

LEASE AGREEMENT

AGREEMENT OF LEASE, (the "Lease"), made as of the 1st day of September 2022 (the "Commencement Date") between **CHELSEA ATLANTIC EQUITIES, LLC**, a New Jersey limited liability company, (the "Landlord"), whose address is 100 Easton Road, #108, Wyncote, PA 19095, and **THE THC SHOP, LLC**, a New Jersey limited liability company, whose address is 1 Maple Shade Drive, Whippany, New Jersey 07981 (the "Tenant").

WITNESSETH:

Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, the premises (hereinafter referred to as the "Premises" or "Building") containing approximately 2,352 square feet of rentable retail space and 330 square feet of storage space at the address 1740 Atlantic Avenue, Atlantic City, NJ 08401 (hereinafter referred to, along with the Premises or Building, as the "Property"), as shown on the Premises diagram attached as Exhibit "A" hereto, subject to the covenants, terms, provisions, and conditions of this Lease.

In consideration thereof, Landlord and Tenant covenant and agree as follows:

1. Term.

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Property for the "Term", which commences on the Commencement Date and ends on the Expiration Date, or such earlier date upon which the Term may expire or be terminated pursuant to the provisions of this Lease or pursuant to Law. The term "Expiration Date" shall be at 11:59 PM on the last day of the month in which the 10th year anniversary of the Commencement Date occurs.

(b) If this Lease is in effect and if Tenant is not in default hereunder beyond all applicable grace, notice and cure periods, if any, Tenant shall have the rights (the "Renewal Options"), at its option, to extend the Term of this Lease for three (3) additional periods of five (5) years each (the "Renewal Term") provided that Tenant delivers to Landlord written notice of Tenant's exercise of such option at least nine (9) months prior to the expiration of the then current Term. Such extension of the Term shall be upon the same terms and conditions in force hereunder immediately prior to the expiration of the then current Term, except that (i) the annual Base Rent during a Renewal Term shall increase by three (3%) percent a year over the previous year's Base Rent; and (ii) the Premises shall be accepted in "as-is" condition, with all faults and defects, latent or otherwise, and (iii) Tenant shall have no further right to extend or renew the Term of this Lease beyond third Renewal Option. If and when the Renewal Option is properly exercised, the Term of this Lease shall thereupon (without the necessity for any further act or deed) be deemed to expire at the end of the applicable Renewal Term, and as such, any reference in the Lease to "Term" shall include any Renewal Term, and "Expiration Date" shall include the last day of any Renewal Term. Notwithstanding anything which may be contained in this paragraph or in the Lease to the contrary, Landlord shall have no obligation or duty, nor shall Landlord be required to make any repairs, installations, alterations or improvements to the Property or any portion thereof (including, without

limitation, painting, finishing, plastering or decorating), with respect to any Renewal Term of this Lease.

2. Base Rent and Additional Rent.

(a) Throughout the Term, Tenant hereby agrees to pay to Landlord, without any set off or deduction whatsoever (except as may specifically be provided herein), base rent (the "Base Rent") of \$120,000.00 per annum, or \$10,000.00 per month, in the first year of the Lease, starting with the Commencement Date. The Base Rent shall increase three percent (3%) annually.

(b) In addition to the Base Rent, Tenant shall pay Landlord all other sums of money that become due and payable by Tenant to Landlord under this Lease (all other sums deemed rent that is due and payable by Tenant to Landlord under this Lease are hereinafter referred to collectively as the "additional rent", and together with the Base Rent, collectively, the "rent"). The Base Rent shall be due and payable without demand in advance in twelve (12) equal installments on the first (1st) day of each calendar month during the term of this Lease and any extensions or renewals thereof, and Tenant hereby agrees to pay Base Rent as so adjusted to Landlord at Landlord's address provided herein (or such other address as may be designated by Landlord in writing from time to time). If the Term of this Lease commences on a day other than the first (1st) day of a month, then the first installment of Base Rent as adjusted pursuant hereto shall be prorated, based on thirty (30) days per month, and such installment so prorated shall be paid together with the execution of this Lease.

(c) Upon the execution of this Lease, Tenant agrees to pay to Landlord an amount equal to the first four (4) monthly installments of Base Rent in the amount of Forty Thousand (\$40,000.00) Dollars, together with a security deposit of Twenty Thousand (\$20,000.00) Dollars (the "Security Deposit"). The Security Deposit is to be held by Landlord as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or measure of Landlord's damages in case of default by Tenant. Upon default by Tenant, which default has not been cured within applicable notice, grace and cure periods, Landlord, from time to time, without prejudice to any other remedy, may (but shall not be required to) apply the Security Deposit against any arrearages of Base Rent, or other rent due hereunder, or any other damage, injury, expense or liability caused to Landlord by such default on the part of Tenant. Should all or any portion of the Security Deposit be used for the purposes described above during the Lease Term, then Tenant shall remit to Landlord on the first day of the month following notice of such use the amount necessary to restore the Security Deposit to its original balance. Tenant's failure to restore the Security Deposit upon written notice from Landlord shall be a material breach of this Lease. No interest shall be payable on the Security Deposit and Landlord shall have no obligation to keep the security deposit separate from its general funds unless otherwise required by applicable law. Within thirty (30) days following the expiration of this Lease, Landlord shall return the Security Deposit to Tenant, provided that all or any portion thereof has not been applied to Tenant's obligations under this Lease.

(d) If Tenant fails to pay any regular monthly installment of Base Rent by the tenth (10th) day of the month in which the installment is due, or any other amount constituting rent

within thirty (30) days after accrual thereof or billing therefor, there shall be added to such unpaid amount a late charge of three percent (3%) of the installment or amount due in order to compensate Landlord for the extra administrative expenses incurred.

3. Use of Premises.

(a) Landlord and Tenant acknowledge and agree that Tenant desires and intends to use the Property as a recreational cannabis retail establishment in compliance with all applicable laws and regulations of State of New Jersey and City of Atlantic City (the "Specified Use").

(b) Landlord makes no representations that the Property is zoned or otherwise authorized to allow for the Specific Use or that the Property is otherwise suitable for Tenant's use. Tenant is solely responsible to obtain all necessary authorizations, approvals, certificates, licenses, and/or permits, (collectively, the "Approvals"), of any kind, to operate and use the Property for the Specified Use, all at Tenant's sole cost and expense.

(c) Notwithstanding any provisions in this Lease to the contrary, Landlord and Tenant agree that in the event that Tenant is not able to obtain all necessary approvals from the municipal authorities having jurisdiction over the Premises (the "Approvals") to legally use the Property for the Specified Use, (the "Approval Contingency"), within one hundred twenty (120) days from the Commencement Date (the "Initial Approval Contingency Date"), Tenant, in its sole discretion, may terminate this Lease upon thirty (30) days written notice to Landlord (the "Approval Contingency Notice to Vacate"), and Tenant shall have no further obligations to Landlord except as otherwise specifically provided for in this Lease; and further provided, however, that in the event that the Lease is terminated pursuant to this Section 3.(c), Tenant shall be obligated to Landlord for a minimum of four (4) months' Base Rent, which amount shall be paid upon execution of this Lease pursuant to Section 2.(c) of this Lease (the "First Advance Payment"), regardless of, (i) this Approval Contingency, or (ii) the date Tenant submits the Approval Contingency Notice to Vacate to Landlord. Tenant agrees to and shall provide written evidence to Landlord, upon request, of Tenant's reasonable commercial efforts to obtain all necessary Approvals or copies of the denials thereof with regard to the Specified Use. Tenant shall further have the option, upon written notice provided to Landlord, to extend the time period for which Tenant is obtaining all Approvals, for an additional one hundred twenty (120) days from the Initial Approval Contingency Date (the "Second Approval Contingency Date") and the payment to Landlord, with said written notice, of an additional four (4) months' Base Rent or \$40,000.00 (the "Second Advance Payment"); provided, however, that if Tenant terminates the Lease at any time after the Initial Approval Contingency Date but before the Second Approval Contingency Date, Tenant shall be obligated to Landlord for a minimum of eight (8) months' Base Rent, paid in advance as pursuant to Section 2.(c) and this Section 3.(c) of this Lease. The First Advance Payment, and if applicable, the Second Advance Payment shall be applied to the monthly installments of Base Rent due for the initial four (4) or eight (8) calendar months, as applicable, following the Commencement Date.

(d) Tenant shall not use or permit the use of the Property or any part thereof in any way which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or in violation of any Approvals for the Specified Use at the Property.

(e) Landlord and Tenant mutually acknowledge that irreparable injury will result to Landlord in the event of a breach of any of the provisions of this Section and it is agreed that in the event of any such breach by Tenant, which is not cured within any applicable notice, grace or cure periods provided herein, Landlord shall be entitled, in addition to any other remedies available to it, to an injunction to restrain the breach of any of such provisions.

(f) Tenant shall keep the inside and outside of all glass in the doors and windows and interior and exterior surfaces of the Premises clean and maintain in good repair; shall replace promptly at its own expense with glass of like kind and quality and plate glass or window glass of the Premises which may become cracked or broken; replace light bulbs within the Premises (or installed by Tenant) as necessary; shall maintain the Premises and Property at its own expense, in a clean, orderly and sanitary condition and shall have the Premises exterminated as necessary to keep the Premises free of insects, rodents, vermin and other pests; shall not permit accumulations of garbage, trash, rubbish and other refuse, but shall remove the same at its expense, and, until removed daily as hereinafter provided, shall keep any perishable refuse in airtight, odor and vermin proof containers, shall not burn any trash or garbage whatsoever, shall cause all such garbage, trash or rubbish to be removed at least five (5) days per week by such persons or companies as may be designated and paid for by Tenant; shall not use or permit the use of any advertising medium, including but not limited to loudspeakers, phonographs, public address systems or sound amplifiers within the Building and in any manner audible or (except signage) visible outside the Premises (provided, that the foregoing shall not apply to professionally prepared advertising that is visible from outside the Premises if such advertising is approved in writing in advance by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed); shall keep all mechanical apparatus free of unreasonable vibration and noise which may be transmitted beyond the confines of the Premises; shall not cause or permit the penetration or emanation of any unreasonable odors from the Premises into any part of the Building; shall not allow refuse or other material to enter into and interfere with the sewer pipes and lines servicing the Premises; and shall conduct its business in all respects in accordance with the standard of operation of Tenant's other store locations.

