tenant may request an extension of 60 days up to 3 times for a non-refundable payment to Landlord of \$10,000 for each extension ("**Non Refundable Extension Fees**"), and thereafter non-refundable, and with such extension to be granted in Landlord's reasonable discretion. Tenant shall provide Landlord such written request for extension at least 30 days prior to the Outside Date. If the zoning change requires anything other than a negative declaration, Tenant may terminate this Lease within ninety (90)

days of learning that the City of Laguna Niguel will require more than a negative declaration. Such a termination by Tenant shall entitle Tenant to a full refund of the Lease Commitment Fee which shall be promptly refunded to Tenant by Landlord, but not any Non Refundable Extension Fees which shall be deemed to be earned by Landlord.

(c) Options to Extend. Upon the terms and conditions described in the Addendum attached hereto, Tenant will have the right to extend the term of this Lease for up to six (6) periods of five (5) Lease Years each (each an “**Extension Period**”). Unless otherwise specifically stated herein, all provisions of this Lease will be applicable during the Initial Term and any Extension Periods. The date upon which the Initial Term or an Extension Period expires is referred to hereafter as the “**Termination Date.**”

Section 4. Monthly Rent and Lease Commitment Fee. Tenant shall pay to Landlord as rental for the use and occupancy of the Premises, at the times and in the manner described herein, the following sums of money:

(a) Monthly Rent During Improvement Period. Base Rent for the first 270 days after the Commencement Date (“**Improvement Period**”) shall be abated.

(b) Beginning 270 days after the Commencement Date, Tenant shall pay to Landlord a monthly rent payment (“**Monthly Rent**”) in the amount of Twenty-Five Thousand Eighty-Three and 33/100 Dollars (\$25,083.33). The Monthly Rent will be prorated with respect to any partial month at the commencement of the Initial Term. Tenant may elect to prepay Monthly Rent on an annual, semi-annual, quarterly or such other basis as Tenant deems appropriate. In the event of any sale or other conveyance of the Premises by Landlord, Landlord covenants and agrees that it will disclose any prepaid rents to the transferee and appropriately prorate such prepaid rents.

(c) Adjustments to Monthly Rent During the Lease. At each five (5) year anniversary from the Commencement Date (each an “**Adjustment Date**”), Monthly Rent will be increased by ten (10) percent. The adjustments to Monthly Rent shall continue through any Extension Period exercised by Tenant.

(d) Lease Commitment Fee. Within three days after the Effective Date, Tenant shall deposit \$100,000 (the “**Lease Commitment Fee**”) with Landlord to be disbursed to Landlord and held by Landlord to be returned to Tenant if the conditions stated in Section 5a and 5b are not satisfied or waived by Tenant. The Lease Commitment Fee shall become non-refundable sixty (60) days of the Effective Date, subject to refund only if Tenant does not receive the Entitlements as described in Section 3b before otherwise terminating in a manner that entitles Tenant to a refund of the Lease Commitment Fee. Tenant shall not be entitled to interest on the Lease Commitment Fee.

(e) Location for Payment. All Monthly Rent and all other moneys and charges payable by Tenant to Landlord hereunder shall be paid by Tenant to Landlord in lawful money of the United States of America at Landlord’s address for notices hereunder, or to such other person or at such other place as Landlord may from time to time designate by notice in writing to Tenant.

Section 5. Conditions To Commencement. The Term shall not commence if either Landlord or Tenant gives a termination notice to the other under Section 3a.

(a) Tenant's Feasibility and Due Diligence. Tenant shall have sixty (60) days from the Effective Date ("**Feasibility Period**") to conduct feasibility and due diligence activities to determine the suitability of the Premises for Tenant's proposed use, including but not limited to environmental studies, review of title, architectural and engineering studies, and investigation of entitlements. In connection with the Feasibility Period and within ten (10) days after the commencement thereof, Landlord shall provide Tenant with copies of any surveys, environmental studies, and notifications relating to environmental conditions which are in Landlord's possession which relate to the Premises, without warranty as to their accuracy, but in their full, unedited form. Landlord shall not be responsible for any costs related to environmental reports or demolition as a result of Tenant's feasibility and due diligence activities. Tenant shall give notice to Landlord of its approval of its feasibility by 5pm PST the expiration of the Feasibility Period. Tenant's failure to give notice shall be conclusively deemed to be Tenant's agreement that the conditions are satisfied or waived except for Entitlements and the Lease Commitment Fee shall be nonrefundable, except as provided in Section 3a or Section 4d.

(b) Tenant's Receipt of Entitlements. The Lease is contingent upon Tenant receiving the Entitlements described in Section 3b for its proposed use and operation of its business on the Premises on or before the Outside Date. If Tenant receives its Entitlements but does not proceed with its obligations hereunder to open and operate its business as of the Commencement Date, Tenant agrees that the Lease Commitment Fee shall be nonrefundable and shall act as liquidated damages to compensate Landlord for the Lease termination. The parties agree that Landlord will be damaged and will be entitled to compensation for those damages if Tenant obtains the Entitlements, before the later of: (i) the Outside Date, or (ii) either party's election to terminate under Section 3a. Tenant and Landlord further agree that such damages will, however, be extremely difficult and impractical to ascertain because it is impossible to predict as of the Effective Date whether the value of the Premises will increase or decrease as of the date set for the Lease Commencement. Tenant desires to limit the amount of damages for which Tenant might be liable should Tenant breach this Lease. Tenant and Landlord wish to avoid the costs and lengthy delays which would result if Landlord filed a lawsuit to collect its damages for a breach of this Lease. Therefore, if Tenant obtains the Entitlements, before the later of: (i) the Outside Date, or (ii) either party's election to terminate under Section 3a, but fails to proceed to construct improvements on the Premises, that shall be a default under the terms of this Lease and the Lease Commitment Fee shall be deemed to constitute a reasonable estimate of Landlord's damages under the provisions of section 1671 of the California Civil Code and shall constitute Landlord's exclusive remedy as a result of Tenant's default. Said amount shall be disbursed to Landlord as the full, agreed and liquidated damages for a breach of this Lease by Tenant. All other claims to damages or other remedies in respect of Tenant's breach of this Lease for failure to proceed are herein expressly waived by Landlord. Such payment of the Lease Commitment Fee is not intended as a penalty, but as full liquidated damages.

By initialing this provision in the spaces below, Landlord and Tenant each specifically affirm their respective agreements contained in this section for failure to proceed only (not for a later breach of the Lease after the Commencement Date).

Tenant's Initials

Landlord's Initials

(c) Landlord's Approval of Tenant's Finances. Landlord shall have sixty (60) days from the Effective Date to review and approve Tenant's financials and credit enhancements. The Lease is contingent upon Landlord's approval and determination, in its reasonable discretion, that Tenant's financial condition is sufficient to meet its obligations under this Lease.

(d) If the conditions in this Section 5 are not satisfied, all obligations and responsibilities of and between the Parties pursuant to this Lease shall be terminated except for those obligations which expressly survive, and the parties shall have no further obligation to each other.

Section 6. Taxes and Assessments.

(a) Tenant covenants and agrees to pay and discharge, during the entire Term, before delinquency, all taxes, assessments, water charges, sewer charges, utility rates and fees, levies or other charges, general, special, ordinary, extraordinary and otherwise, of every kind and character which are or may during the Term be levied, charged, assessed or imposed upon or against the Premises or any buildings or improvements located thereon, or against any of Tenant's personal property located thereon, or which may be levied, charged, assessed or imposed upon or against the leasehold estate created hereby. In addition, Tenant shall pay any tax assessed exclusively on rental income of Landlord to the extent such income is allocable to this Lease, if and only if such tax is assessed by State or local authorities upon the elimination of and in lieu of taxation based on the ownership of real property. At the commencement and at the end of the Term, such taxes, assessments and other charges to be paid by Tenant shall be prorated on the basis of the fiscal year of the taxing authority in question so that, at the commencement and at the end of the Term, as to any such taxes, assessments and other charges levied or assessed for a fiscal year preceding the commencement or extending beyond the end of the Term, Tenant will pay only such proportion of such taxes, assessments and other charges as the portion of such fiscal year following the commencement and preceding the end of the Term bears to the entire fiscal year.

