

ARTICLE 2. TERM & OPTION

2.1 The initial term of this Lease shall commence on 9/1/12 and shall terminate at midnight on 8/31/15, and the premises shall be delivered to Tenant on 9/1/12.

2.2 Options: At the expiry of the initial term and provided Tenant is not then in default, Tenant shall have the option to extend the term for one additional period of three (3) years. Such option must be exercised, in writing, by Tenant giving Landlord notice of its exercise of the option not less than ninety (90) days before the expiration of the original Lease term.

ARTICLE 3. RENT

3.1 Tenant agrees to pay to Landlord, without offset or deduction of any kind, the monthly Rent on the 1st day of each calendar month during the Initial Term (and, if exercised, the Option Term) of this lease. Payment may be made by hand-delivery, mail (1st-class US mail, postage prepaid), or by electronic inter-bank transfer.

3.2 Rent, as defined herein, is set forth in Article 1.(b), above, and Articles 3.4, 3.6, 7.1 through 7.3, 8.2, 13.2, 24.13, and 27.2, below. Rent, including "Additional Rent", is also set forth elsewhere in this Lease.

3.3 Tenant's obligation to pay rent shall commence on the Rent Commencement Date which is defined in Article 1.(g), above.

3.4 Base Rent shall remain the same throughout the initial term of this Lease, but additional rent for property taxes and liability insurance may fluctuate. If Tenant exercises the option to extend, allowed per Article 2.2, base rent for the 1st year of that option period shall increase by 5% and shall be increased each year thereafter by 5% compounded annually.

3.5 Late Charges: Tenant acknowledges that rent is due on the 1st of each successive month, and is delinquent if not paid by the 5th. Late payments by Tenant to Landlord of monthly rent and/or other payments required to be paid by Tenant hereunder will cause Landlord to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult to ascertain. It is therefore agreed by and between the parties that, in the event rent is not paid by the 5th, Tenant shall additionally pay late charges, also defined as rent, in the amount not less than 10% of monthly rent.

3.6 In the event Landlord causes Tenant to be served with a 3-day notice to pay rent or quit, and provided Tenant is delinquent in rent under the terms hereof, the cost of preparation and service of process of that notice shall be construed as Additional Rent.

3.7 Any unpaid Rent and any other sums due and payable hereunder by Tenant shall bear interest at the maximum lawful rate of ten (10%) percent per annum from the due date and until payment thereof.

ARTICLE 4. USE OF PREMISE

4.1 The premises shall be used and occupied only for the purposes described in Article 1.(h), above, and for no other purposes without Landlord's prior written consent, which consent shall not be unreasonably withheld.

4.2 Tenant has inspected the Premises and warrants that, as of the date this Lease is executed by Tenant, the Premises are fit for their intended purpose and use.

4.3 Tenant shall not do or permit to be done in or about the Premises anything which is illegal or unlawful under the laws of the State of California. If the federal government, State of California, County of Alameda or City of Oakland, seeks to enforce a statute, ordinance, regulation or case holding, for the purpose of abating, precluding or limiting the dispensing of medical marijuana, or if Landlord is threatened with forfeiture of her commercial property,

containing the Premises, then Landlord may cause Tenant to be served with a 3-Day Notice to Quit, and, if Tenant does not timely vacate the Premises within 3 days of service of said notice, evidenced by Tenant's return of the keys to the Premises to Landlord, then Tenant shall forfeit its right to return of the security deposit and Tenant shall be in material breach or default of this Lease.

4.4 Tenants shall not do or permit to be done in or about the premises anything which is of a hazardous or dangerous nature, or which will increase the rate of, or cause cancellation of, any insurance on the building of which the Premises are a part.

4.5 Tenants shall not obstruct or interfere with the rights of Landlord's other tenants, their customers and invitees, nor injure or annoy them. Currently, there are two (2) other tenants in Landlord's commercial rental property, containing the Premises, at 7th & Broadway, Oakland, CA.

4.6 Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises, nor commit any waste therein or thereon.

4.7 Except for the upstairs apartment, Tenant shall not use nor permit the use of the Premises or any part thereof as living or sleeping quarters.

4.8 Tenant shall furnish, install and maintain the Premises and any trade fixtures, furniture and other property reasonably appropriate in connection with the conduct of Tenant's business. Tenant acknowledges that the Landlord shall not provide a security alarm system for the Premises; and if Tenant decides that such a security alarm system is required, Tenant alone shall be responsible for the cost of buying or leasing, installing and maintaining such an alarm or system.