(g) Provided same are delivered to Tenant in good working order on the Commencement Date, Tenant shall be responsible during the lease term for the maintenance of the heating, ventilation and air conditioning system ("HVAC") of the Premises and shall keep the same in good order and repair. Tenant shall also be responsible for the maintenance of the plumbing and electrical system within the Premises and those exclusively serving the Premises. Tenant shall further obtain and deliver to Landlord, at Tenant's sole cost, a maintenance agreement with a reputable licensed HVAC contractor reasonably approved by Landlord for the servicing of the HVAC system throughout the Term of this Lease and all extensions thereof. At a minimum, the HVAC system shall be serviced at least once per quarter by the service provider, including, but not limited to: (i) changing the filters, (ii) inspecting and, if necessary, cleaning condensing coils and evaporator coils, (iii) inspecting and, if necessary, tightening or replacing the belt on any HVAC unit having a belt driven fan, and (iv) inspecting and, if necessary, tightening any electrical terminations. Tenant shall further be solely liable for securing the Property and Premises, at Tenant's cost, considering the Specified Use and in compliance with any governmental requirements. Notwithstanding anything to the contrary set forth in this Section 3(g), in the event

any HVAC unit or component requires a major repair or replacement during the term, Landlord shall repair and/or replace same at its cost and expense. Tenant shall reimburse Landlord for the portion of the unamortized cost of the new HVAC unit and/or component (amortized over the useful life of same) falling within the Term. For instance, if an HVAC Unit had to be replaced when 2 years remain in the Term, then assuming the HVAC Unit had a useful life of 10 years, Tenant would be obligated to reimburse Landlord for 20% of the cost therefor.

(h) Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week.

4. Tenant Improvements.

(a) Upon receipt of all non-appealable Approvals for the Specified Use, Tenant shall commence to cause the Premises to be further improved, ("Tenant's Work"), in compliance with the description, plans, specifications, requirements and procedures set forth for Tenant's Work in Exhibit "B" hereto. All such Tenant Work shall be completed by Tenant within one hundred and eighty (180) days after Tenant has obtained all unappealable Approvals for the Specified Use, subject to force majeure and Landlord delay.

(b) Tenant Work, and any other work performed by Tenant with respect to the Premises, shall be performed by responsible/licensed contractors and subcontractors. Prior to the commencement of any such work, Tenant shall furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed, conditional upon payment if so required by law. Tenant shall protect, indemnify, hold harmless and defend Landlord, the Premises of and from any and all loss, cost, damage, liability and expense, including attorneys' fees, arising out of or related to any such liens or notices. If any such lien, pre-lien notice, stop notice or violation notice shall at any time be filed against the Premises, Tenant shall cause the same to be discharged of record within thirty (30) days after receipt of notice of the filing of same, by either payment, deposit or bond. If Tenant shall fail to discharge any such lien within such period, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, procure the discharge of such by paying the amount claimed to be due, or such greater amount as is otherwise required by law, by deposit in court or bonding, and/or Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment, if any, in favor of the lienor with interest, costs and allowances. Any amount paid or deposited by Landlord for any of the aforesaid purposes, and all legal and other expenses of Landlord, including counsel fees, in defending any such action or in or about procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with interest thereon at the Interest Rate from the date of payment or deposit, shall become due and payable forthwith by Tenant to Landlord, or, at the option of Landlord, shall be payable by Tenant to Landlord as Additional Rent.

(c) Tenant shall cause each its contractors and subcontractors performing Tenant Work, and any other work performed by Tenant, with respect to the Premises, to take out and keep in force at no expense to Landlord:

(i) Worker's Compensation, employer's liability, public liability and builder's risk form of casualty insurance in amounts appropriate to the type of work being performed by Tenant, subject to a limit of no less than Five Hundred Thousand (\$500,000.00) Dollars each employee, Five Hundred Thousand (\$500,000.00) Dollars each accident, and Five Hundred Thousand (\$500,000.00) Dollar policy limit. In addition, all contractors and subcontractors working on behalf of Tenant shall provide evidence of coverage, equal to the requirements of Tenant, naming Landlord as an additional insured;

(ii) Tenant shall cause its contractors and subcontractors to secure and keep in effect during the performance of any Tenant improvements at their sole cost and expense the following coverage; (1) property insurance upon tools, material, equipment and supplies, whether owned, leased or borrowed by the contractor or subcontractor or its employees to the full replacement cost for all causes of loss included within "all risk" perils. Policy shall allow for a waiver of subrogation against Landlord, (2) commercial general liability insurance, including contractual liability covering the written indemnity as per the previous Section, on an occurrence form with combined bodily injury and property damage limits of not less than One Million (\$1,000,000.00) Dollars per occurrence, One Million (\$1,000,000.00) Dollars per project general aggregate and One Million (\$1,000,000.00) Dollars products liability and completed operations. Products liability and completed operations coverage shall extend for three years beyond completion of any Tenant Work. Policy shall not contain exclusions relating to (a) independent contractors (b) gravity related injuries (c) injuries sustained by an employee of an insured or any insured. Such insurance shall be primary, notwithstanding any insurance carried by Landlord or Tenant. Tenant's liability insurance policy shall name Landlord as additional insured utilizing both forms CG2010 and CG2037 or their equivalents. All such insurance shall be maintained with insurance companies licensed in New Jersey with an AM Best's rating of not less than A-. Tenant shall endeavor to have all policies contain a provision that coverage may not be canceled, non-renewed or materially changed without at least 30 days prior written notice to Landlord. If the insurer is not willing to provide such notice, Tenant will provide Landlord with a copy of any such notice immediately upon receipt of same. Tenant's contractors and subcontractors shall not begin work until it has furnished Landlord with Certificates of Insurance to Landlord on Accord Form 25 or its equivalent evidencing all terms noted above.

(iii) Tenant shall make a good faith effort to cause its contractors and subcontractors to indemnify Landlord in writing as follows; "To the fullest extent permitted by law, the undersigned ("Contractor" or "Subcontractor," as the case may be) hereby agrees to indemnify and hold harmless Landlord from and against all liability, claims, demands, damage, costs and expenses (including reasonable attorneys' fees) on account of injury to persons including death resulting therefrom and damage to property arising out of the performance of the Tenant Work described in an agreement between Tenant and contractor, subcontractor, their respective employees and agents, and any damage to the property of said contractors and/or subcontractors. The contractor or subcontractor, as the case may be, shall, defend any and all actions at law brought against the Landlord and shall pay all attorneys' fees and all other expenses and promptly discharge any judgment arising therefrom."

(iv) As between Landlord and Tenant, Tenant shall be solely responsible for the transportation, safekeeping and storage of materials and equipment used in the performance of Tenant Work and for the removal of waste and debris resulting therefrom.

5. Landlord's Right to Enter.

Tenant authorizes Landlord, Landlord's agents or employees or any other authorized representative of Landlord to enter the Property at reasonable times and upon reasonable prior written notice, and at Tenant's option, with a representative of Tenant present, for the purpose of, (a) responding to emergency situations, (b) inspection, (c) making Repairs, replacements or improvements in or to the Property or any part thereof or equipment therein, (d) performing other obligations of Landlord or Tenant pursuant to this Lease, or (e) during the period commencing six (6) months prior to the end of the Term, for the purpose of exhibiting same to prospective tenants. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord or any Landlord's Mortgagee or lessor, any obligation, responsibility or liability whatsoever for the care, supervision or repair of the Property or any parts thereof other than as herein provided. If a representative of Tenant shall not be personally present to open and permit an entry into the Premises in case of emergency, then Landlord or its agents may enter by a master key or may, in case of emergency, forcibly enter the same without rendering Landlord or its agents liable therefor (provided that, during such entry, reasonable care shall be accorded to avoid damage or injury to Tenant's property), and without in any manner affecting the obligations and covenants of this Lease. Without incurring any liability to Tenant, Landlord may permit access to the Property and open the same, whether or not Tenant shall be present, upon demand of any receiver, trustee, assignee for the benefit of creditors, sheriff, marshal or court officer entitled to, or reasonably purporting to be entitled to, such access for the purpose of taking possession of, or removing, Tenant's property or for any other lawful purpose (but this provision and any action by Landlord hereunder shall not be deemed a recognition by Landlord that the person or official making such demand has any right or interest in or to this Lease, or in or to the Property), or upon demand of any representative of the fire, police, building, sanitation or other department of governmental authorities. In the event that any inspection shall reveal any violation of any governmental authority, Tenant shall promptly correct or cause the correction of such violation at Tenant's cost. Notwithstanding the above, the parties agree to use their best efforts to comply with any state or local regulations that apply to Landlord's right to enter the Property pursuant to this Section.

6. Hazardous Materials.

(a) No Hazardous Materials, as defined herein, shall be Handled, as also defined herein, upon, about, above or beneath the Property or any portion of the Building by or on behalf of Tenant, its subtenants or its assignees, or their respective contractors, clients, officers, directors, employees, agents, or invitees. Any such Hazardous Materials so Handled shall be known as Tenant's Hazardous Materials. Notwithstanding the foregoing, normal quantities of those Hazardous Materials customarily used in the conduct of general administrative and executive office activities and remodeling (e.g., copier fluids, cleaning supplies and paint in small quantities) and the Specified Use may be used and stored at the Premises or Property without Landlord's prior written consent, but only in compliance with all applicable Environmental Laws, as defined herein and with the highest prevailing industry standards.

(b) Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, at its sole cost and expense, promptly take all actions required by any federal,

state or local governmental agency or political subdivision, which requirements or necessity arises from the Handling by Tenant of Tenant's Hazardous Materials upon, about, above or beneath the Premises or any portion of the Building. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises or any portion of the Building, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Tenant shall take all reasonable actions necessary to restore the Premises or any portion of the Building to the substantially the condition existing prior to the introduction of Tenant's Hazardous Materials, notwithstanding any less stringent standards or remediation allowable under applicable Environmental Laws. Tenant shall nevertheless obtain Landlord's written approval prior to undertaking any actions required by this Section, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not potentially have a material adverse long-term or short-term effect on the Premises or any portion of the Building. In no event, however shall Tenant be responsible for any Hazardous Materials introduced to the Premises, Building or Property prior to the Commencement Date. Moreover, Landlord represents that as of the Commencement Date, the Building is free of Hazardous Materials.

(c) "Environmental Laws" means and includes all now and hereafter existing statutes, laws, ordinances, codes, regulations, rules, rulings, orders, decrees, directives, policies and requirements by any federal, state or local governmental authority regulating, relating to, or imposing liability or standards of conduct concerning public health and safety or the environment and having jurisdiction over the Premises.

(d) "Hazardous Materials" means: (a) any material or substance: (i) which is defined or becomes defined as a "hazardous substance", "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (ii) containing petroleum, crude oil or any fraction thereof; (iii) containing polychlorinated biphenyls (PCB's); (iv) containing asbestos; (v) which is radioactive; (vi) which is infectious; or (b) any other material or substance displaying toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined, or become defined by Environmental Laws; or materials which cause a nuisance upon or waste to the Property or any portion of the Premises.

(e) "Handle," "Handled," or "Handling" shall mean any installation, handling, generation, storage, treatment, use, disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials.