(b) Notwithstanding anything herein to the contrary, Tenant shall not be required to pay any net income tax measured by the income of Landlord from all sources, or any tax which may, at any time during the Term, be required to be paid on any gift, or demise, deed, mortgage, descent or other alienation of any part or all of the estate of Landlord in and to the Premises or any buildings or improvements located thereon, except as hereinafter provided. Any documentary transfer tax assessed upon the creation of a leasehold interest in the Premises under this Lease shall be paid by Tenant.

(c) Revenue & Taxation Code Section 107.6. Possessory Interest Tax. Tenant recognizes and understands that this Lease may create a possessory interest subject to property

taxes and that, if a possessory interest is created, Tenant shall, in accordance with this Paragraph 6 hereof, be responsible for payment of property taxes levied against such possessory interest

(d) Improvement or Special Assessment District. If at any time during the Term of this Lease any governmental subdivision shall undertake to create a new improvement or special assessment district (including lighting and landscape districts and community facilities districts) the proposed boundaries of which shall include any portion of the Land, Tenant shall be entitled to appear in any proceeding relating thereto and to present its position as to whether the Land should be included or excluded from the proposed improvement or assessment district and as to the degree of benefit to the Land resulting therefrom. Landlord shall promptly advise Tenant in writing of the receipt of any notice or other information relating to the proposed creation of any such improvement or special assessment district, the boundaries of which include any portion of the Land.

(e) Personal Property. Tenant covenants and agrees to pay (or to cause other responsible parties to pay) before delinquency all personal property taxes, assessments and liens upon all personalty situated within the Premises.

(f) Payment by Landlord. In the event Tenant fails to pay any real estate taxes or taxes or assessments on personal property, Landlord may, at its option, after giving ten (10) days' notice to Tenant, pay any such taxes or assessments together with all penalties and interest which may have been added thereto by reason of any such delinquency or failure to pay, and may likewise redeem the Premises or any part thereof, or the buildings or improvements located thereon, from any tax sale or sales. Any such amounts so paid by Landlord shall become immediately due and payable as additional rent by Tenant to Landlord, together with interest thereon at the maximum lawful rate from the date of payment by Landlord until paid by Tenant. Any such payment shall not be deemed to be a waiver of any other rights of Landlord hereunder.

Section 7. Utilities/Expenses. Landlord represents and warrants to Tenant that water, sewage, gas, electricity, and telephone service are either on the Premises or that they are located within five (5) feet of the boundary of the Premises. Tenant shall pay for any Tenant Improvements, alterations, or other costs to occupy the land in any way, at its sole cost and expense. Tenant shall determine the availability of and shall cause to be installed in, on, and about the Premises all additional facilities necessary to supply thereto all water, sewage, gas, electricity, telephone and other services required in connection with the construction and operation of the Premises, and, during the Term hereof, Tenant shall pay all charges and expenses associated with the use of said facilities and shall protect and hold harmless Landlord and the Premises therefrom. Tenant shall pay all connection, service and other charges pertaining to the Premises levied by public utilities or municipalities with respect to utilities during the Term. Tenant shall pay all expenses associated with operating and occupying the Premises. This is a triple net lease and Tenant is responsible for the operation and expenses of its occupancy in every way, and Landlord shall have no expense.

Section 8. Quiet Enjoyment. Landlord covenants that upon payment by Tenant of the rent herein reserved and upon performance and observance by Tenant of all of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed, and subject to all covenants, conditions, restrictions and encumbrances of record, Tenant shall

peaceably hold and quietly enjoy the Premises during the entire Term without hindrance, molestation or interruption by Landlord or by anyone lawfully or equitably claiming by, through or under Landlord.

Section 9. Use. Tenant may use the Premises for an express car wash facility and certain retail uses, which will include the construction of pipeline, water pumps, drive-through car washing structures, washing stations, and the construction of a retail shop building (the “**Approved Use**”) but may not use the Premises for any use identified in the list of prohibited uses attached hereto as Exhibit “C”. Tenant will not use the Premises for any purpose or use which in any manner causes, creates or results in a public or private nuisance.

Section 10. Intentionally Omitted.

Section 11. Title to Buildings and Improvements.

(a) Title to all buildings, structures and improvements that now, or may from time to time constitute a part of the Premises shall be and remain in Tenant until the termination of this Lease. Upon termination of this Lease, Tenant may remove from the Premises all machinery, equipment and fixtures. Landlord may, by written notice to Tenant given not less than one (1) year prior to the expiration of the Term of this Lease, elect (i) to require that Tenant remove all improvements from the Premises; or (ii) leave building improvements (but not machinery, equipment and fixtures) in place, in which case title will pass to and vest in Landlord without cost or charge to it.

(b) Tenant, on termination of this Lease, shall execute and deliver any and all deeds, bills of sale, assignments, and other documents which in Landlord’s sole judgment may be necessary or appropriate to transfer, to evidence or to vest in Landlord clear title to any of the property described in the foregoing subsection (a) located on the Premises at the time of such termination.

Section 12. Permits, Licenses, Etc. Landlord will from time to time during the Term execute, acknowledge and deliver any and all instruments required to grant rights-of-way and easements in favor of municipal and other governmental authorities or public utility companies incident to the installation of water lines, fire hydrants, sewers, electricity, telephone, gas, steam, and other facilities and utilities reasonably required for the use and occupancy of the Premises. Tenant shall reimburse Landlord for any sum paid by Landlord in respect of the matters specified in this Section 12, including reasonable attorney fees.

Section 13. Maintenance, Repair and Condition of Premises.

a. Tenant acknowledges that prior to the Commencement Date, Tenant has had the opportunity to investigate the Property, enter the Property and conduct tests thereon and otherwise satisfy itself regarding the physical condition of the Property and its suitability for Tenant’s intended use and construction of improvements thereon. Tenant’s execution of this Lease constitutes Tenant’s acceptance of the Property in its “AS-IS” condition, with all faults. Tenant releases Landlord and any of its subsidiaries and affiliates and their respective officers, directors, shareholders, employees and attorneys from any and all liabilities and claims of any type concerning the condition of the Property. Tenant further agrees that, if Tenant wishes to

construct any improvement in the Premises, Tenant shall comply with all requirements in Section 14 (Improvements) of this Lease. Landlord makes no representations regarding the condition, status, compliance with laws or suitability for a particular purpose for Tenant's use. Landlord assumes, but has no actual knowledge, that due to the age of the building that it is highly likely that asbestos and lead paint are present in the building on the Premises. Tenant agrees to comply with all laws in demolition and destruction of the building with regard to any Hazardous Materials and the possible presence of same on the Premises.

(a) Tenant shall, during the Term, at its own cost and expense and without any cost or expense to Landlord:

(1) Keep and maintain all buildings and improvements (including, but not limited to, all landscaping located on the Property and all appurtenances thereto) in good and neat order and repair and shall allow no nuisances to exist or be maintained therein. Landlord shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Premises or any buildings or improvements located thereon, and Tenant hereby expressly waives all right to make repairs at Landlord's expense under sections 1941 and 1942 of the California Civil Code, or any amendments thereof; and

(2) Comply with and abide by all federal, state, county, municipal and other governmental statutes, ordinances, laws and regulations affecting the Premises, all buildings and improvements located thereon, or any activity or condition on or in the Premises.

(b) Tenant agrees that it will not commit or permit waste upon the Premises.