4.9 Tenant agrees that, at its own cost and expense, it will comply with and conform to all laws and ordinances and any and all lawful requirements and orders of any properly constituted governmental board or authority, in every way relating to the use of or occupancy of the Premises, or installation of anything (incl. any trade fixtures) at the Premises, throughout the entire term of this Leases.

ARTICLE 5. SECURITY DEPOSIT

5.1 Upon execution of this Lease, Tenant shall deposit with Landlord the sum specified in Article 1(d)(1), above. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all obligations under this Lease. Said deposit shall not be assigned, transferred or encumbered by Tenant, and any attempt to do so by Tenant shall not be binding upon Landlord.

5.2 If Tenant defaults with respect to any provision of this Lease, or should Landlord make any payment on behalf of Tenant, Landlord may (but shall not be required to) use, apply or retain all or any part of said deposit for the payment of any rent or any other sum spent or obligated to be spent by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord has suffered or may suffer by reason or Tenant's default. If any portion of said deposit is so used, applied or retained, Tenant shall within five (5) days after service of written demand by/from Landlord therefore, deposit cash or certified funds with Landlord in an amount sufficient to restore said deposit to its original sum. Tenant's failure to do so shall constitute a material breach of this Lease, and Landlord may, without further notice, exercise its remedies specified in Article 24 hereof.

5.3 Landlord shall not be required to keep said deposit separate from its general funds and shall not be deemed a trustee thereof, and Tenant shall not be entitled to interest on any sums deposited or redeposited under this Article. If Tenant vacates the Premises after the initial period under this Lease, said security deposit or its then remaining balance shall be refunded to Tenant, or the last assignee or successor in interest thereto, within ninety (90) business days after the termination of this Lease. In the event Landlord's interest in this Lease is sold, transferred or otherwise terminated, Landlord shall transfer said deposit to its successor in interest, and thereupon Landlord shall be discharged from any further liability with respect thereto.

ARTICLE 6. UTILITIES, WATER, GARBAGE, ETC.

6.1 Tenant, at its own cost and expense, shall pay for all water, gas, heat, electricity, garbage disposal, sewer charges, telephone, and any other utility or service charge related to its occupancy of the Premises.

6.2 Landlord's commercial property, containing the Premises, has two (2) other tenants. Each tenancy is has separate meters for electricity. However, controls for gas, located inside the Premises, are not separately metered. Tenant shall pay seventy-five percent (75%) of all charges jointly metered for gas with the other two (2) tenants.

6.3 Landlord shall not be liable in damages, consequential or otherwise, nor shall there be any rent abatement, arising out of any interruption or reduction whatsoever in utility services (i) which is due to fire, accident, strike, governmental authority, acts of God, or other causes beyond the reasonable control of Landlord or (ii) any temporary interruption in such service which is necessary to the making of alterations, repairs, or improvements to the building or any part of it, or (iii) which the Landlord deems necessary in order to conserve energy.

ARTICLE 7. REAL ESTATE TAXES

7.1 Tenant shall pay, as additional rent, its proportionate share of all "Taxes" (as hereinafter defined) which may be levied, assessed or imposed against or become a lien upon, the land, buildings and all other improvements in the building. The term "Taxes" shall include impositions for the purpose of funding special assessment districts, water and sewer rents, rates and charges (including water and sewer charges which are measured by the consumption of the actual user of the item or service for which the charge is made) levies, fees (including license fees) and all other taxes, governmental levies and charges of every kind and nature whatsoever, (and whether or not the same presently exist or shall be enacted in the future) which may during the term be levied, assessed, imposed, become a lien upon or due and payable with respect to, out of or for:

(a) The building or any part thereof, or of any land, or improvements thereon, or the use, occupancy or possession thereof;

(b) Any interest of Landlord and/or Tenant (including any legal or equitable interest of Landlord or its mortgagee, if any) in the building and/or the underlying realty or upon the Lease or any document to which tenant is a party creating or transferring an interest or an estate in the Premises;

(c) The rents receivable by Landlord for the building imposed or which may be based thereupon or measured thereby, including gross receipts taxes, business taxes, business and occupation taxes but excluding net income or excess profits taxes;

(d) The ownership, leasing, operation, maintenance, alteration or repair of the building; and

(e). "Taxes" shall also include interest on installment payments and all costs and fees (including reasonable attorneys and appraisers fees) incurred by Landlord in contesting Taxes and negotiating with public authorities as to the same. "Taxes" shall not include, however, any excess of the savings realized from such contest(s) or negotiation(s); in addition, "taxes" shall not include any franchise, estate, inheritance, corporation, transfer, net income or excess profits tax.