7. Condition of Property.

Tenant is taking possession of the Property upon the Commencement Date in "as-is" condition. Specifically, unless and until Tenant obtains its Approvals, Tenant shall not remove any of the existing kitchen equipment and related fixtures and/or furnishings that are contained in the Premises as of the Commencement Date (collectively, the FF&E), but Landlord may remove any such FF&E prior to the time Tenant obtains the Approvals. If Tenant exercise its right to terminate this Lease pursuant to Section 3(c) above, Tenant shall surrender the Premises to Landlord with the FF&E. However, once Tenant obtains the Approvals (or waives the Approval contingency),

the FF&E then remaining at the Property shall become the property of Tenant and Tenant may retain or dispose of the FF&E in its sole discretion. At the expiration or other termination of this Lease or of Tenant's right of possession, Tenant shall leave the Property, and during the Term will keep the same, in good order and condition, ordinary wear and tear alone and damage due to casualty excepted, except that Tenant shall have no obligation to return any of the FF&E to Landlord. Tenant shall make all necessary non-structural repairs and replacements to the Property arising from or in any way related to Tenant's use of the Property. Landlord shall be responsible for any structural repairs and/or replacements to the Building and the roof, unless the need for such repair and/or replacement is due to the negligent acts or willful misconduct of Tenant. Tenant shall give Landlord prompt notice of any damage to or accident upon the Property and of any breakage or defects in the window glass, wires or plumbing, heating, ventilating or cooling or electrical apparatus or systems on or serving the Property. Tenant shall at the expiration or termination of this Lease or of Tenant's right of possession, also have had removed from the Property all furniture, trade fixtures, office equipment and all other items of Tenant's property so that Landlord may again have and repossess the Property. Tenant shall comply with all state and local laws, rules, orders, ordinances and regulations at any time issued or in force by any lawful authority applicable to Tenant's particular use or occupancy of the Property, including but not limited to compliance in all respects with the Americans With Disabilities Act (ADA). Tenant shall repair, at or before expiration or termination of this Lease or of Tenant's right of possession, all damage done to the Property by installation or removal of furniture and property by Tenant or any agent, employee or invitee of Tenant. Tenant shall, upon demand, pay to Landlord the amount of any damages suffered or incurred by Landlord as a result of any injury to any part of the Property done by Tenant or any agent, employee or invitee of Tenant for which Tenant has not repaired. Tenant shall not do or commit, or suffer or permit to be done or committed, any act or thing as a result of which any policy of insurance of any kind on or in connection with the Property shall become void or suspended, or any insurance risk on or in connection with the Building or any other portion of the Property shall (in the reasonable opinion of the insurer or any insurance organization) be rendered more hazardous, except for the Specific Use. Without limitation of all other rights and remedies of Landlord, Tenant shall pay as additional rent the amount of any increase of premiums for such insurance, resulting from any breach of this provision.

8. Services.

(a) Landlord shall have no obligation to provide any services to Tenant in connection with this Lease. However, Landlord represents that all necessary utilities, including, electric, plumbing, gas (if applicable) and water are available at the Premises, including meters therefor and that heating, ventilation and air conditioning ("HVAC") units and related components are also available at the Premises.

(b) Water and sewer.

Tenant shall contract directly and be solely responsible for all water and sewer fees. To the extent not already present at the Premises, Landlord will install, at Tenant's cost, a meter at the Property.

(c) Gas and Electric Service; Billing for Electricity.

Tenant shall contract directly with the providers and be solely responsible for all gas and electricity fees. Electricity and gas shall be metered and Tenant shall be solely responsible for all electricity and gas fees and charges. To the extent not already present at the Premises, Landlord will install, at Tenant's cost, a meter at the Property.

(d) Telephone, cable, and internet.

Tenant shall contract directly and be solely responsible for all telephone, cable, internet and/or related services.

(e) Interruption of Services.

Tenant agrees that Landlord shall not be liable for damages (by abatement of rent or otherwise) for failure to furnish or delay in furnishing any utility service, or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, renewals, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Property after reasonable effort so to do, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of the Tenant's use and possession of the Property or relieve the Tenant from paying rent or performing any of its obligations under this Lease. Landlord agrees in any such event to use its best efforts to proceed with reasonable speed to end any such failure or delay.

9. Alterations, Signs and Window Displays. Liens.

(a) Tenant shall not make any alterations, additions or improvements, including the Tenant Work (herein referred to collectively as ("Alterations")) to the interior or exterior of the Premises or cut or drill into the Premises or install any fixture, furniture, object, apparatus or device of any kind (herein, collectively referred to as "Fixtures") in or upon the interior or the exterior of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Without limitation of the foregoing, Tenant shall not remove any item installed by Landlord or any replacement thereof, unless replaced with an item of equal or better value. All fixtures installed by Tenant shall be new or like-new and of high quality materials.

(b) If Landlord consents to the making of any Alterations, it may impose such reasonable conditions as it deems appropriate with respect to contractor's lien waivers, insurance against liabilities which may arise out of such work, plans, specifications and permits necessary for such work and as-built drawings upon completion of such work. All work done by Tenant or its contractors pursuant to this Section 9 or otherwise shall be done in a first-class workmanlike manner, using only new, or like new, first quality materials and without unreasonably disturbing other persons in the Building, shall be done in compliance with all insurance requirements of which Tenant is notified in writing and all applicable laws and shall be done by responsible contractors

and subcontractors approved by Landlord in advance, which approval shall not be unreasonably withheld, conditioned or delayed.

(c) All Fixtures (excluding the FF&E) installed in or to the Premises by Tenant (except such as may be removed without damage to the Premises) shall become the property of Landlord and remain at the Premises at the expiration or sooner termination of this Lease or, at Landlord's option, any or all of the foregoing shall be removed at the cost of Tenant before the expiration or sooner termination of this Lease and in such event Tenant shall repair all damage to the Premises caused by the installation and/or removal thereof. Landlord shall provide Tenant with written notice at least sixty (60) days prior to the expiration or sooner termination of the term of this Lease if it will require Tenant to remove any Fixtures or alteration. All equipment used by Tenant in connection with the Specified Use shall be removed by Tenant and any resultant damage will be repaired at Tenant's expense. In no event, however, shall Tenant be required to remove any Tenant's Work at the expiration or sooner termination of this Lease.

(d) Tenant shall not place any signs on the exterior of the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed and without having obtained any and all governmental permits and approvals for such signs that are required by all governmental entities having jurisdiction with respect thereto. Except for professionally prepared signs that are part of Tenant's national or regional advertising campaigns, no display, item or material shall be placed in the windows or show windows of the Premises or elsewhere in the Premises which may be visible from the exterior of the Premises unless such display, item or material shall have been approved for such purpose by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed).

(e) Tenant shall not permit there to be filed against the Property or Landlord's interest therein or any part of either, and shall forthwith remove or have removed, or bonded around in form and with companies satisfactory to Landlord, any mechanics', or materialmen's or other lien, or claim thereof, filed by reason of work, labor, services or materials provided for or at the request of Tenant (other than work, labor, services or materials provided by the Landlord) or any subtenant or occupant or for any contractor or subcontractor employed by Tenant or any subtenant or occupant, and shall exonerate, protect, defend and hold free and harmless Landlord against and from any and all such claims or liens. Without limitation of the foregoing, if any such claim or lien be filed, if Tenant fails to have the lien removed of record, by bonding or otherwise, within thirty (30) days of same being filed, Landlord may, but shall not be obligated to, discharge it either by paying the amount claimed to be due in the claim or lien or by procuring the discharge of such lien or claim by deposit or by bonding proceedings, and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of any action for the foreclosure of such-lien by the claimant or lienor and to pay the amount of any judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all costs and expenses, including, without limitation, reasonable attorneys' fees, in connection therewith, shall constitute additional rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

10. Insurance and Waiver of Subrogation.

(a) Commencing with the Commencement Date and throughout the Term, Tenant shall, at Tenant's cost and expense, provide and cause to be maintained:

(i) Commercial general liability insurance (including contractual liability coverage), insuring against claims for bodily or personal injury, death or property damage that may arise from or be occasioned by (1) the condition, use or occupancy of the Property, the sidewalks adjacent thereto, and other appurtenances, or (2) any act, omission or negligence of Tenant, or its respective contractors, licensees, agents, servants, employees, invitees or visitors; such insurance to afford minimum protection of not less than Three Million (\$3,000,000.00) Dollars per occurrence Bodily Injury and Property Damage, Three Million (\$3,000,000.00) Dollars Products Liability and Completed Operations, and Three Million (\$3,000,000.00) General Aggregate limit, on an occurrence basis subject to no deductible. The liability insurance requirements hereunder may be reviewed by Landlord every five (5) years for the purpose of increasing (in consultation with their respective insurance advisors) the minimum limits of such insurance from time to time to limits which shall be reasonable and customary for similar facilities of like size and operation in accordance with generally accepted insurance industry standards;

(ii) "All-risk" insurance on a Special Causes of Loss form or better (including coverages against loss or damage by fire, lightning, flood, pandemics, windstorm, hail, explosion, vandalism and malicious mischief, riot and civil commotion, smoke, and against all risks and hazards, including but not limited to sprinkler and leakage damage, and theft, and all other perils now or hereafter included in extended coverage endorsements) covering Tenant's merchandise, inventory, trade fixtures, furniture, furnishings, partitions, equipment, goods, wares, machinery, floor and wall coverings, plate glass where necessary and all leasehold improvements and betterments (whether furnished by Landlord or Tenant) for the full replacement value, including all items of personal property of Tenant located on, in or about the Property and all appurtenances thereto, in an amount at least equal to one-hundred percent (100%) of the actual replacement cost thereof (with provisions for a deductible as shall be reasonable in comparison with similar properties) regardless of the cause thereof. Tenant shall similarly maintain business interruption insurance in sufficient amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils insured against in this Section;

(iii) Prior to the commencement of any Tenant Work, Tenant shall provide Landlord with evidence that Tenant or its contractors carries construction risk insurance in an amount reasonably approved by Landlord covering the construction and installation of any Tenant improvements, together with such other insurance as Landlord may reasonably require;

(iv) Worker's Compensation, employer's liability, public liability and builder's risk form of casualty insurance in amounts appropriate to the type of work being performed by Tenant, subject to a limit of no less than Five Hundred Thousand (\$500,000.00) Dollars each employee, Five Hundred Thousand (\$500,000.00) Dollars each accident and Five Hundred Thousand (\$500,000.00) Dollars policy limit or as otherwise required by law; and

(v) Umbrella Liability Insurance, or its equivalent, of no less than Five Million (\$5,000,000.00) Dollars, providing excess coverage over all limits and coverage.

(b) If Tenant fails to maintain the insurance to be maintained by Tenant hereunder, Tenant shall be liable to Landlord for any loss or cost resulting from such failure to maintain. If Tenant fails to obtain the insurance within five (5) business days of Landlord's notice of default, such insurance may be purchased by Landlord at the expense of Tenant, and the expense therefor incurred by Landlord, with interest thereon at the Interest Rate, shall be forthwith paid to Landlord as Additional Rent after rendition of a bill or statement therefor. Tenant may not self-insure against any risks required to be covered by insurance (other than plate glass) without Landlord's prior written consent.