(c) Tenant will not cause or permit any Hazardous Materials to be released in, on, under or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Tenant's expense, comply with all statutory requirements with respect to any contamination of the Premises that was caused or materially contributed to by Tenant or pertaining to or involving any Hazardous Materials brought onto the Premises during the term of this Lease by or for Tenant or any third party who enters on the Premises at Tenant's request or direction. Tenant will defend, indemnify and hold Landlord free and harmless from and against any and all claims, damages and liabilities with respect to any such contamination of the Premises occurring following the Commencement Date and before the Termination Date or such earlier or later date on which Tenant actually surrenders possession of the Premises to Landlord. Tenant will immediately notify Landlord if Tenant becomes aware that any release of Hazardous Materials has come to be located in, on, under or about the Premises at any time during the Term. "**Hazardous Materials**" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material, including but not limited to those substances, materials or wastes regulated now or in the future under any of the following statutes or regulations promulgated thereto: (1) any "hazardous substance" within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") 42 U.S.C. § 9601, et seq. or the California Hazardous Substance Account Act, Cal. Health and Safety Code § 25300 et seq. or the Porter-Cologne Water Quality Act, Cal. Water Code § 13000 et seq. or the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; (2) any "hazardous waste" within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; or (3) any other substance, chemical, waste, toxicant, pollutant or

contaminate regulated by any federal, state or local law, statute, rule, regulation or ordinance for the protection of health or the environment, including, without limitation, any petroleum products or fractions thereof.

Section 14. Improvements, Changes, Alterations, Demolition and Replacement.

(a) Tenant shall have the right at any time and from time to time during the Term to make such improvements to the Premises and such changes and alterations, structural or otherwise, to any buildings, improvements, fixtures and equipment located on the Property, as Tenant shall deem necessary or desirable.

(b) Following the Effective Date, if Tenant so elects, Tenant shall proceed with due diligence and dispatch to complete the construction on the Premises of the Tenant Improvements.

(c) All improvements, changes and alterations (other than changes or alterations of movable trade fixtures and equipment or improvements, changes or alterations involving costs less than Ten Thousand Dollars (\$10,000)) shall be undertaken in all cases subject to the following conditions which Tenant covenants to observe and perform:

(1) No improvement, change or alteration ("**Tenant Improvements**"), shall be undertaken until:

(i) Landlord shall have reasonably approved the site plan and plans and specifications for such Tenant Improvements.

(ii) Tenant shall have procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Landlord agrees to join in the application for such permits or authorizations whenever such action is necessary.

(2) All work done in connection with any Tenant Improvement, change or alteration shall be done promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, orders, rules, regulations and requirements of all Federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof. All such work shall be at the sole cost and expense of Tenant.

(3) In addition to the insurance coverage referred to in Section 19 below, Workers' Compensation Insurance covering all persons employed in connection with the work and with respect to whom death or injury claims could be asserted against Landlord, Tenant or the Premises, and a general liability policy coverage, naming Landlord with limits of not less than Two Million Dollars (\$2,000,000), shall be maintained by Tenant, at Tenant's sole cost and expense, at all times when any work is in process in connection with any improvement, change or alteration. Tenant may provide such coverage by means of a blanket policy, covering other locations in addition to the Premises, provided that such blanket policy provides aggregate coverage of not less than Four Million Dollars (\$4,000,000). All such insurance shall be obtained and kept in force as otherwise provided in Section 19 below.

Section 15. Damage or Destruction.

(a) No loss or damage by fire or other cause required to be insured against hereunder resulting in either partial or total destruction of any building, structure, or other improvement on the Property, shall operate to terminate this Lease, or to relieve or discharge Tenant from the payment of rents or amounts payable as rent as they become due and payable, or from the performance and observance of any of the agreements, covenants and conditions herein contained on the part of Tenant to be performed and observed. Tenant hereby waives the provisions of subsection 2 of section 1932 and subsection 4 of section 1933 of the California Civil Code, as amended from time to time.

Section 16. Assignment and Subletting. Tenant shall have no right to assign all or any part of its interest in this Lease without Landlord's prior consent, not to be unreasonably withheld. Tenant shall not have the right or power to request or effect a Transfer at any time an Event of Default shall exist, and no right to Transfer prior to Commencement Date or the first 24 months after the Commencement Date without Landlord's prior consent, which may be withheld in its sole discretion. By way of example and without limitation, the parties agree that it shall be reasonable for Landlord to withhold its consent to a Transfer if any of the following situations exist or may exist: (a) in Landlord's reasonable business judgment, the transferee lacks sufficient experience to manage a successful development and project of the type and quality being conducted at the Premises; or (b) in Landlord's reasonable business judgment, the then net worth of the transferee is inadequate (after taking into account the net worth of the guarantor of Tenant's obligations under this Lease, if any) to manage a successful development and project of the type and quality being conducted at the Premises. Tenant shall be free to sublet retail shop space constructed by Tenant on the Premises at all times and without Landlord's prior consent so long as Tenant provides Landlord a copy of any such sublease within ten (10) days of sublease execution and the sublessee agrees to be bound by the terms of this Ground Lease.

(a) Procedures. Should Tenant desire to assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein (a "**Transfer**"), Tenant shall give notice thereof to Landlord by requesting in writing Landlord's consent to such Transfer at least 30 days before the effective date of the Transfer and shall provide Landlord with the following: (a) The full particulars of the proposed transaction, including its nature, effective date, and material terms and conditions, including the purchase price and payment terms of the purchase price. Such documentation shall include, without limitation, an executed copy of the agreement(s) effecting the Transfer. (b) A description of the identity, net worth, and previous business experience of the transferee, including, without limitation, copies of such transferee's latest income statement, balance sheet, and statement of cash flows (with accompanying notes and disclosures of all material changes thereto) in audited form only if available at the time, and certified as accurate by the transferee along with a written statement authorizing Landlord or its designated representative(s) to investigate such transferee's business experience, credit, and financial responsibility; (c) A statement that Tenant intends to consummate the transaction if Landlord consents to the Transfer; and (d) Any further information relevant to the transaction that Landlord reasonably requests within 10 days after receipt of Tenant's written request for consent.

(b) A proposed Transfer without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease. No sublease or assignment shall release Tenant from continuing liability hereunder. Notwithstanding the foregoing, if Landlord approves a Transfer, Tenant may be released from further liability for Rent under this Lease provided the Transferee has not been delinquent in Rent or in default for a continuous period of five years after a complete transfer of Tenant's interest in the Lease. Tenant shall request such release which shall be acknowledged by Landlord in writing, if such conditions have been met, no more than 30 days after such request. Within 45 days after receipt of Tenant's written request for consent in accordance with this section, Landlord shall respond in writing to the proposed Transfer. If Landlord refuses to consent to a proposed Transfer, it shall state in writing the specific reason(s) for its refusal to consent. If Landlord fails to respond in writing to a request for consent within the 45-day period, or if Landlord refuses to consent in writing within the 45-day period but does not state in writing the specific reason(s) for its refusal, Landlord shall conclusively be deemed to have consented to the proposed Transfer.

(c) Documentation and Expenses. Each Transfer that requires Landlord's consent that Tenant effects shall be evidenced by an instrument reasonably acceptable to Landlord, which shall be executed by Landlord, Tenant, and the transferee. By such instrument, the transferee shall assume and promise to perform the terms, covenants, and conditions of this Lease, which are obligations of Tenant. Tenant shall, on demand of Landlord, reimburse Landlord for Landlord's reasonable costs, including legal fees, incurred in obtaining advice and reviewing or preparing documentation for each Transfer that requires Landlord's consent, not to exceed \$2,500; however, this fee may be reasonably adjusted by Landlord from time to time based on increases in costs.