7.2 Tenant shall pay to Landlord, as "additional rent", property taxes, as follows: For the first 36 months during the initial term hereof, Tenant's share of property taxes shall be that portion of the total of the Taxes assessed on Landlord's overall commercial property in any such tax fiscal year, multiplied by seventy-five percent (75%). Should Tenant elect to exercise the option as permitted herein under ARTICLE 2.2, Tenant's proportionate share of property taxes shall be that portion of the total of the Taxes assessed on Landlord's overall commercial property in any such tax fiscal year, multiplied by seventy-five percent (75%) as of the date when such taxes are assessed.

7.3 Commencing with the rent commencement date, tenant shall pay Landlord each month, together with

each payment of monthly Base Rent, the amount set forth in ARTICLE 1(b)(2), above, as an impound toward its share of Taxes. Tenant's actual obligation for taxes shall be determined and computed by Landlord not less often than annually and at the time each such computation is made, Landlord and Tenant shall adjust for any difference between impounded amounts and Tenant's actual share. At the time of each such computation, Landlord may revise the monthly payment for taxes set forth immediately above by written notice to Tenant. Tenant shall pay its share of taxes during each year of the Lease term. Landlord shall furnish such figures, computation and information as Tenant may reasonably request for the purpose of verifying the amounts charged to Tenant by Landlord.

ARTICLE 8. REPAIRS, MAINTENANCE & ALTERATIONS

8.1 Landlord shall keep and maintain the roof (including the structural integrity thereof) and the exterior surfaces of the exterior walls of the building in which the leased Premises are located (exclusive of sidewalks, doors, door frames, door checks, other entrances, and window frames which are part of common area, and storefronts) in good repair. Tenant shall give Landlord prompt written notice of any damage to the Premises requiring repair by Landlord. However, Landlord shall not be required to make any such repairs occasioned by the act or negligence of Tenant or its agents employees, invitees, licensees or contractors.

8.2 Except as set forth in article 8.1, above, Tenant shall, at its expense, keep and maintain the Premises and every part thereof, including sidewalks, in good order, condition and repair, and shall do such reasonable periodic painting of the interior thereof as may be required and approved by Landlord. Tenant shall keep its sewers and drains open and clear and shall keep the common areas and vacant lot adjacent to the Premises fronting Broadway St., Oakland, clean and free of debris. Except in the case of a fire or casualty which shall be governed by the provisions of Article 11 hereof, Tenant shall reimburse Landlord on demand for the cost to repair any damage to the Premises, the common areas, or the building, generally, caused by Tenant, its employees, customers, agents or invitees. If Tenant fails to comply with the foregoing requirements, Landlord may (but shall not be obligated to) effect such maintenance and repair, and the cost thereof shall be due and payable, as Additional Rent, from Tenant to Landlord within five (5) days after written demand therefor by Landlord. Tenant's failure to pay such Additional Rent shall constitute a material breach of this Lease, and Landlord may, without any further notice, exercise its remedies specified in Article 24 hereof.

8.3 Tenant shall, at its expense, contract for the repair and maintenance of any air conditioning and heating system, if either is provided at the Premises, and provide Landlord with a copy of said contract within ten (10) days after Tenant opens for business. The contract shall be for the benefit of Landlord and Tenant, and shall be placed with a licensed contractor approved by Landlord.

8.4 Subject to provision 8.5, below, Tenant shall not make any alteration, changes or improvements in or to the Premises or any part thereof without first obtaining Landlord's written consent, and all of the same shall be at Tenant's sole cost. Landlord may impose as a condition of its consent such requirements as Landlord, in her sole discretion, may deem reasonable and desirable, including but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and material men approved by Landlord and that good and sufficient plans and specifications be submitted to Landlord at such times as its consent is required. All alterations, additions, changes and improvements made by Tenant shall become the property of Landlord and a part of the realty and shall be surrendered to Landlord upon the expiration, or sooner termination, of the Lease. Further, Landlord may designate by written notice to Tenant those alterations, additions and improvements which may be removed by Tenant at the expiration or termination of the Lease and Tenants shall promptly remove the same and repair all damage caused by such removal at its cost and with all due diligence.