(c) All insurance policies required to be maintained by Tenant pursuant to this Section shall be effected under policies issued by insurers which are permitted to do business in the State where the Property is located and rated no lower than "A-" in the most current edition of A.M. Best's Property-Casualty Key Rating Guide, or any successor thereto. Such liability policy or policies of insurance shall name the Landlord as per the information contained on the signage page of this Lease, and its agents, managing agents, beneficiaries, partners, officers, employees, representatives and any mortgagee of Landlord or any ground lessor of Landlord whose name and address have been provided to Tenant in writing, as additional insureds using ISO form CG 2026 or its equivalent which shall contain endorsements providing that the naming of more than one insured shall not operate to limit or void the coverage of any named insured relating to claims by another named insured. Copies of all applicable policies evidencing the insurance required under this Section, including all necessary policies and endorsements attached thereto, or certificates of insurance evidencing compliance with all insurance provisions noted above, shall be delivered to Landlord by the Commencement Date and no later than thirty (30) days prior to the expiration or anniversary of the respective policy terms. No such policy shall be subject to cancellation, non-renewal or modification without thirty (30) days prior written notice to Landlord and to any deed of trust holder, mortgagee or ground lessor designated in writing by Landlord to Tenant. However, if Tenant's insurer will not provide such notice to Landlord, Tenant shall immediately notify Landlord of such termination upon receipt of notice from the insurer. Tenant shall furnish Landlord with a replacement certificate with respect to all insurance policies not less than thirty (30) days prior to the expiration of the current policy. Each such policy shall contain a provision that no act or omission of the insured shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All policies shall contain a clause stating that the policy will not be invalidated by any change of occupancy, act or omission by any party, or any alteration or increase of risk, unknown to or beyond the control of the Insured, provided the Insured immediately they become aware of, gives notice to the insurer and pay any additional premium that may be required from the date of such increase in risk. Tenant shall be responsible for notifying Landlord concerning any material change, including but not limited to any impairments, deviations or issues concerning facilities listed in a protective safeguard endorsement. Tenant shall be responsible for payment of all deductibles. Tenant hereby empowers Landlord with the right to communicate with Tenant's insurer and/or carrier on behalf of the Tenant and/or obtain any information relevant or necessary in Landlord's eyes under the terms of this Lease other than changing the amounts of the policies or premiums therefor.

(d) All policies of insurance provided for under this Section, shall name the Tenant as the insured, and, with respect to liability insurance policies, Landlord as additional insured on a primary and noncontributory basis, whether collectible or not, and any Landlord's Mortgagee of

which Tenant has received written notification, pursuant to a standard first mortgagee clause, subject in all respects to the terms of this Lease.

(e) Any insurance provided for in this Section may be effected by a blanket policy or policies of insurance, provided that the amount of the total insurance available shall be at least the protection equivalent to separate policies in the amounts herein required, and provided further that in other respects, any such policy or policies shall comply with the provisions of this Section. An increased coverage or "umbrella policy" may be provided and utilized to increase the coverage provided by individual or blanket policies in lower amounts, and the aggregate liabilities provided by all such policies shall be satisfactory provided they otherwise comply with the provisions of this Section.

(f) Tenant shall not do or commit, or suffer or permit to be done or committed, any act or thing as a result of which any policy of insurance of any kind on or in connection with the Property shall become void or suspended, or any insurance risk on or in connection with the Building or any other portion of the Property shall (in the opinion of the insurer or any insurance organization) be rendered more hazardous. Without limitation of all other rights and remedies of Landlord, Tenant shall pay as additional rent the amount of any increase of premiums for such insurance maintained by Landlord, resulting from any breach of this provision.

(g) Landlord's Increased Premium. If by reason of failure of Tenant to comply with the provisions of this Lease beyond the expiration of any applicable notice and cure period, including but not limited to the specific manner in which Tenant uses or occupies the Property or the usage of Hazardous Materials, Landlord's insurance rates shall on the Commencement Date or at any time thereafter be higher than such rates otherwise would be, then Tenant shall reimburse Landlord, as Additional Rent hereunder, for that part of all insurance premiums thereafter paid or incurred by Landlord, which shall have been charged because of such failure or use by Tenant, and Tenant shall make such reimbursement upon the first day of the month following the billing to Tenant of such additional cost by Landlord.

(h) Release and Waiver of Subrogation.

The parties hereto mutually covenant and agree that each party, in connection with insurance policies required to be furnished in accordance with the terms and conditions of this Lease, or in connection with insurance policies which they obtain insuring such insurable interest as Landlord or Tenant may have in its own properties, whether personal or real, shall expressly waive any right of subrogation on the part of the insurer against the Landlord or Tenant as the same may be applicable, which right to the extent not prohibited or violative of any such policy is hereby expressly waived, and Landlord and Tenant each mutually waive all right of recovery against each other, their agents, or employees for any loss, damage or injury of any nature whatsoever to property or person for which either party is required by this Lease to carry insurance. Notwithstanding anything herein to the contrary contained herein, in no event shall Landlord be liable to Tenant or any contractor, agent, employee or invitee of Tenant for any damages or injury arising out of or in connection with, (i) any losses arising out of or in connection with theft or burglary or other acts or omissions of third parties, (ii) fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, HVAC or

lighting fixtures, or (iii) injuries to Tenant's employees, unless due to the negligent acts of Landlord, its agents, employees and/or contractors.

(i) Landlord Insurance. Notwithstanding the provisions of this Section 10 or anything herein this Lease to the contrary, Landlord shall secure and maintain throughout the Term, at its sole cost and expense, a hazard/catastrophe/fire insurance policy or policies, in amounts reasonably determined to be appropriate by Landlord, but at least for full replacement value.

11. Fire or Casualty.

(a) If the Property (including machinery or equipment used in the operation of the Building) shall be damaged by fire or other casualty not caused by the negligence or willful misconduct of Tenant, or its respective contractors, licensees, agents, servants, employees, invitees or visitors, and if such damage does not render all or a substantial portion of the Premises untenantable, then Landlord shall repair and restore the same, but only to the extent of the insurance proceeds covering such damage, with reasonable promptness, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Landlord's reasonable control. If any such damage renders all or a substantial portion of the Building untenantable, Landlord shall have the right to terminate this Lease (with appropriate prorations of rent being made for Tenant's possession subsequent to the date of such damage of those tenantable portions of the Premises and the security deposit shall be returned to Tenant to the extent that all or any portion of the Security Deposit has not been used to satisfy Tenant's obligations under this Lease) upon giving written notice to Tenant at any time within sixty (60) days after the date of such damage; and if such notice is given Landlord shall have no obligation to repair or restore, otherwise, Landlord shall repair and restore the same as herein provided. Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease by virtue of any delays in completing such repairs and restoration. Rent, however, shall abate on those portions of the Premises as are, from time to time, untenantable as a result of such damage and for a period of up to one hundred twenty (120) days therefrom provided however, Tenant diligently commences and pursues its completion of its improvements of the Premises. Further, in no event shall rent abate if the damage or destruction of the Premises whether total or partial, is the result of the negligence or willful misconduct of Tenant, its respective contractors, licensees, agents, servants, employees, invitees or visitors.

(b) Notwithstanding anything to the contrary herein set forth, Landlord shall have no duty pursuant to this Section 11 to repair or restore any portion of any alterations, additions or improvements in the Premises except to the extent that such alterations, additions, improvements and decorations were provided by Landlord, at Landlord's cost, at the beginning of the Term.

Notwithstanding anything contained herein to the contrary, if the Premises are not repaired and restored within one hundred eighty (180) days from the date of the damage, then, Tenant may cancel the Lease at any time after the one hundred eightieth (180th) day and before the two hundred tenth (210th) day following the date of damage. Tenant shall also have the right to terminate this Lease if (i) damage rendering the Premises untenantable occurs during the last six (6) months of the Term or any Renewal Term or (ii) if Landlord furnishes Tenant with a written estimating that restoration will exceed one hundred eighty (180) days from the date of casualty.

12. Waiver of Claims - Indemnification.

Neither Landlord nor Tenant shall do or permit any act or thing to be done in or about the Premises which may subject the other party to any liability or responsibility for injury, damages to persons or property or to any liability by reason of any violation of any Legal Requirement.

(a) Tenant shall exercise such control over the Premises as to fully protect Landlord against any such liability. Except for the negligence or willful misconduct of Landlord, Tenant expressly waives and releases Landlord from all claims against Landlord regardless of the cause of said claims, and shall indemnify, defend, save and hold harmless to the fullest extent permitted by law the Landlord, and any mortgagee or ground lessor, and each of their respective members, partners, shareholders, officers, directors, employees, servants, representatives, successors, assigns, agents and contractors (the "Indemnitees") harmless from and against, (1) any claims, loss, (including reasonable attorney's fees, witnesses' fees and all court costs), damages, expense and liability (including statutory liability) resulting from damage or loss to Tenant's goods, wares, merchandise, inventories, fixtures and/or equipment and/or all claims of whatever nature against the Indemnitees, arising from in connection with the operations of the Tenant arising from or in connection with the possession, use, occupancy, management, repair, maintenance or control of the Premises or any portion thereof; or arising from or in connection with any Tenant work, or from any act, omission or negligence of Tenant, its contractors, licensees, agents, servants, employees, clients, invitees or visitors (including, without limitation, statutory liability and liability under worker's compensation laws), (2) all claims against the Indemnitees arising from any accident, injury, death or damage whatsoever caused to any person or to the property of any person and occurring during the Term in or about the Premises, and (3) any breach, violation or non-performance of any covenant, condition or agreement in this Lease set forth and contained on the part of Tenant to be fulfilled, kept, observed and performed. The foregoing indemnity shall include injury or death of any employee of the Tenant, its invitees, contractors and subcontractors. Tenant's liability under this indemnification shall not be limited to required insurance limits as stated above.

(b) Landlord agrees to indemnify and hold Tenant, its agents, servants and employees, harmless from any loss or damages, including reasonable attorneys' fees and costs, resulting from the negligence or willful misconduct of Landlord, its agents, servants and employees. Notwithstanding anything to the contrary contained herein, nothing shall be interpreted or used in any way affect, limit, reduce or abrogate any insurance coverage provided by any insurers to either Tenant or Landlord and nothing herein shall be construed to infer or imply that Tenant is a partner, joint venturer, agent, employee, or otherwise acting by or at the direction of Landlord.

(c) This indemnity and hold harmless agreement shall include indemnity from and against any and all liability, fines, suits, demands, costs and expenses of any kind or nature (including, without limitation, reasonable attorneys' fees, consultants' fees, experts' fees and disbursements, and also including without limitation, diminution in the value of the Property or any portion of the Building, damages for the loss of or restriction on use of rentable or usable space or of any amenity of the Property or any portion of the Building, and from any adverse impact of Landlord's marketing of space), incurred in or in connection with any such claim or proceeding

brought thereon, and the defense thereof, such loss or damage shall include, but not be limited to, any injury or damage to, or death of, Landlord's employees or agents or damage to the Property or any portion of the Building.