Section 17. Mortgage of Leasehold. Tenant shall have the right to encumber the leasehold estate created by this Lease by a mortgage, deed of trust or other security instrument, including, without limitation, an assignment of the rents, issues and profits from the Premises, (the "**Leasehold Mortgage**") to secure repayment of any loan to Tenant, and associated obligations, from any lender (a "**Lender**").

Section 18. Protection of Lender. During the continuance of any Leasehold Mortgage and until such time as the lien of any Leasehold Mortgage has been extinguished:

(a) Landlord shall not accept any surrender of this Lease, nor shall Landlord consent to any amendment or modification of this Lease, without the prior written consent of any Lender.

(b) Notwithstanding any default by Tenant in the performance or observance of any agreement, covenant or condition of this Lease on the part of Tenant to be performed or observed, Landlord shall have no right to terminate this Lease or interfere with the occupancy, use, and enjoyment of the Premises unless (i) an event of default shall have occurred and is continuing, (ii) Landlord shall have given any Lender written notice of such event of default, and (iii) the Lender(s) shall have failed to remedy such default, acquire Tenant's leasehold estate created hereby, or commence foreclosure or other appropriate proceedings, all as set forth in, and within the time specified by, this Section 18.

(c) Any Lender shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of this Lease. All payments so made and all things so done and performed by a Lender shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Tenant instead of by a Lender.

(d) Should any event of default under this Lease occur, any Lender shall have thirty (30) days after receipt of written notice from Landlord setting forth the nature of such event of default, or ten (10) in the event of non-payment or rent, within which to remedy the default; provided that in the case of a default which cannot with due diligence be cured within such thirty (30) day period, the Lender(s) shall have the additional time reasonably necessary to accomplish the cure, provided that (i) such Lender has commenced the curing within such thirty (30) days and (ii) thereafter diligently prosecutes the cure to completion. If the default is such that possession of the Premises may be reasonably necessary to remedy the default, the Lender(s) shall have a reasonable additional time after the expiration of such thirty-day period, within which to remedy such default, provided that (i) the Lender(s) shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease within such thirty day period and shall continue to pay currently such monetary obligations as and when the same are due and (ii) the Lender(s) shall have acquired Tenant's leasehold estate or commenced foreclosure or other appropriate proceedings seeking such acquisition within such period, or prior thereto, and is diligently prosecuting any such proceedings.

(e) Any event of default under this Lease which is not susceptible to remedy by a Lender shall be deemed to be remedied if (i) within thirty (30) days after receiving written notice from Landlord setting forth the nature of such event of default, or prior thereto, a Lender shall have acquired Tenant's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings seeking such acquisition, (ii) a Lender shall diligently prosecute any such proceedings to completion, and (iii) a Lender shall have fully cured any default in the payment and performance of any monetary or other obligations of Tenant hereunder which do not require possession of the Premises within such sixty day period and shall thereafter continue faithfully to perform all such monetary obligations which do not require possession of the Premises, and (iv) after gaining possession of the Premises, a Lender shall perform all other obligations of Tenant hereunder as and when the same are due.

(f) If a Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings the times specified in subsections (d) and (e) above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that Lender shall have fully cured any default in the payment of any monetary obligations of Tenant under this Lease and shall continue to pay currently such monetary obligations as and when the same fall due.

(g) Landlord shall mail by certified or registered post, return receipt requested, or personally deliver to any Lender a duplicate copy of any and all notices in writing which Landlord may from time to time give to or serve upon Tenant pursuant to the provisions of this Lease, and such copy shall be mailed or delivered to any Lender at, or as near as possible to, the same time such notices are given or served by Landlord. No notice by Landlord to Tenant hereunder shall be deemed to have been given unless and until a copy thereof shall have been so mailed or delivered to any Lender. Upon the execution of any Leasehold Mortgage, Landlord shall be informed in writing of the vesting of the security interest evidenced by the Leasehold Mortgage and of the address to which all notices to the Lender are to be sent. Notwithstanding any other provision of this Section 18, any Lender shall be deemed to have waived any right to receive notice pursuant to this Section unless and until Landlord has received such information.

(h) Foreclosure of the Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the leasehold mortgage, or any assignment or conveyance of the leasehold estate created by this Lease from Tenant to a Lender or other purchaser through, or in lieu of, foreclosure or other appropriate proceedings of a similar nature shall not constitute a breach of any provision of or a default under this Lease. Upon such foreclosure, sale or conveyance Landlord shall recognize the Lender, or any other foreclosure sale purchaser, as Tenant hereunder. In the event a Lender becomes Tenant under this Lease, such Lender shall be liable for the obligations of Tenant under this Lease only for the period of time that such Lender remains Tenant. Such Lender shall have the right to assign this Lease at any time after becoming Tenant without any restriction otherwise imposed on Tenant hereunder and shall be fully released from liability under the Lease from and after the date of such assignment.

(i) Should Landlord terminate this Lease by reason of any default by Tenant hereunder, Landlord shall, upon written request by a Lender given within thirty (30) days after such termination, immediately execute and deliver a new lease of the Premises to such Lender, or its nominee, purchaser, assignee or transferee, for the remainder of the Term with the same agreements, covenants and conditions (except for any requirements which have been fulfilled by Tenant prior to termination) as are contained herein and with priority equal to that hereof; provided, however, that such Lender shall promptly cure any defaults of Tenant susceptible to cure by such Lender and that such Lender's right to possession of the Premises under the new lease shall commence only upon Tenant's vacating of the Premises. Upon execution and delivery of such new lease Landlord, at the expense of the new lessee, which expenses shall be paid by the new Tenant as they are incurred, shall take such action as shall be necessary to cancel and discharge this Lease and to remove Tenant named herein from the Premises.

Section 19. Fire and Extended Coverage and Liability Insurance

(a) During the period of the construction of any improvements upon the Property, Tenant shall at its sole expense obtain and keep in force builder's risk insurance, insuring Tenant, Landlord, Lender, and such other parties as Tenant may designate as an additional insured hereunder, against all risks of physical loss and/or damage from any cause (exclusive of earthquake and subject to usual policy exclusions) to all buildings, structures, materials and real property to be improved located on or forming a part of the Premises under improvement.

(b) Tenant shall, at its sole expense, obtain and keep in force during the Term, after substantial completion of any improvements upon the Premises fire and extended coverage insurance (excluding earthquake insurance) naming Landlord, Lender, and such other parties as Tenant may designate, as additional insureds thereunder.

(c) Tenant shall, at its sole expense, obtain and keep in force during the Term general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) for injury to or death of any number of persons in one occurrence, and not less than One Million Dollars (\$1,000,000) for damage to property, insuring against any and all liability of Landlord and Tenant including, without limitation, coverage for contractual liability, broad form property damage, personal injury, and non-owned automobile liability, with respect to the Premises or arising out of the maintenance, use or occupancy thereof, and insurance on all boilers and other pressure vessels, whether fired or unfired, located in, on, or about the Premises, without exclusion for explosion, collapse and underground damage, in an amount not less than One Million Dollars (\$1,000,000). Tenant may provide coverage for general liability insurance under a blanket policy, provided that such blanket policy provides aggregate coverage of not less than Four Million Dollars (\$4,000,000) as specified in Section 14(c)(3). All of such insurance shall insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and damage to property set forth in Section 21(b) hereof. All of such insurance shall be noncontributing with any insurance which may be carried by Landlord and shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Landlord, its agents and employees, or the property of such persons.

(d) The limits and coverage of all such insurance shall be adjusted by agreement of Landlord and Tenant on every fifth anniversary of the Commencement Date during the Term in conformity with the then prevailing custom of insuring property similar to the Premises and any disagreement regarding such adjustment shall be settled by arbitration in the manner provided in Section 32 hereof. Upon the issuance thereof, each insurance policy or a duplicate or certificate thereof shall be delivered to Landlord and Lender. Nothing herein shall be construed to limit the right of Lender to cause Tenant to carry or procure other insurance covering the same or other risks in addition to the insurance specified in this Lease.