8.5 Tenant may make nonstructural alterations and improvements to the interior of the Premises, of ten thousand dollars (\$10,000) or less per alteration, without Landlord's consent, provided the work is performed by licensed contractors, in a good and workmanlike manner, and pursuant to local permits.

8.6 Tenant, within sixty (60) days of 9/1/12, shall repair and prevent water damages at the Premises (incl. basement area, its ceiling, and the floor immediately above it) to Landlord's personal satisfaction.

ARTICLE 9. COMMON AREAS

9.1 Tenant at its sole expense, shall keep and maintain during the term of this Lease, all Common Areas within Landlord's commercial building.

9.2 The term Common Areas as used in this Lease generally shall include all portions, areas and facilities of the building that are not occupied by Tenant or other tenants or reserved by Landlord, including without limitation landscaped areas, parking lots, sidewalks and walkways and other area facilities and improvements provided by Landlord for the convenience and use of Tenant or its agents employees, invitees, licensees or contractors.

ARTICLE 10. TRADE FIXTURES AND SURRENDER

10.1 Upon the expiration or sooner termination of the term hereof, Tenant shall surrender the Premises including, without limitation, all apparatus and fixtures then upon the Premises, in as good condition as when received, reasonable wear and tear alone excepted, broom clean and free of trash and rubbish and, subject to Landlord's election set forth in Article 8.4 with all alterations, changes, additions and improvements which may have been made or installed from time to time either by Landlord or tenant in, on or about the Premises. All of the same shall be the property of Landlord and shall be surrendered by tenant without any injury, damage or disturbance thereto, and tenant shall not be entitled to any payment therefor. Said property of Landlord shall include, without limitations, all lighting fixtures, fluorescent bulbs and bulbs, and all partitions whether removable or otherwise.

10.2 Tenant may remove moveable trade fixtures, furniture and other of its personal property, unless otherwise provided in this Lease and if Tenants are not in default hereunder, prior to the termination of this Lease, and at their own cost to repair any damage to the Premises and the building caused by such removal. If Tenant fails to remove any of such property within 15 days of vacating the premises, Landlord may at its option retain such property as abandoned by Tenant and title thereto shall thereupon vest in Landlord, or Landlord may remove the same and dispose of it in any manner and Tenant shall, upon demand, pay Landlord the actual expense of such removal and disposition plus the cost of repair of any and all damages to said Premises and building resulting from or caused by such removal.

10.3 The voluntary or other surrender of this Lease by Tenants, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Landlord terminate all or any existing subleases and subtenancies, or may, at Landlords option, operate as an assignment to it of any or all such subleases or subtenancies.

10.4 If, at any time during the last thirty (30) days of the initial term hereof, Tenant has removed all or substantially all of its aforesaid property from the Premises, Landlord shall thereafter have the right to enter said Premises for the purpose of altering, renovating and/or redecorating the Premises. Such entry or work shall not be deemed either an eviction or a disturbance of Tenant's use enjoyment, and/or occupancy of the Premises.

ARTICLE 11. DAMAGE OR DESTRUCTION

11.1 Except as otherwise provided in Article 11.2, if the Premises are damaged and destroyed by any casualty covered by Landlord's fire insurance policy, Landlord shall repair such damage as soon as reasonably possible, to the extent of the available proceeds, and the Lease shall continue in full force and effect.

11.2 If the Premises are damaged or destroyed by any casualty covered by Landlord's fire insurance policy to such an extent as to render the same untenantable in whole or substantial part, or to the extent of twenty-five percent (25%) or more of the replacement value of the Premises during the last twelve (12) months of the terms herein, or if the insurance proceeds are not sufficient to repair the damage, or if the building of which the Premises are a part shall be damaged to the extent of (50%) or more of the replacement value, Landlord may either (i) repair such damage as soon as reasonably possible, in which event this Lease shall continue in full force and effect, or (ii) cancel and terminate this Lease as of the date of the occurrence of such damage by giving Tenant written notice of Landlords election to do so within ninety (90) days after the date of the occurrence of the damage.

11.3 If at anytime during the term herein the Premises are damaged and such damage was caused by a casualty not covered under Landlord's insurance policy specified in Article 13.2 hereafter, Landlord may, at its option, either (i) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect, or (ii) cancel and terminate this Lease as of the date of the occurrence of such damage, by giving Tenant written notice of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage, in which event this Lease shall so terminate unless within thirty (30) days thereafter Tenant agrees to repair the damage at its cost and expense or pay for Landlord's repair of such damage.