(d) If any claim, action or proceeding is made or brought against Landlord, Tenant, the Indemnitees or any of them, which claim, action or proceeding either Landlord or Tenant shall be obligated to indemnify against pursuant to the terms of this Lease, then, upon demand by the indemnified party or any of them, the indemnitor, at its sole cost and expense, shall resist or defend such claim, action or proceeding in the name of such indemnified party, if necessary, by such attorneys as such indemnified party shall approve, which approval shall not be unreasonably withheld. Attorneys for the indemnitor's insurer are hereby deemed approved for purposes of this Section. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

13. Nonwaiver.

No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision, even if such violation be continued or repeated subsequently, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of moneys by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such moneys, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any rent due, and the payment of said rent shall not waive or affect said notice, suit or judgment.

14. Condemnation.

In the event that the whole of the Premises shall be lawfully condemned or taken for a public or quasi-public use, this Lease shall terminate as of the date that possession is to be surrendered to the condemnor or taking authority. In the event that there shall be a lawful condemnation or taking for any public or quasi-public use of any substantial part of the Premises, or so much thereof as shall cause the Premises to be commercially unusable for the Specified Use, then, at the option of Tenant, exercisable by notice given to Landlord not later than ninety (90) days after the date upon which Landlord gives notice thereof to Tenant, this Lease shall terminate as of the date that possession of the Premises taken is required to be surrendered to the condemnor or taking authority. In the event of any such taking or condemnation of all or any part of the Premises or of all or any part of the Property, Tenant shall have no claim against Landlord and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of such taking or condemnation; and all rights of Tenant to damages therefore are hereby assigned by Tenant to Landlord and Tenant shall have no claim against Landlord or the condemnor for the value of the unexpired term of this Lease. However, the foregoing provisions of this Section shall not be construed to deprive Tenant of the right to claim and receive payment from the condemnor or taking authority for moving and related expenses, the value of any furniture, fixtures or equipment or any leasehold improvements made by Tenant. In the event of

any such taking or condemnation of part of the Premises, and unless the Lease is terminated as provided herein, the Base Rent shall be proportionately reduced from the date that possession is required to be surrendered to the condemnor or taking authority. If this Lease is not terminated, then Landlord agrees, at Landlord's sole cost, to restore the Premises as soon as reasonably possible to a complete unit substantially usable for the intended Specified Use. Notwithstanding anything contained herein to the contrary, if the Premises are not so repaired and restored within one hundred and eighty (180) days from the date of the condemnation, then Tenant may cancel the Lease at any time after the one hundred eightieth (180th) day and before the two hundred tenth (210th) day following the date of condemnation. If Landlord is aware the Premises cannot be repaired and restored within one hundred and eighty (180) days, Landlord shall notify Tenant within a reasonable time after it learns of such delay, and Tenant shall have the option to terminate the Lease within sixty (60) days of such notice. Landlord shall return the Security Deposit, all prepaid rent and other prepaid additional rent to Tenant within thirty (30) days from the date of termination of the Lease.

15. Assignment and Subletting.

Except as hereinafter provided, Tenant shall not, without the prior written consent of Landlord, (a) assign, convey or mortgage this Lease or any interest hereunder; (b) suffer to occur or permit to exist any assignment of this Lease, or any lien upon Tenant's interest, involuntarily or by operation of law; (c) sublet the Premises or any part thereof, or (d) permit the use of the Premises by any parties other than Tenant and its employees. Any such action on the part of Tenant shall be void and of no effect. Landlord's consent to any assignment, subletting or transfer or Landlord's election to accept any assignee, subtenant or transferee as the tenant hereunder and to collect rent from such assignee, subtenant or transferee shall not release Tenant or any subsequent tenant from any covenant or obligation under this Lease. Landlord's consent to any assignment, subletting or transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future assignment, subletting, or transfer. At least fifteen (15) days prior to any proposed subletting or assignment, Tenant shall submit to Landlord a written statement (the "Assignment Notice") seeking Landlord's consent and containing the name and address of the proposed subtenant or assignee, the terms of the proposed sublease or assignment and such financial and other reasonable information with respect to the proposed subtenant or assignee as Landlord reasonably may request and the proposed form of sublease or assignment. Landlord shall indicate its consent or non-consent within fifteen (15) days of its receipt of said statement. Provided that Tenant is not in default hereof, beyond the expiration of any applicable notice and cure period, Landlord agrees that it will not unreasonably withhold, condition or delay (beyond a fifteen (15) day period) its consent to a proposed sublet or assignment of this Lease. The parties acknowledge that the Landlord shall be entitled to consider the net worth of the proposed sublessee or assignee as compared to that of Tenant as of the date hereof the proposed use of the proposed sublessee or assignee; and the terms of the proposed sublease or assignment; and any other reasonable factor in connection with its decision whether to grant its consent to a proposed sublet or assignment. Any sublease or assignment approved by Landlord shall be subject and subordinate to all of the provisions of this Lease and all of the rights of Landlord hereunder insofar as the same relate to the sublet premises.

Notwithstanding anything to the contrary set forth in this Section 15, Tenant shall have the right to sublet all or any portion of the Premises or assign this Lease, without Landlord's consent, to an entity (i) with whom Tenant consolidates or merges; (ii) a parent or subsidiary of Tenant; (iii) which purchases all or substantially all of the assets of Tenant; provided the successor entity agrees to assume the obligations of Tenant under this Lease.

16. Holdover.

If the Tenant or any person claiming through the Tenant shall retain possession of the Premises or any part thereof after the expiration or earlier termination of the Term and if Landlord shall have consented to such continuation of possession, such possession shall be (unless the parties hereto shall otherwise have agreed in writing) deemed to be under a month-to-month tenancy which shall continue until either party shall notify the other in writing, at least 30 days prior to the end of any calendar month, that the party giving such notice elects to terminate such tenancy at the end of such calendar month, in which event such tenancy shall so terminate. Anything contained in the foregoing provisions of this paragraph to the contrary notwithstanding, the rental payable with respect to each such monthly period shall be 103% of the per annum Base Rent which would have been payable had this Lease been renewed until the end of the calendar year which includes such month on the terms and conditions in effect immediately prior to the expiration or termination of the Term and shall increase by 3% each year thereafter; and such month-to-month tenancy with Landlord's consent shall be upon the same terms and subject to the same conditions as those which are set forth in this Lease except as aforesaid. If Tenant or any person claiming through Tenant shall retain possession of the Premises or any part thereof, after the expiration or earlier termination of the term or of Tenant's right of possession, and if such retention shall be without Landlord's consent, Tenant shall pay Landlord (a) for each month or portion thereof during which such possession continues, an amount equal to one hundred fifty (150%) percent the Base Rent to be paid for each month pursuant to the foregoing provisions of this Section when such possession is with Landlord's consent, plus all other sums, if any, which would have been payable hereunder had the term continued during such retention of possession and (b) if Tenant remains in possession of the Premises for more than thirty (30) days beyond the expiration or sooner termination of this Lease, all other damages sustained by Landlord, whether direct or consequential, by reason of such retention of possession, but excluding punitive damages. During any such retention of possession without Landlord's consent, all of Tenant's obligations with respect to the use, occupancy and maintenance of the Premises shall continue. The provisions of this Section shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law or in equity and applicable to unlawful retention of possession or otherwise.

17. Estoppel Certificate.

Landlord and Tenant shall from time to time on no more than two (2) occasions in any lease year, within twenty (20) days after receipt of a request therefor, execute, acknowledge and deliver to the requesting party a written instrument in recordable form, (a) certifying (i) that this Lease is in full force and effect and has not been modified, supplemented or amended in any way (or, if there have been modifications, supplements or amendments thereto, that it is in full force and effect as modified, supplemented or amended, and stating such modifications, supplements

and amendments) and that this Lease (as modified, supplemented or amended, as aforesaid) represents the entire agreement among Landlord and Tenant as to the Premises and the leasehold (ii) the dates to which the Base Rent, additional rent and other charges arising hereunder have been paid, (iii) the amount of any prepaid rents or credits due to Tenant, if any (iv) that, if applicable, Tenant has entered into occupancy of the Premises and (v) the date on which the Term shall have commenced and the corresponding expiration date; and (b) stating, to the best knowledge of Tenant, whether or not all conditions under the Lease to be performed by Landlord or Tenant prior the date of such certificate have been satisfied and whether or not Landlord or Tenant is then in default in the performance of any covenant, agreement or condition contained in this Lease and specifying, if any, each such unsatisfied condition and each such default; and (c) stating any other fact or certifying any other condition reasonably requested by the requesting party or by any mortgagee or prospective mortgagee or purchaser of the Property or of any interest therein.

18. Subordination.

(a) This Lease shall be subject and subordinate at all times to the lien of any mortgage or deed of trust, heretofore or hereafter placed by Landlord upon any or all of the Premises or the Property and of all renewals, modifications, consolidations, replacements and extensions thereof (all of which are hereinafter referred to collectively as a "mortgage"), all automatically and without the necessity of any further act on the part of Tenant to effectuate such subordination. Provided that the holder of any such current or future mortgage (or any successor owner) shall have agreed not to disturb Tenant's possessory interest under the Lease, by providing Tenant with a subordination, non-disturbance and attornment agreement ("SNDA") Tenant shall, at the request of the holder of any such mortgage, upon foreclosure thereof attorn to such holder. Subject to receipt of an SNDA, Tenant shall also execute, acknowledge and deliver, within ten (10) business days after Tenant's receipt of demand from Landlord or such holder, such further instrument or instruments evidencing such subordination of Tenant's right, title and interest under this Lease to the lien of any such mortgage, and such further instrument or instruments of non-disturbance and attornment, as shall be reasonably desired by such holder.

(b) Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, any such holder may at any time subordinate its mortgage to this Lease, without the necessity of obtaining Tenant's consent, by giving notice of the same in writing to Tenant, and thereupon this Lease shall be deemed to be prior to such mortgage without regard to their respective dates of execution, delivery or recordation and/or the date of commencement of Tenant's possession, and in that event such holder shall have the same rights with respect to this Lease as though this Lease shall have been executed, delivered and recorded prior to the execution and delivery of such mortgage.

19. Certain Rights Reserved by Landlord

Landlord shall have the following rights, each of which Landlord may exercise without notice to Tenant and without liability to Tenant for damage or injury to property, person or business on account of the exercise thereof, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim:

(a) To change the Building's name or street address.

(b) To install, affix and maintain any and all signs on the exterior and on the interior of the Building provided such signage does not interfere with the presentation of Tenant's signage approved by Landlord.