(e) All amounts that shall be received under any insurance policy specified in subsections (a) and (b) above shall be first applied to the payment of the cost of repair, reconstruction or replacement of any buildings or improvements, or furniture, fixtures, equipment and machinery, that is damaged or destroyed.

Section 20. Mechanics' and Other Liens. Tenant shall promptly discharge or remove by bond or otherwise prior to foreclosure thereof any and all mechanics', materialmen's and other liens for work or labor done, services performed, materials, appliances, teams or power contributed, used or furnished to be used in or about the Premises for or in connection with any operations of Tenant, any construction of Tenant Improvements, alterations, improvements, repairs or additions which Tenant may make or permit or cause to be made, or any work or construction by, for or permitted by Tenant on or about the Premises, and to indemnify, save and hold Landlord and all of the Premises and all buildings and improvements thereon free and harmless of and from any and all such liens and claims of liens and suits or other proceedings

pertaining thereto. Tenant covenants and agrees to give Landlord written notice not less than twenty (20) days in advance of the commencement of any construction, alteration, addition, improvement or repair costing in excess of Twenty Five Thousand Dollars (\$25,000) in order that Landlord may post appropriate notices of Landlord's non-responsibility.

Section 21. Indemnity.

(a) Tenant shall have the right to contest the amount or validity of any lien of the nature set forth in Section 20 hereof or the amount or validity of any tax, assessment, charge, or other item to be paid by Tenant under Section 6 hereof by giving Landlord written notice of Tenant's intention to do so within twenty (20) days after the recording of such lien or at least ten days prior to the delinquency of such tax, assessment, charge, or other item, as the case may be. In any such case, Tenant shall not be in default hereunder, and Landlord shall not satisfy and discharge such lien nor pay such tax, assessment, charge or other item, as the case may be, until ten (10) days after the final determination of the amount or validity thereof, within which time Tenant shall satisfy and discharge such lien or pay such tax, assessment, charge or other item to the extent held valid and all penalties, interest, and costs in connection therewith; provided, however, that the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had upon any judgment rendered thereon, nor shall the payment of any such tax, assessment, charge or other item, together with penalties interest, and costs, in any case be delayed until sale is made or threatened to be made of the whole or any part of the Premises on account thereof, and any such delay shall be a default of Tenant hereunder. In the event of any such contest, Tenant shall protect and indemnify Landlord against all loss, cost, expense, and damage resulting therefrom, and upon notice from Landlord so to do, shall furnish Landlord a corporate surety bond payable to Landlord, in one hundred and twenty percent (120%) of the amount of the lien, tax, assessment, charge, or item contested, as the case may be, conditioned upon the satisfaction and discharge of such lien or the payment of such tax, assessment, charge, or other item, and all penalties, interest, and costs in connection therewith.

(b) To the fullest extent allowed by law, Tenant covenants and agrees that Landlord shall not at any time or to any extent whatsoever be liable, responsible or in anywise accountable for any loss, injury, death, or damage to persons or property which, at any time may be suffered or sustained by Tenant or by any person who may at any time be using, occupying, or visiting the Premises or be in, on or about the Premises, from any cause whatsoever, except when whether such loss, injury, death, or damage shall be caused by or in anywise result from or arise out of the negligent or intentional acts or omissions of Landlord. Furthermore, Tenant shall forever indemnify, defend, hold, and save Landlord free and harmless of, from and against any and all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death or damage occasioned by any cause other than Landlord's intentional or negligent acts or omissions. Tenant hereby waives all claims against Landlord for damages to the buildings and improvements now or hereafter located on the Property and to the property of Tenant in, upon or about the Premises, and for injuries to persons or property in, on or about the Premises, from any cause arising at any time, except for any such claims arising from negligent or intentional acts or omissions committed by Landlord. Tenant's indemnity obligation set forth in this Section shall survive the termination or expiration of this Lease with respect to any claims or liabilities arising out of injury or damage to person or property which occurs during the Term.

Section 22. Eminent Domain.

(a) If the whole of the Premises should be taken by any public or quasi- public authority under the power or threat of eminent domain during the Term, or if a substantial portion of the Premises should be taken so as to materially impair the use of the Premises contemplated by Tenant, and thereby frustrate Tenant's purpose in entering into this Lease, then, in either of such events, this Lease shall terminate at the time of such taking. In such event, of the compensation and damages payable for or on account of the Property, exclusive of the buildings and improvements thereon, Tenant and Lender, as their interests may appear, shall receive a sum equal to the worth at the time of the compensation award of the amount by which: the fair rental value of the Premises for the balance of the Term (including unexercised Extension Periods) *exceeds* the rental payable pursuant to the terms of this Lease for the balance of the Term (including unexercised Extension Periods); the balance of such compensation and damages shall be payable to and be the sole property of Landlord. All compensation and damages payable for or on account of the buildings and improvements located on the Property and constituting a part of the Premises shall be divided among Landlord, Tenant, and Lender as follows:

(1) All compensation and damages payable for or on account of buildings and improvements having a remaining useful life less than the remaining Term as of the date of such taking shall be payable to and be the sole property of Tenant and Lender, as their interests may appear; and

(2) A proportionate share of all compensation and damages payable for or on account of buildings and improvements having a remaining useful life greater than the remaining Term as of the date of such taking, determined by the ratio that the then remaining Term bears to the then remaining useful life of such buildings and improvements, shall be payable to and be the sole property of Tenant and Lender, as their interests may appear, and the remaining share thereof shall be payable to and be the sole property of Landlord.

(b) If less than the whole of the Premises should be taken by any public or quasi-public authority under the power or threat of eminent domain during the Term and this Lease is not terminated as provided in subsection (a) above, Tenant shall promptly reconstruct and restore the Premises, with respect to the portion of the Premises not so taken, as an integral unit of the same quality and character as existed prior to such taking. The Monthly Rent payable by Tenant following such taking shall be equitably reduced by agreement of Landlord and Tenant in accordance with the reduced economic return to Tenant, if any, which will occur by reason of such taking. The compensation and damages payable for, or on account of, such taking shall be applied to the reconstruction and restoration of the Premises by Tenant pursuant to this subsection (b) by application, first, of any sums payable for or on account of the buildings and improvements situated on the Property, and second, of any sums payable for or on account of the Property exclusive of such buildings and improvements. The remainder, if any, after reconstruction and restoration shall be divided among Landlord, Tenant and Lender in the manner provided in subsection (a) above.

(c) No taking of any portion (but not all) of the remaining Term (including unexercised Extension Periods) of the leasehold interest in the Premises shall terminate this

Lease or give Tenant the right to surrender this Lease, nor excuse Tenant from full performance of its covenants for the payment of rent and other charges or any other obligations hereunder capable of performance by Tenant after any such taking, but in such case all compensation and damages payable for or on account of such taking shall be payable to and be the sole property of Tenant and Lender.

(d) Should Landlord and Tenant for any reason disagree (i) as to whether any portion of the Premises taken is so substantial as materially to impair the use of the Premises contemplated by Tenant, (ii) on the division of any compensation or damages paid for or on account of any taking of all or any portion of the Premises, or (iii) on the amount by which the rent payable by Tenant hereunder is to be equitably reduced in the event of a partial taking, then, and in any of such events, the matter shall be determined by arbitration in the manner provided in Section 33 hereof.

(e) The foregoing provisions shall apply to the Premises and the improvements located thereon; notwithstanding the foregoing, as between Landlord and Tenant, Tenant shall be solely entitled to all compensation for the relocation of businesses conducted from the Premises.

Section 23. Landlord's Right of Inspection. Landlord shall have the right to inspect the Property upon not less than two (2) days prior written notice to Tenant.