11.4 In the event of damage or destruction not caused by Tenant's fault or neglect, then and only then shall the Base Rent payable hereunder be proportionately reduced during the period of damage any repair or restoration pursuant to this Article 11, said reduction to be based upon the extent to which the damage or the making of such repairs or restoration shall interfere with Tenant's business conducted in the Premises.

11.5 In the event of damage or destruction to the Premises caused by the negligence or intentional misconduct of Tenant, its customers, agents or invitees, Tenant shall continue to pay rent to Landlord, unabated.

11.6 Landlord shall in no event be required or obligated to repair, restore or replace any of Tenant's leasehold improvements, trade fixtures or any other property whatsoever in or at the Premises.

ARTICLE 12. EMINENT DOMAIN/FORFEITURE

12.1 If all, substantially all or a portion of the Premises is taken under the power of eminent domain or forfeiture (or similar law authorizing the involuntary taking of private property, which may include a sale to or taking by a public body), Landlord shall have the right, at its option, to terminate this Lease effective the date possession is taken by said authority; and Landlord: 1) shall not be obligated to reimburse to Tenant for anything including an amount equal to the lesser of the unamortized cost or depreciated value of leasehold improvements made at the Premises at Tenant's sole or partial cost; and 2) shall be entitled to any and all income, rent, award and any interest thereon whatsoever which may be paid or made in connection with such public or quasi-public use or purpose.

12.2 Tenant hereby assigns to Landlord its entire interest in any and all such awards, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

12.3 Nothing herein shall be deemed to give Tenant any right to claim either from Landlord or from the condemning authority compensation or damages for Tenant's trade fixtures and personal property.

ARTICLE 13. INSURANCE

Landlord Insurance Reimbursement

13.1 Landlord shall obtain and keep in force during the term hereof, a policy or policies of insurance covering loss or damage to Premises providing protection against all perils included within the classification of fire, extended coverage, vandalism, and malicious mischief, together with an endorsement providing for rental income insurance covering a period of up to twelve (12) months covering Base Rent. At Landlord's sole option, Landlord may obtain earthquake insurance.

13.2 Tenant shall reimburse to Landlord, as "additional rent", for the cost of liability insurance obtained by Landlord, as follows: For each of the first thirty-six (36) months during the Initial Term hereof, Tenant's share of liability insurance shall be seventy-five (75) percent of the annual cost for liability insurance on Landlord's overall commercial property. Should Tenant elect to exercise the option as permitted herein under ARTICLE 2.2, for each of the next thirty-six (36) months during the Option Term hereof, Tenant's share of liability insurance shall be seventy-five (75) percent of the annual cost for liability insurance on Landlord's overall commercial property.

13.3 Commencing with the rent commencement date, Tenant shall pay Landlord each month, together with each payment of monthly Base Rent, the amount set forth in ARTICLE 1(b)(2), above, as an impound toward its share of liability insurance. Tenant's actual obligation for liability insurance shall be determined and computed by Landlord not less often than annually and at the time each such computation is made, Landlord and Tenant shall adjust for any difference between impounded amounts and Tenant's actual share. At the time of each such computation, Landlord may revise the monthly payment for liability insurance set forth immediately above by written notice to Tenant. Tenant shall pay its share of liability insurance during each year of the Lease term. Landlord shall furnish such figures, computation and information as Tenant may reasonably request for the purpose of verifying the amounts charged to Tenant by Landlord.

Tenant Insurance

13.4 Tenant shall, at all times during the Initial Term (and, if exercised, the Option Term), at its expense, carry and maintain insurance policies in the amounts and in the form hereinafter provided:

(a) Bodily Injury. Bodily injury liability insurance with limits of not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence insuring against any and all liability of the insured in connection with, arising from or pertaining to any incident at the Premises or, due to medical marijuana being dispensed to a patient who, after going off the Premises, results in harm to that or any other person.

(b) Property Damage. Property damage liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence.

(c) All such insurance shall specifically insure the performance by tenant of the indemnity clause as to liability for injury to or death of persons and loss of or damage to property contained in Article 15 hereof. Said insurance shall name Landlord as "additional insured", and shall provide that Landlord, although named as additional insured, shall nevertheless be entitled to recovery thereunder for any loss suffered by it, its agents, servants and employees by reason of Tenant's negligence. Said insurance shall be primary insurance as respects Landlord and not participating with any other available insurance.