(c) To enter the Premises for purposes of inspection or to make repairs, alterations, additions, or improvements, whether structural or otherwise (including alterations in the configuration of the common area), in and about the Building, or any part thereof, if required of Landlord under this Lease, and for such purposes to enter upon the Premises. Notwithstanding the foregoing, Landlord and Landlord's agents shall provide forty-eight (48) hours prior written notice, except in the event of an emergency, where no notice is required; entry may be made only during Tenant's business hours (unless in the event of an emergency) and at Tenant's option, with a representative of Tenant present prior to any such entry. Landlord shall take reasonable efforts so as to minimize, to the extent practicable, any interruption of Tenant's use, business or operations on the Premises or obstruction of the visibility or ingress and egress of the Premises caused by entry of the Premises by Landlord pursuant to this paragraph.

(d) To furnish door keys for an entry door in the Premises at the commencement of the Lease and to retain at all times, and to use in the event of emergency only, keys to an entry door into the Premises. Notwithstanding the provisions for Landlord's access to Premises, Tenant relieves and releases the Landlord of all responsibility arising out of theft, robbery and pilferage other than due to Landlord's willful misconduct or and negligence. Upon the expiration of the Term or of Lessee's right to possession, Tenant shall return all keys to Landlord and shall disclose to Landlord the combination of any safes, cabinets or vaults left in the Premises.

(e) To approve the weight, size and location of any heavy equipment and articles in and about the Property so as not to exceed the live load per square foot designated by the structural engineers for the Building. Tenant shall not install or operate machinery or any mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant's movements of property into or out of the Premises and within the Premises are entirely at the risk and responsibility of Tenant, and Landlord reserves the right to require evidence of insurance before allowing any property to be moved into or out of the Premises.

20. Rules and Regulations.

Tenant shall, and shall cause all of its subtenants and occupants, its and their agents, employees, invitee and licensees to, observe faithfully, and comply strictly with, the rules and regulations attached to this Lease as Exhibit "C", as they may be supplemented and revised by Landlord from time to time upon prior written notice to Tenant, and such other reasonable rules and regulations promulgated from time to time by Landlord, as in the Landlord's reasonable judgment may be desirable for the safety, care and cleanliness of the Premises, or for the preservation of good order therein. The Lease provisions shall control and supersede any contradictory or inconsistent provisions contained in the Rules and Regulations. Landlord shall

provide reasonable advance notice of any modifications or additions to the Rules and Regulations, and such modifications or additions shall not materially, or unreasonably interfere with Tenant's conduct of its business and its occupancy costs.

21. Default/Landlord's Remedies

If default shall be made in the payment of any rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under this Lease or under the terms of any other agreement between Landlord and Tenant and such default shall continue for ten (10) days after written notice to Tenant, or if default shall be made in the observance or performance of any of the other agreements, covenants or conditions in this Lease (or in any other agreement between Landlord and Tenant) which Tenant is required to observe and perform and such default shall continue for thirty (30) days after written notice to Tenant (provided, in the event such default cannot reasonably be cured within such thirty (30) day period, Tenant shall not be in default if it commences cure within thirty (30) days and diligently prosecutes such cure to completion), or if a default hereunder (or thereunder) involves a hazardous condition and is not cured by Tenant promptly upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied on under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed or stayed within 90 days from the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not have been dismissed or stayed within 90 days from the date of his appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall admit in writing Tenant's inability to meet Tenant's debts as they mature), the Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon at its option may, without notice or demand of any kind to Tenant or any other person, have any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

(a) The present value of the whole balance of rent, assuming an 5% discount rate, charges and all other sums payable hereunder, whether or not payable as rent, for the entire balance of the Term, herein reserved or agreed to be paid by Tenant, or any part of such rent, charges and other sums, and also all or any costs and sheriff's, marshal's, constable's or other official's commissions, whether chargeable to Landlord or Tenant, including watchman's wages, shall be taken to be due and payable from Tenant and in arrears as if by the terms of this Lease said balance of rent, charges and other sums and expenses were on that date payable in advance; and/or

(b) Landlord may terminate this Lease and the Term upon thirty (30) days' written notice to Tenant, in which event Landlord may forthwith repossess the Premises by legal proceedings; and/or

(c) Landlord may terminate Tenant's right of possession and may lawfully repossess the Premises by legal proceedings, without terminating this Lease. After reentry or retaking or recovering of the Premises, whether by termination of this Lease or not; Landlord shall make a good faith effort to relet the same or a portion thereof for such rent and upon such terms as shall

be deemed reasonable by Landlord; and whether or not the Premises are relet, Tenant shall be liable for any loss of rent for such period as would be the balance of the term of this Lease plus the costs and expenses of reletting the Premises, the amount of such liability to be computed monthly and paid by Tenant to Landlord at the end of each month. Landlord shall in no event be liable for, nor shall any damages or other sums to be paid by Tenant to Landlord be reduced by, failure to relet the Premises or failure to collect the rent from any reletting. Tenant shall not be entitled to any rents received by Landlord in excess of the rents provided for in this Lease. Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section 22 from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

Without limiting the generality of the foregoing, if Tenant shall be in default in the performance of any of its obligations hereunder, Landlord after thirty (30) days' notice to Tenant and opportunity to cure, except in emergency situations (in which event no advance notice need be given) may (but shall not be obligated to do so), in addition to any other rights it may have in law or in equity, cure such default on behalf of Tenant, and Tenant shall reimburse Landlord upon demand for any actual but reasonable sums paid or costs incurred by Landlord in curing such default, including reasonable attorneys' fees and other legal expenses.

In addition to, and not in lieu of any of the foregoing rights granted to Landlord, and as permitted by applicable law:

WHEN THIS LEASE OR TENANT'S RIGHT OF POSSESSION SHALL BE TERMINATED BY REASON OF TENANT'S DEFAULT (AS DEFINED ABOVE), AND AFTER THE EXPIRATION OF ANY GRACE OR CURE PERIOD ABOVE SPECIFIED, OR FOR ANY OTHER REASON, EITHER DURING THE TERM OF THIS LEASE OR ANY RENEWAL OR EXTENSION THEREOF, AND ALSO WHEN AND AS SOON AS THE TERM HEREBY CREATED OR ANY EXTENSION THEREOF SHALL HAVE EXPIRED, IT SHALL BE LAWFUL FOR ANY ATTORNEY AS ATTORNEY FOR TENANT TO FILE AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN ACTION TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT, WHEREUPON, IF LANDLORD SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OF PROCEEDINGS, WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE PREMISES HEREBY DEMISED REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON THE TERMINATION OF THIS LEASE AS HEREINBEFORE SET FORTH, TO BRING ONE OR MORE ACTION OR ACTIONS AS HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE SAID PREMISES.

IN ANY ACTION TO CONFESS JUDGMENT IN EJECTMENT, LANDLORD SHALL FIRST PROVIDE TENANT A THIRTY (30) DAY WRITTEN NOTICE BEFORE FILING AN ACTION. LANDLORD SHALL CAUSE TO BE FILED IN SUCH ACTION

AN AFFIDAVIT MADE BY IT OR SOMEONE ACTING FOR IT SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT, OF WHICH FACTS SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE, AND IF A TRUE COPY OF THIS LEASE (AND OF THE TRUTH OF THE COPY SUCH AFFIDAVIT SHALL BE SUFFICIENT EVIDENCE) BE FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.

ALL REMEDIES AVAILABLE TO LANDLORD HEREUNDER AND OTHERWISE AVAILABLE AT LAW OR IN EQUITY SHALL BE CUMULATIVE AND CONCURRENT. NO DETERMINATION OF THIS LEASE NOR TAKING OR RECOVERING POSSESSION OF THE PREMISES SHALL DEPRIVE LANDLORD OF ANY REMEDIES OR ACTIONS AGAINST TENANT FOR RENT, FOR CHARGES, OR FOR DAMAGES FOR THE BREACH OF ANY TERM, COVENANT OR CONDITION HEREIN CONTAINED, NOR SHALL THE BRINGING OF ANY SUCH ACTION FOR RENT, CHARGES OR BREACH OF TERM, COVENANT OR CONDITION, NOR THE RESORT TO ANY OTHER REMEDY OR RIGHT FOR THE RECOVERY OF RENT, CHARGES OR DAMAGES FOR SUCH BREACH BE CONSTRUED AS A WAIVER OR RELEASE OF THE RIGHT TO INSIST UPON THE FORFEITURE AND TO OBTAIN POSSESSION. THE FAILURE OF LANDLORD TO INSIST UPON STRICT AND/OR PROMPT PERFORMANCE OF THE TERMS, AGREEMENTS, COVENANTS AND CONDITIONS OF THIS LEASE OR ANY OF THEM, AND/OR THE ACCEPTANCE OF SUCH PERFORMANCE THEREAFTER SHALL NOT CONSTITUTE OR BE CONSTRUED AS A WAIVER OF LANDLORD'S RIGHT TO THEREAFTER ENFORCE THE SAME STRICTLY ACCORDING TO THE TENOR THEREOF IN THE EVENT OF A CONTINUING OR SUBSEQUENT DEFAULT.

TENANT'S INITIALS

NA

22. Expenses of Enforcement.

Tenant shall pay within thirty (30) days of demand all Landlord's reasonable costs, charges and expenses including the reasonable attorney's fees and out-of-pocket expenses of counsel, agents and others retained by Landlord incurred in enforcing Tenant's obligations hereunder or incurred by Landlord in any litigation, negotiation or transaction in which the Tenant causes the Landlord without the Landlord's fault to become involved or concerned.

23. Covenant of Quiet Enjoyment.

Landlord covenants that Tenant, on paying the rent, charges for services and other payments herein reserved or required and on keeping, observing and performing all the other material terms, covenants, conditions, provisions and agreements herein contained on the part of the Tenant to be kept, observed and performed, shall, during the Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof.

24. Joint and Several Liability.

If Tenant comprises more than one person or entity, all such persons shall be jointly and severally liable for payment of rents and the performance of Tenant's obligations hereunder.

25. Real Estate Broker.

Landlord agrees to and shall pay Tenant's broker, Zoned Properties Brokerage LLC, a fee equal to two (2%) percent of the first year annual based rent per a separate agreement between Landlord and Tenant's broker. Said commission fee shall be paid by Landlord as follows: fifty (50%) percent after Tenant receives all unappealable Approvals, and Fifty (50%) Percent on the twelve month anniversary date that Tenant receives all unappealable Approvals.

26. Attorney's Fees.

In the event of litigation or arbitration between the parties with respect to this Lease or in any way pertaining or relating to this Lease, then all costs and expenses, including all reasonable fees of appraisers, accountants, experts, consultants and attorneys, incurred by the prevailing party (or substantially prevailing party in the event that counterclaims or setoffs are claimed or filed) shall be included as part of the damages and made a part of the judgment or award and shall be paid by the non-prevailing party.

27. Miscellaneous.

(a) Rights Cumulative.

All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law, in equity or otherwise.

(b) Captions and Usage.

The titles appearing in connection with the various sections and paragraphs of this lease are for convenience only, they are not intended to indicate all of the subject matter in the text and they are not to be used in interpreting this Lease nor for any other purpose in the event of any controversy. As used herein (i) the term "person" shall be deemed to include a natural person, a trustee, a corporation, a partnership, a governmental unit and any other form of legal entity, (ii) all usages in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well and (iii) the use of any gender includes all genders.