Section 24. Tenant's Defaults and Landlord's Remedies. It shall be an event of default hereunder (each an "**Event of Default**") if (i) default shall be made by Tenant in the punctual payment of any rent or other moneys due hereunder and shall continue for a period of five (5) days after written notice thereof to Tenant; (ii) default shall be made by Tenant in the performance or observance of any of the other agreements, covenants or conditions of this Lease on the part of Tenant to be performed and observed and such default shall continue for a period of thirty (30) days after written notice thereof to Tenant, or, in the case of a default which cannot be cured by the payment of money and cannot be cured within thirty (30) days, shall continue for an unreasonable period after such written notice; (iii) Tenant shall abandon the Premises; (iv) Tenant shall admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation under any law or statute of the federal government or any state government or any subdivision of either now or hereafter in effect, make an assignment for the benefit of its creditors, consent to, or acquiesce in the appointment of a receiver of itself or of the whole or any substantial part of the Premises; (v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of Tenant or of the whole or any substantial part of the Premises, and such order, judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; (vi) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Tenant under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute of the Federal government or any state government or any subdivision of either now or hereafter in effect, and such order judgment or decree shall not be vacated, set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree, or a stay thereof be thereafter set aside; or (vii) under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall

assume custody or control of Tenant or of the whole or any substantial part of the Premises, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control. Upon the occurrence of any Event of Default by Tenant hereunder, Landlord shall have the following rights and remedies, in addition to all other rights and remedies of Landlord provided hereunder or by law:

(a) The right to terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises, and pay to Landlord all rent and all other amounts payable by Tenant hereunder to the date of such termination;

(b) The remedies described in California Civil Code Section 1951.2, including, without limitation, the right to recover the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subdivision (b) of section 1951.2 of the California Civil Code;

(c) The remedies described in California Civil Code section 1951.4, including, without limitation, the right to collect, by suit or otherwise, each installment of rent or other sums that become due hereunder, or to enforce, by suit or otherwise, performance or observance of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed; or

(d) The right to cause a receiver to be appointed in any action against Tenant to take possession of the Premises or to collect the rents or profits therefrom. Neither appointment of such receiver nor any other action taken by Landlord shall constitute an election on the part of Landlord to terminate this Lease unless written notice of termination is given to Tenant.

Section 25. Nonwaiver. If any action or proceeding is instituted or if any other steps are taken by Landlord or Tenant, and a compromise part payment or settlement thereof shall be made, either before or after judgment, the same shall not constitute or operate as a waiver by Landlord or Tenant of any agreement, covenant or condition of this Lease or of any subsequent breach thereof. No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege, or option hereunder. No waiver of any provision hereof by Landlord or Tenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by Landlord or Tenant, as the case may be. The receipt by Landlord of rent with knowledge of any default under this Lease shall not constitute or operate as a waiver of such default. Payment by Tenant or receipt by Landlord of a lesser amount than the stipulated rent or other sums due Landlord shall operate only as a payment on account of such rent or other sums. No endorsement or statement on any check or other remittance or in any communication accompanying or relating to such payment shall operate as a compromise or accord and satisfaction unless the same is approved in writing by Landlord, and Landlord may accept such check, remittance or payment without prejudice to its right to recover the balance of any rent or other sums due by Tenant and pursue any remedy provided under this Lease or by law.

Section 26. No Merger.

(a) There shall be no merger of the leasehold estate created by this Lease with any other estate in the Premises, including the fee estate, by reason of the fact that the same person may own or hold the leasehold estate created by this Lease, or an interest in such leasehold estate, and such other estate in the Premises, including the fee estate, or any interest in such other estate; and no merger shall occur unless and until Landlord, Tenant and any Lender shall join in a written instrument effecting such merger and shall duly record the same.

(b) No termination of this Lease shall cause a merger of the estates of Landlord and Tenant, unless Landlord so elects and any such termination shall, at the option of Landlord, either work a termination of any sublease in effect or act as an assignment to Landlord of Tenant's interest in any such sublease. Notwithstanding the foregoing, in the event of the termination of this Lease and the execution of a new lease with Lender or its nominee pursuant to Section 18(i) above, the termination of this Lease shall neither work a merger of estates nor a termination of any subleases in effect unless Lender so elects.

Section 27. No Partnership. It is expressly understood and agreed that Landlord does not, in any way or for any purpose by executing this Lease, become a partner of Tenant in the conduct of Tenant's business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

Section 28. Covenants Run With Land.

(a) The agreements, covenants and conditions in this Lease contained are and shall be deemed to be covenants running with the land and the reversion and shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns and all subsequent Landlords and Tenants respectively hereunder.

(b) All references in this Lease to "**Tenant**" or "**Landlord**" shall be deemed to refer to and include successors and assigns of Tenant or Landlord, respectively, without specific mention of such successors or assigns.

Section 29. Notices. Except as otherwise provided hereunder; any notice or communication to Landlord, Tenant or Lender shall be in writing and be mailed by certified mail, postage prepaid. Notices or communications shall be addressed to Landlord at:

Moulton Niguel Water District
Attn: Joone Lopez, General Manager
P.O Box 30203
Laguna Niguel, California 92607
Phone: 949-448-4050
Email: jlopez@mnwd.org

or such other address or addresses as Landlord shall from time to time designate, or to such agent of Landlord as it may from time to time designate, by notice in writing to Tenant. Notices or communications shall be addressed to Tenant at:

Cypress Express Partners, LLC
190 Newport Center Drive, Suite 100
Newport Beach, CA 92660
Attn: Brett Blanchard
Phone: (949) 644-1860
Fax: (949)644-1142
Email: Brett@h2goexpress.com

or such other address or addresses as Tenant shall from time to time designate, or to such agent of Tenant as it may from time to time designate, by notice in writing to Landlord. Notices or communications to Lender shall be addressed to Lender at such address as Lender shall from time to time designate by notice in writing to Landlord. Any notice mailed in the manner above set forth shall be deemed to have been received unless returned to the sender by the post office.

Section 30. Limitation of Landlord's Liability. In the event of any transfer of Landlord's interest in this Lease, the Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all personal liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of Landlord or the then transferor at the time of such transfer, in which Tenant has an interest shall be turned over to the transferee and any amount then due and payable to Tenant by Landlord or the then transferor under any provision of this Lease shall be paid to Tenant; and provided, further, that upon any such transfer, the transferee shall expressly assume, subject to the limitations of this Section 30, all of the agreements, covenants and conditions in this Lease to be performed on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall, subject as aforesaid, be binding on each Landlord, its successors and assigns, only during its period of ownership.

Section 31. Estoppel Certificates. Tenant or Landlord, as the case may be, will execute, acknowledge and deliver to the other and/or to Lender, promptly upon request, its certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which the Monthly Rent, and other monetary obligations have been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by Landlord of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed (and, if so, specifying the same), and (d) whether there are then existing any defaults by Tenant in the performance or observance by Tenant of any agreement, covenant or condition hereof on the part of Tenant to be performed or observed and whether any notice has been given to Tenant of any default which has not been cured (and, if so, specifying the same). Any such certificate may be relied upon by a prospective purchaser, mortgagee or trustee under a deed of trust of the Premises or any part thereof.

Section 32. Holding Over. This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration of the Term shall not constitute a renewal hereof or give Tenant any rights hereunder or in or to the Premises, except as otherwise herein provided, it being understood and agreed that this Lease cannot be renewed, extended or in any manner modified except in writing signed by Landlord and Tenant.

Section 33. Arbitration. Whenever, under any provision of this Lease or by agreement of the parties, arbitration is required or agreed upon, then the matter shall be determined by arbitration conducted by a retired judge from the panel of Judicial Arbitration & Mediation Services, Inc. (“JAMS”) at its office located closest to the Premises. Any arbitration must commence within one (1) year after the claimed breach. The parties may agree on a retired judge from the JAMS panel. If they are unable to agree, JAMS will provide a list of three available judges and each party may strike one. The remaining judge will serve as the arbitrator. Arbitration fees will initially be payable one-half by Landlord and one-half by Tenant; provided, that fees and costs in the arbitration may be awarded by the arbitrator. In the event that JAMS ceases to exist, Landlord and Tenant shall agree upon another alternative dispute resolution service having offices in the Orange County area. Nothing in this Lease requires that Landlord pursue arbitration in the event of a breach otherwise enforceable through unlawful detainer proceedings. In all arbitration proceedings, hearings and/or trial shall be conducted on consecutive days, Monday through Thursday each week, holidays excluded, until the particular hearing or trial is completed, notwithstanding other rules that may be applicable.

Section 34. Late Charge. Tenant acknowledges that Tenant’s failure to pay any installment of Monthly Rent or any other amounts due under this Lease as and when due may cause Landlord to incur costs not contemplated by Landlord when entering into this Lease, the exact nature and amount of which would be extremely difficult and impracticable to ascertain. Accordingly, if any installment of Monthly Rent or any other amount due under the Lease is not received by Landlord within ten (10) days after it is due, then, without any notice to Tenant, Tenant shall pay to Landlord an amount equal to five percent (5%) of the past due amount, which the parties agree represents a fair and reasonable estimate of the costs incurred by Landlord as a result of the late payment by Tenant.

Section 35. Default Interest. In the event that Tenant shall fail to pay any amount of Monthly Rent, or any other monetary obligations owed to Landlord hereunder within thirty (30) days of the date that such amounts are due and payable, Tenant shall pay to Landlord, in addition to such amounts, interest thereon at the maximum interest rate permitted by law from the first day of the month in which such monetary obligation was payable to the date of actual payment thereof by Tenant to Landlord.

Section 36. Severability. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Lease, but this Lease shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

Section 37. Time of the Essence. Time is of the essence of each and all of the agreements, covenants, and conditions of this Lease.

Section 38. Consents. Whenever in this Lease the consent or approval of either Landlord or Tenant is required or permitted, the party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval.

Section 39. Memorandum of Lease. Contemporaneously with the execution of this Lease, Landlord and Tenant will execute and acknowledge for recordation in the Official Records of the County of Orange a Memorandum of Lease in the form of Exhibit "B" hereto; however, Tenant may hold the same in unrecorded form until the date 30 days after Tenant has received all Entitlements for the operation of its business on the Premises, which will be 30 days before the Commencement Date, as defined in Section 3(a).

Section 40. Attorney Fees. In the event of any action or proceeding at law or in equity between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorney fees, incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney fees shall be included in and as a part of such judgment.

Section 41. Integration. This instrument constitutes the entire agreement between Landlord and Tenant with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Landlord, Tenant and, if required by any Lender, by Lender.

Section 42. Amendments. This Lease may be modified only in writing and only if signed by the parties at the time of the modification.

Section 43. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 44. Commissions, Indemnity, Disclosure. Each party represents to the other party that, aside from Michael Hartel and Kevin Turner, there is no broker representing such party in the current transaction, and that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the transactions contemplated by this Lease. Each party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including without limitation attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying party. This Section 44 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement.

Section 45. General Provisions Regarding Option to Extend and Right of First Refusal. The following provisions will apply to the option to extend the Term (described in Section 46 below) and the right of first refusal (described in Section 47 below). (The option to extend and right of first refusal are hereafter collectively referred to as the **"Option"**).

(a) Tenant shall have no right to exercise an Option (i) during the period commencing with the giving of any notice of default and continuing until such default is cured; (ii) during any period during which rent is unpaid (without regard to whether notice thereof has

been given to Tenant); (iii) during any time Tenant is materially in default under this Lease; (iv) in the event that Tenant has been given three (3) or more notices of separate defaults, whether or not such defaults have been cured, during the twelve (12) month period immediately preceding the attempt to extend the Term.

(b) An Option shall terminate and be of no further force or effect (notwithstanding Tenant's due and timely exercise of such Option) if, after such exercise and prior to the commencement of an extended term or completion of the purchase, (i) Tenant fails to pay rent for a period of thirty (30) days after such rent becomes due; or (ii) if Tenant commits a material breach of this Lease.

Section 46. Option to Extend Termination Date. Tenant will have the option to extend the Termination Date for up to six (6) periods of five (5) years each (each an "**Extension Period**"), upon the following terms and conditions:

(a) The Termination Date may not be extended for a later period unless the prior extension option has been validly exercised.

(b) Tenant shall give written notice to Landlord of its election to extend the Termination Date of this Lease not later than one hundred eighty (180) days prior to the Termination Date or the most recent Extension Period.

(c) Rent during any Extension Period will be established and adjusted in accordance with the provisions of Section 4 of the Lease.

Section 47. Right of First Refusal. In the event that at any time during the Term of this Lease, Landlord receives a bonafide, arms-length offer to purchase the Property which Landlord desires to accept, Tenant will have a right of first refusal to purchase the Property on the same terms and conditions. Landlord will provide to Tenant a copy of such offer, certifying Landlord's desire to accept such offer. Tenant shall have a period of ten (10) business days following receipt of such offer within which to agree to purchase the Property upon the same terms and conditions. If Tenant exercises its right of first refusal, Landlord and Tenant will immediately open Escrow and proceed with a purchase and sale of the Property under such terms and conditions. If Tenant does not exercise the right of first refusal, such right will expire at the end of the ten (10) day period; provided, however, that if Landlord does not sell and convey the Property (i) upon such terms and conditions within one hundred eighty (180) days thereafter, then this right of first refusal will be reinstated or (ii) if such sale terms change to be more than 10% lower of the original offer, then this right of first refusal will be reinstated and Tenant shall have the right of first refusal again with a 10 day period of review from the time of the new sale terms. In the event Tenant elects not to acquire the Property pursuant to this right of first refusal, including the re-offer in (ii) above, if any, the third party purchaser of the Property from Landlord will acquire title to the Property free and clear of the right of first refusal, but subject to all other provisions of this Lease.

Section 48. Leasehold Policy of Title Insurance. Upon the recording of the Memorandum of Lease, Tenant may elect to obtain a leasehold policy of title insurance, insuring

Tenant's leasehold interest in the Property. Tenant will pay the premium for any such title policy.

Section 49. Force Majeure. In the event that either party hereto shall be delayed or prevented from the performance of any of its obligations required hereunder due to circumstances beyond the reasonable control of the non-performing party, including but not limited to, strikes, lockouts or other differences with workers or unions, pandemic or epidemic, fire, flood, acts of God, hostilities, civil commotion, governmental acts, orders or regulations, failure of power, or other reason of a like or similar nature, not the fault of the party delayed in performing its services or doing acts required under the terms of this Lease, then performance of such acts shall be excused for the period of the delay. Notwithstanding the foregoing, this provision shall not apply to Tenant's obligation to pay rent or other sums due hereunder, and Tenant shall continue to timely perform its payment obligations hereunder as and when due.