(c) Binding Effect.

Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of the Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Section 15 hereof.

(d) Lease Contains All Terms.

All of the representations and obligations of Landlord are contained herein, and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon the Landlord unless in writing signed by Landlord or by a duly authorized agent of Landlord empowered by a written authority signed by Landlord.

(e) Modification of Lease.

If any lender requires, as a condition to its lending funds, the repayment of which is to be secured by a mortgage or trust deed on the Property, that certain modifications be made to this Lease, which modifications will not require Tenant to pay any additional amounts or otherwise change the rights or obligations of Tenant hereunder by more than a de minimis amount, Tenant shall, upon Landlord's request, execute appropriate instruments effecting such modifications.

(f) Intentionally omitted.

(g) Limitation on Liability

Notwithstanding anything contained herein to the contrary, Tenant agrees that neither Landlord nor any partner in Landlord, nor any other person having any interest, direct or indirect, immediate or more removed than immediate, in Landlord, shall have any personal liability with respect to any of the provisions of this Lease and Tenant shall look solely to the estate and property of Landlord in the Land and the Building, including but not limited to rents, sale proceeds, insurance proceeds and condemnation awards, for the satisfaction of Tenant's remedies, including without limitation, the collection of any judgment or the enforcement of other judicial process requiring the payment or expenditure of money by Landlord, subject, however, to the prior rights of any holder of any mortgage covering all or part of the Property, and no other assets of Landlord, or its partners, or of any other aforesaid person having an interest in Landlord, shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claims. Without limitation of the foregoing, upon each transfer of the Land and the Building and the Landlord's interest in this Lease and the transferee's assumption of the obligations of Landlord hereunder, the transferor shall automatically be released from all liability under this Lease. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that, subject to the other provisions of this Section, Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

(h) Recording.

Neither Landlord nor Tenant shall record this Lease nor any memorandum, abstract or other form of this Lease. In the event Tenant is in breach of this clause Tenant grants Landlord irrevocable power to remove or cancel such notice.

(i) Covenants and Conditions.

All of the covenants of Tenant hereunder shall be deemed and construed to also be "conditions", if Landlord so elects, as well as "covenants" as though the words specifically expressing or importing covenants and conditions were used in each separate instance.

(j) Relationship of Parties.

Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

(k) Application of Payments.

Landlord shall have the right to apply payments received from Tenant pursuant to this Lease (regardless of Tenant's designation of such payments) to satisfy any obligations of Tenant hereunder, in such order and amounts, as Landlord in its sole discretion, may elect.

(l) Partial Invalidity.

If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease (or the application of such term, provision or condition to, persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

(m) Waiver of Trial by Jury.

Landlord and Tenant hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the Premises, or any claim of injury or damage in any emergency statutory or any other statutory remedy.

(n) Force Majeure.

Except as otherwise provided in this Lease, in the event that either party shall be delayed or hindered in or prevented from the performance of any covenant, agreement, work, service, or other act required under this Lease to be performed by such party, (except for the obligation of Tenant to pay the Base Rent, Additional Rent, if any, or other rent or sums due Landlord hereunder), and such delay or hindrance is due to strikes, lockouts, failure of power or other utilities, injunction or other court or administrative order, governmental law or regulations which prevent or substantially interfere with the required performance, condemnations, riots, insurrections, martial law, civil commotion, war, fire, flood, earthquake, or other casualty, acts of

God, pandemic or epidemic or other causes not within the control of such party, the performance of any covenant, agreement, work, service, or other act shall be excused for the period of delay and the period for the performance of the same shall be extended by such period.

o. Notices.

All notices to be given under this Lease shall be in writing and delivered personally, or by overnight courier, or deposited in the United States mail, certified or registered mail with return receipt requested, postage prepaid, addressed as follows:

If to Landlord: Chelsea Atlantic Equities, LLC
100 Easton Road, #108
Wyncote, PA 19095
Attention: Uri Jacobson

If to Tenant: The THC Shop, LLC
1 Mapleshade Drive
Whippany, NJ 07981
Attn: Bill Abbott, COO

With a copy to: Certilman Balin Adler & Hyman, LLP
90 Merrick Avenue
East Meadow, New York 11554
Attention: Jodi S. Hoffman, Esq.

or to such other person or such other address designated by written notice sent by Landlord or Tenant. Notice by mail shall be deemed to have been given when actually received or first refused. Attorneys may give notices on behalf of their respective clients.

28. Personal Guaranty.

Payment and performance of all obligations of Tenant under this Lease shall be guaranteed by William "Bill" Abbott ("Guarantor"). The Personal Guaranty of Guarantor is attached hereto as Exhibit "D" hereof. Tenant and Guarantor acknowledge that the personal guaranty is offered voluntarily to Landlord as an inducement for Landlord to approve this Lease.

29. First Right of Refusal.

Landlord and Tenant agree that so long as Tenant is not in default of this Lease, beyond the expiration of any applicable notice, grace or cure periods, Tenant shall have the first right of refusal to Lease, in addition to the Premises subject to this Lease and not in substitution or replacement thereof, any space immediately adjacent to the Premises owned by Landlord or its affiliate, including but not limited to the premises located at 1732 Atlantic Avenue and the building in the rear of the Premises should same become available for lease.

Signature page to follow

IN WITNESS WHEREOF, Landlord and Tenant, intending to be legally bound hereby, have executed this Agreement of Lease as of the day and year first above written.

LANDLORD:

Chelsea Atlantic Equities, LLC
a New Jersey limited liability company


By: 
Name: Uri Jacobson
Title: Managing Member

TENANT:

The THC Shop, LLC
a New Jersey limited liability company

By: 
Name: William Abbott
Title: ~~Managing~~ Member / COO

**ACKNOWLEDGMENT OF
GUARANTOR:**


William Abbott

EXHIBITS

- "A" - Premises Diagram**
- "B" - Tenant's Work**
- "C" - Rules and Regulations**
- "D" - Personal Guaranty**

Exhibit "A"
Premises Diagram

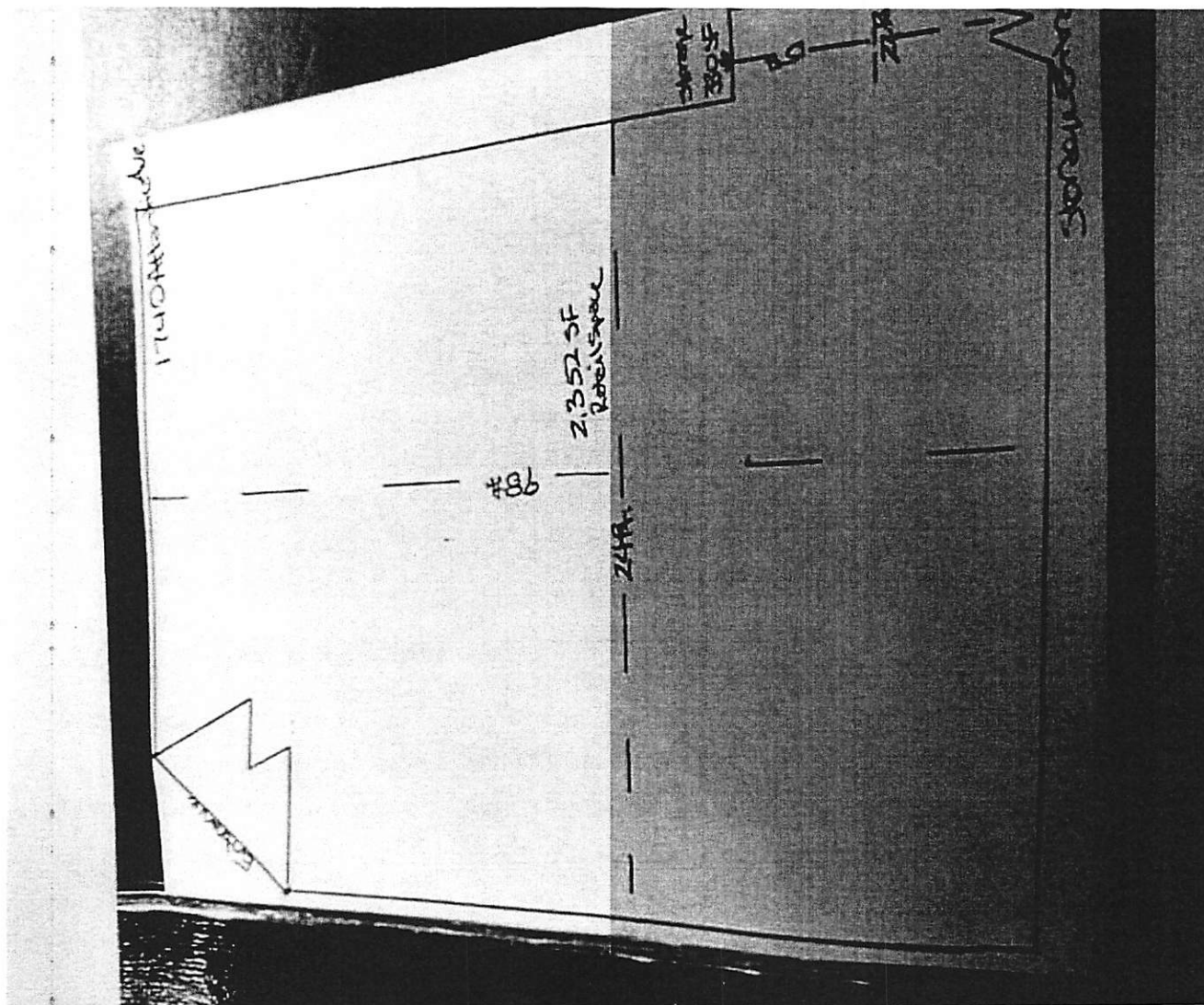


Exhibit “B”

Tenant's Work

Tenant shall be responsible for the finish-out work required to complete the space in accordance with Tenant's plans approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant's Work shall be performed pursuant to the terms and conditions of this Lease.

Landlord shall reasonably grant or withhold its approval of such complete plans and specifications within ten (10) days after receipt thereof. The work identified in those complete plans and specifications which are approved by Landlord, and the preliminary work identified herein, shall constitute the "Tenant's Work". All Tenant's contractors and sub-contractors shall be subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

Exhibit "C"
Rules and Regulations

All terms used herein shall be interpreted consistently with the Lease attached hereto. If the Rules and Regulations conflict with the Lease, the Lease shall govern.

1. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of Landlord. All awnings, projections, and other fixtures must be of a quality, type, design and color, and attached in the manner approved by Landlord. Except as otherwise permitted in the Lease, Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises.

2. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building. Tenant shall not install or place anything in the Premises which exceeds the floor's safe load-bearing capacity.

3. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no debris, waste, rubbish, sweepings, ashes, newspapers, rags or other substances shall be thrown therein. Waste and excessive or unusual use of electricity or water is prohibited. All damage resulting from any misuse of the fixtures shall be borne by Tenant.

4. There shall be no marking, drilling into or defacement of the Property or Premises, except as permitted in the Lease.

5. No vehicles and no animals, birds or pets of any kind, excepting seeing-eye dogs and service animals etc. as may be reasonably required, shall be brought into or kept in or about the Building, except that this rule shall not prohibit the parking of bicycles or vehicles in areas specifically designated therefore by Landlord or allowed by applicable municipal regulations. No cooking or heating of food shall be done or permitted by Tenant on the Premises except for food prepared in portable microwave ovens in a UL-approved microwave oven (provided that no odors are emitted). Tenant shall not cause or permit any unusual or reasonably objectionable odors to be produced upon or emanate from the Premises other than in connection with Specified Use.

6. No flammable, combustible, foul or noxious or explosive fluid, chemical or substance shall be brought into or kept upon the Premises except in accordance with applicable laws. Tenant shall not maintain armed security in or about the Premises nor possess any weapons, explosives or other hazardous devices in or about the Premises or the Building except as authorized by, and in accordance with, applicable law.

9. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in any existing locks or the locking mechanism therein, without Landlord's approval. Tenant shall, upon the termination of its Lease, restore to Landlord all keys of stores, offices, storage and toilet rooms either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay to Landlord the replacement cost thereof.

10. Tenant assumes full responsibility for protecting the Premises from theft.
11. Canvassing, soliciting and peddling in the Building and on the Property are prohibited and Tenant shall cooperate to prevent the same.
12. Landlord shall not be responsible for maintaining any finishes which are non-standard, such as kitchens, bathrooms, wallpaper, special lights, or for maintaining any non-building standard mechanical, HVAC, electrical, or plumbing systems or components in or servicing the Premises. However, should the need arise for repairs of items not maintained by Landlord, Landlord will arrange for the work to be done at Tenant's expense.
13. Tenant shall give prompt notice to Landlord in case of theft, unauthorized solicitation, or accident in the Premises or of defects therein or in any fixtures or equipment, or of any known emergency in the Building.
14. Tenant shall not execute or deliver any financing or security agreement of any kind that may be considered a lien upon the Premises or the Building, and without Landlord's prior written consent (which shall not be unreasonably withheld, conditioned or delayed).
15. Landlord hereby reserves to itself any and all rights not granted to Tenant hereunder, including but not limited to, the following rights which are reserved to Landlord for its purposes in operating the Building: (a) the exclusive right to the use of the name of the Building for all purposes, except that Tenant may use the name as its business address and for no other purpose; and (b) the right to change the name or address of the Building, without incurring any liability to Tenant for so doing.

Exhibit "D"
Guaranty

GUARANTY AND SURETYSHIP AGREEMENT

THIS GUARANTY AND SURETYSHIP AGREEMENT ("Agreement") dated this 9/1/22 ~~day of July, 2022~~ is made by WILLIAM ABBOTT, ("Guarantor"), with an address of 6575 N. 39th Way, Paradise Valley, AZ 85253, in favor of Landlord, CHELSEA ATLANTIC EQUITIES, LLC, ("Landlord"), with an address of 100 Easton Road #108, Wyncote, PA 19095.

Recitals

A. The THC Shop, LLC, a New Jersey limited liability company, desires to enter into a Lease with Landlord for the Property located at and known as 1740 Atlantic Avenue, Atlantic City, NJ 08401. This Lease is evidenced by that certain Lease Agreement of even date herewith executed by Tenant and acknowledged by Guarantor.

B. As a condition of making the Lease, Landlord is requiring this Agreement to be executed by Guarantor. In order to induce Landlord to enter into the Lease for the benefit of Tenant, Guarantor is willing to guarantee and become surety for the performance by Tenant of its obligations under the Lease as more particularly described herein.

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Guarantor hereby agrees as follows:

Terms

1. The recitals set forth above are incorporated by reference as if fully set forth at length herein.

2. Guarantor hereby irrevocably, unconditionally and absolutely guarantees to Landlord and becomes surety for the prompt payment of all obligations of Tenant under the Lease at any time and from time to time; and the prompt and complete compliance with and performance by Tenant of all representations, warranties, covenants, agreements, and other obligations to Landlord under the terms of the Lease (the payment, compliance and performance obligations hereinabove guaranteed by Guarantor are hereinafter collectively referred to as the "Guaranteed Obligations").

3. This Agreement shall be a continuing guaranty and shall remain in full force and effect until all of the Guaranteed Obligations are fully, finally, and irrevocably paid, complied with and performed. Guarantor shall be liable for all of the Guaranteed Obligations.

4. If an event of default by Tenant occurs under the Lease, Guarantor shall pay, comply with, and perform such of the Guaranteed Obligations as Landlord shall direct.

5. If an event of default by Tenant occurs under the Lease, which has not been cured within applicable notice, grace and cure periods, Landlord shall have the right to require Guarantor to pay, comply with and perform the Guaranteed Obligations and shall have the right to proceed immediately against Guarantor for such payment, compliance and performance without being required to make any demand upon or bring any proceeding or take any other action of any kind against Tenant, the liability of Guarantor hereunder being a primary obligation of Guarantor and independent of and separate from the liability of Tenant. This Agreement shall be deemed an agreement of suretyship.

6. Until all of the Guaranteed Obligations are completely fulfilled to the satisfaction of Landlord and each and every one of the terms, covenants, and conditions of this Agreement are fully performed, the liability of Guarantor under this Agreement shall in no way be released or affected:

(a) by any act or circumstance which might, but for this paragraph, be deemed a legal or equitable discharge of any guarantor or surety; or

(b) by reason of the alteration, extension or modification of the Lease or any of the terms, covenants and conditions contained in the Lease; or

(c) by reason of any waiver, extension, modification, forbearance or delay or other act or omission of Landlord or its failure to proceed promptly or otherwise with respect to the Guaranteed Obligations or this Agreement; or

(d) by the commencement, existence or completion of any proceeding against Tenant or otherwise related to the collection and enforcement of the Guaranteed Obligations; or

(e) by reason of any action taken or omitted or circumstance which might vary the risk or affect the rights or remedies of Guarantor with respect to the Guaranteed Obligations or this Agreement.

8. Guarantor hereby expressly waives and surrenders any defenses to its liability hereunder based upon any of the foregoing acts, omissions, agreements, or waivers of Landlord, it being the purpose and intent of the parties hereto that the obligations of Guarantor hereunder are absolute and unconditional.

9. Guarantor consents to all of the terms, covenants, and conditions of the Lease. Guarantor hereby irrevocably waives any notice of any amendment, modification, extension or renewal of the Lease or this Agreement, any of the terms, covenants or conditions of any of the Lease or this Agreement.

10. Guarantor represents and warrants that:

(a) Guarantor has full power, authority and legal right to execute, deliver and comply with this Agreement, all actions of Guarantor and other authorizations necessary or appropriate for the expiration and delivery of and compliance with this Agreement have been taken or obtained

and this Agreement constitutes the valid and legally binding obligation of Guarantor enforceable against Guarantor in accordance with its terms.

(b) No consent, approval, or other authorization of or by any court, administrative agency, or other governmental authority is required in connection with Guarantor's execution and delivery of or compliance with this Agreement.

(c) The execution and delivery of and compliance with this Agreement by Guarantor will not conflict with or result in a breach of any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental authority, or of any agreement or other document or instrument to which Guarantor is a party, or by which Guarantor or any of Guarantor's property is bound, and such action by Guarantor will not result in the creation or imposition of any lien, charge or encumbrance upon any property of Guarantor in favor of anyone other than Lender.

(d) There is no action, suit or proceeding pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor before or by any court, administrative agency or other governmental authority, or which brings into question the validity of the transactions contemplated hereby.

(e) Guarantor has not applied or consented to the appointment of a receiver, trustee, or liquidator of itself or any of Guarantor's property, has not admitted in writing Guarantor's inability to pay debts as they mature, has not made a general assignment for the benefit of creditors, been adjudicated a bankrupt, or insolvent or filed a voluntary petition in bankruptcy, nor has a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, and no action has been taken by Guarantor for the purpose of effecting any of the foregoing. No order, judgment or decree has been entered by any court of competent jurisdiction approving a petition seeking reorganization of Guarantor or all or a substantial part of the assets of Guarantor, or appointing a receiver, sequestrator, trustee, or liquidator of any of Guarantor's property.

(f) Guarantor has received and read the Lease and this Agreement, and the Lease is and will be of direct interest, benefit, and advantage to Guarantor.

12. Guarantor shall fully indemnify and save Landlord harmless from any and all costs, expenses and losses Landlord may incur with regard to the Lease and this Agreement and pay, upon demand by Landlord, any and all costs, expenses and losses arising from any default by Tenant under the Lease or from the enforcement by Landlord of its rights and remedies under this Agreement.

13. Except as otherwise provided in this Agreement or in the Lease, Guarantor hereby irrevocably waives any notice of: (a) Landlord's intention to act in reliance hereon or of its reliance hereon; (b) any presentment, demand, protest, notice of protest and of dishonor, notices of default and all other notices with respect to any of the Guaranteed Obligations; and (c) the commencement

or prosecution of any enforcement proceeding, including any proceeding in any court, against Tenant or any other person or entity with respect to any of the Guaranteed Obligations.

14. This Agreement shall be a continuing, absolute, and unconditional guarantee regardless of the validity, regularity, enforceability, or legality of (a) any of the Guaranteed Obligations, or (b) the Lease. In the event that for any reason one or more of the provisions of this Agreement or their application to any person or circumstance shall be held to be invalid, illegal, or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal, and enforceable in any such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

15. Notices. All notices to be given under this Agreement shall be in writing and delivered personally, or by overnight courier, or deposited in the United States mail, certified or registered mail with return receipt requested, postage prepaid, addressed as follows:

If to Landlord: Chelsea Atlantic Equities, LLC
100 Easton Road, #108
Wyncote, PA 19095
Attention: Uri Jacobson

If to Guarantor: Bill Abbott
6575 N. 39th Way
Paradise Valley, AZ 85253

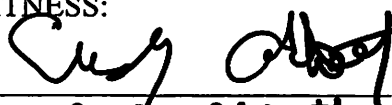
16. No modification of this Agreement shall be effective unless in writing and signed by Landlord and Guarantor.

17. This Agreement shall be binding upon Guarantor and Guarantor's, heirs, executors, trustees and personal representatives and shall inure to the benefit of Landlord, its successors and assigns.


18. This Agreement shall be construed in accordance with and governed in all respects by the laws of the State of New Jersey without giving effect to principles governing conflicts of laws.

IN WITNESS WHEREOF, Guarantor has executed this Agreement as of the day and year first above written.

WITNESS:


Name: Cindy Abbott

GUARANTOR:



WILLIAM ABBOTT, Individually