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

LANDLORD:

MOULTON NIGUEL WATER DISTRICT,
a California water district existing and
operating pursuant to Division 13 of the
California Water Code

By: _____
Its: _____

TENANT:

CYPRESS EXPRESS PARTNERS, LLC, a
California limited liability company

By: _____
Its: _____

EXHIBIT "A"

DESCRIPTION OF PROPERTY

That certain real property located in the City of Laguna Niguel, Orange County, California, described as follows:

PARCEL 1: (APN 636-461-04)

THOSE PORTIONS OF PARCELS A AND B IN THE CITY OF LAGUNA NIGUEL, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 14, PAGE 7, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH A PORTION OF TRACT NO. 6674, IN SAID COUNTY AND STATE AS SHOWN ON THE MAP RECORDED IN BOOK 253, PAGES 1 THROUGH 10, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF PARCEL 1 AS SHOWN ON THE MAP FILED IN BOOK 30, PAGE 35, OF PARCEL MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE NORTH 6° 34' 52" EAST ALONG THE WESTERLY LINE OF SAID PARCEL, 240.00 FEET TO THE NORTHWESTERLY CORNER THEREOF; THENCE NORTH 83° 25' 08" WEST ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL TO THE CENTERLINE OF LA PAZ ROAD AS DESCRIBED IN DEED TO THE COUNTY OF ORANGE RECORDED IN BOOK 8639, PAGE 748, OFFICIAL RECORDS OF SAID COUNTY AND SHOWN ON SAID MAP FILED IN BOOK 30 PAGE 35 OF PARCEL MAPS; THENCE SOUTH 6° 34' 52" WEST ALONG SAID CENTERLINE TO ITS INTERSECTION WITH THE CENTERLINE OF AVILA ROAD AS SHOWN ON SAID MAP; THENCE SOUTH 83° 25' 08" EAST ALONG THE CENTERLINE OF SAID AVILA ROAD 246.79 FEET TO THE POINT OF BEGINNING.

PARCEL 2: (APN 636-461-06)

A STRIP OF LAND , 63.00 FEET WIDE, OVER THAT PORTION OF LOT 2 OF TRACT NO. 10291, IN THE CITY OF LAGUNA NIGUEL, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 613, PAGE 45 AND 46, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AMENDED BY THAT CERTAIN CERTIFICATE OF CORRECTION RECORDED MARCH 18, 1999 AS INSTRUMENT NO. 1999-197453, OF OFFICIAL RECORDS, THE SOUTHERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERMINUS OF THE COURSE SHOWN AS "NORTH 83° 25' 07" WEST, 376.82 FEET" ALONG THE SOUTHERLY LINE OF SAID LOT;
THENCE SOUTH 83° 25' 07" EAST, 176.82 FEET ALONG SAID SOUTHERLY LINE.

GROSS AREA = 70,367 SQ. FT.
NET AREA LESS ROAD RIGHT OF WAY = 44,512 SQ. FT.

ASSESSOR'S PARCEL NUMBER

636-461-04
636-461-06

EXHIBIT "B"

MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO

Moulton Niguel Water District
Attn: Joone Lopez, General Manager
P.O Box 30203
Laguna Niguel, California 92607

MEMORANDUM OF LEASE

This memorandum of lease ("**Memorandum of Lease**") is made as of _____, 2020 between MOULTON NIGUEL WATER DISTRICT, a California water district existing and operating pursuant to Division 13 of the California Water Code ("**Landlord**") and CYPRESS EXPRESS PARTNERS, a California limited liability company ("**Tenant**"), who agree as follows:

1. The Lease. Landlord leases to Tenant, and Tenant leases from Landlord, the Premises (described below) on the terms and conditions of that certain unrecorded Ground Lease ("Lease") dated as of _____, 2020, between the parties. (Unless expressly provided otherwise, all capitalized terms and phrases used in this Memorandum shall have the same meanings as set forth in the Lease.)

2. The Premises. The Premises which are the subject of the Lease are that certain real property situated in the City of Laguna Niguel, Orange County, California, commonly known as Assessor Parcel No. 636-461-04, 636-461-06 and more particularly described in Exhibit "1" attached hereto and made a part hereof by this reference.

3. Term. The initial term ("**Initial Term**") of the Lease shall commence on _____, and expire twenty-five (25) years thereafter; provided, however, if the Term commence on a date other than the first day of a calendar month, the Term shall be extended by this fractional month.

4. Option to Extend Termination Date. Tenant has six (6) consecutive options to extend the Termination Date of the Lease of five (5) years each on all the terms and conditions of the Lease.

5. Right of First Refusal. Throughout the term of this Lease, Tenant will have a right of first refusal to purchase the Property, upon the terms and provisions as described in the Lease.

6. Purpose of Memorandum. This Memorandum of Lease is prepared for the purpose of notice and recordation. This Memorandum of Lease does not and is not intended to modify the provisions of the Lease.

LANDLORD:

MOULTON NIGUEL WATER DISTRICT,
a California water district existing and
operating pursuant to Division 13 of the
California Water Code

By: _____
Its: _____

TENANT:

CYPRESS EXPRESS PARTNERS, LLC, a
California limited liability company

By: _____
Its: _____

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

STATE OF CALIFORNIA
COUNTY OF ORANGE

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

STATE OF CALIFORNIA
COUNTY OF ORANGE

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "1" TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION OF PREMISES

That certain real property located in the City of Laguna Niguel, Orange County, California, described as follows:

PARCEL 1: (APN 636-461-04)

THOSE PORTIONS OF PARCELS A AND B IN THE CITY OF LAGUNA NIGUEL, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 14, PAGE 7, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH A PORTION OF TRACT NO. 6674, IN SAID COUNTY AND STATE AS SHOWN ON THE MAP RECORDED IN BOOK 253, PAGES 1 THROUGH 10, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

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PARCEL 2: (APN 636-461-06)

A STRIP OF LAND , 63.00 FEET WIDE, OVER THAT PORTION OF LOT 2 OF TRACT NO. 10291, IN THE CITY OF LAGUNA NIGUEL, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 613, PAGE 45 AND 46, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AMENDED BY THAT CERTAIN CERTIFICATE OF CORRECTION RECORDED MARCH 18, 1999 AS INSTRUMENT NO. 1999-197453, OF OFFICIAL RECORDS, THE SOUTHERLY LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERMINUS OF THE COURSE SHOWN AS "NORTH 83° 25' 07" WEST, 376.82 FEET" ALONG THE SOUTHERLY LINE OF SAID LOT;
THENCE SOUTH 83° 25' 07" EAST, 176.82 FEET ALONG SAID SOUTHERLY LINE.

GROSS AREA = 70,367 SQ. FT.
NET AREA LESS ROAD RIGHT OF WAY = 44,512 SQ. FT.

ASSESSOR'S PARCEL NUMBER

636-461-04
636-461-06

EXHIBIT "C"

LIST OF PROHIBITED USES

1. No portion of the Premises shall be used for any non-commercial use or for any of the following purposes: a flea market or a business selling so-called "second hand" goods, an establishment engaged in the business of selling, exhibiting or delivering pornographic or obscene materials; a so-called "head shop"; off-track betting parlor; ; a warehouse; a discotheque, dance hall, or adult entertainment facility; bowling alley; skating rink; billiard or pool hall; massage parlor; game parlor or video arcade or provision of any games in, on or around Premises including but not limited to, self-operated arcade games, mid-way games, games of skill, or virtual reality games; ; industrial, residential or manufacturing uses ; a medical marijuana dispensary or other business or activity related to the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution or sale of medical marijuana or a medical marijuana product or device; bar, tavern or cocktail lounge, unless it is operated in conjunction with a restaurant where the service of alcoholic beverages for on-premises consumption is ancillary to the restaurant business.

2. No portion of the Premises shall be used (i) for the maintenance of any nuisance or the conduct of any activity that violates public policy; (ii) in violation of any law or governmental regulation; (ii) for any "sidewalk sales," or any other sales, promotional activities or displays of merchandise outside the exterior wall of the Premises, except for events that may be approved by the Landlord from time to time, which approval may be withheld in the sole and absolute discretion of the Landlord; (iii) for the storage of any items or vehicles, other than the storage of items within the confines of any building located within the Premises, which items are incidental to the business conducted thereon, and other than trash to be stored in appropriate containers within an enclosed trash area; or (iv) to permit advertising media which can be heard or experienced from the exterior of the Premises, from which it emanates, such as flashing lights, searchlights, loudspeakers, phonographs, radios, televisions or any computer devices.