13.5 In addition, Tenant shall, at all times during the term hereof, at its expense, carry and maintain insurance policies in the amounts and in the form hereinafter provided:

(a) Plate Glass: Tenant shall, at its expense, carry and maintain plate glass insurance for personal injury, but shall have the right to self-insure against risk of property damage to plate glass. In either event, Tenant shall replace plate glass within ten (10) days of property damage thereto.

(b) Tenant improvements: Insurance covering all of Tenant's leasehold improvements, trade fixtures, merchandise and other personal property from time to time in the Premises in an amount not than eighty percent (80%) of their full replacement cost, providing protection against any peril included within the classification "Fire and Extended Coverage", together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of insurance shall, so long as this Lease remains in effect, be used to repair or replace the property damaged or destroyed.

13.6 Policy Form: All insurance to be carried by tenant hereunder shall be in companies, on forms and with loss payable clauses satisfactory to Landlord and copies of such policies or certificates evidencing such insurance shall be delivered to Landlord within ten (10) days after delivery of possession of the Premises to Tenant and within thirty (30) days prior to the expiration date of each policy. No such policy shall be cancelable except after twenty (20) days advance written notice to Landlord. Tenants shall have the right to maintain required insurance under blanket policies provided that Landlord is named therein as an additional insured and provided further that the coverage afforded Landlord will not be reduced or diminished by reason thereof.

13.7 If Tenant fails to pay, procure and maintain any insurance policy obligation required herein, Landlord may (but shall not be obligated to) procure the same on Tenant's behalf, and the cost of same shall be payable as Additional rent within five (5) days after written demand therefor by Landlord. Tenant's failure to pay such Additional Rent shall constitute a material breach of this Lease, and Landlord may, without any further notice, exercise its remedies specified in Paragraph 24 hereof.

13.8 Tenant represents, covenants and warrants that its intended "use" of the Premises does not currently violate the terms of any of Tenant's insurance policies.

ARTICLE 14. WAIVER OF SUBROGATION

14.1 Any insurance carried by either party with respect to the Premises and property contained in the Premises or occurrences related to them shall include a clause or endorsement denying to the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to occurrence of injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary waives any right of recovery against the other for injury or loss due to hazards covered by insurance containing such clause or endorsement to the extent that the injury or loss is covered by such insurance.

ARTICLE 15. RELEASE AND INDEMNITY

15.1 Tenant shall indemnify and hold harmless Landlord against and from any and all claims, actions, damages, liability and expenses, including attorneys fees, arising from or out of Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the Premises. Tenant shall further indemnify and hold Landlord harmless from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performance of any obligation on Tenant part to be performed under the terms of the Lease, the arising from any act of negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, damages, attorneys fees, and liabilities incurred in defense of any such claim of any action or proceeding brought thereon, including any action or proceeding brought against Landlord by reason of such claim. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause other than Landlord's negligence. Tenant shall give prompt notice to Landlord in case of casualty or accidents in the Premises.

15.2 Landlord shall not be liable for injury or damage which may be sustained by the person, goods wares, merchandise or property of Tenant, their employees, invitees or customers, or by any other person in or about the Premises caused by or resulting from 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, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Demised Premises or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the buildings.

ARTICLE 16. INSOLVENCY, ETC. OF TENANT

16.1 The filing of any petition in bankruptcy whether voluntary or involuntary, or the adjudication of Tenant as a bankrupt or insolvent, or the appointment of a receiver or trustee to take possession of all or substantially all of tenant's assets, or an assignment by Tenant for the benefit of its creditors, or any action taken or suffered by Tenant under any State or Federal insolvency or bankruptcy act including, without limitation the filing of a petition for or in reorganization, or the taking or seizure under levy of execution or attachment of the Premises or any part thereof, shall constitute a breach of this Lease by Tenant, and in any one or more of said events Landlord may at its option terminate this Lease by written notice to Tenant; provided, however, in the event of the filing against Tenant of an involuntary petition in bankruptcy, the same shall not constitute a breach of this lease if the petition is dismissed within sixty (60) days of the filing.

16.2 Neither this Lease nor any interest therein or thereunder, nor any estate thereby created in favor of Tenant, shall be an asset of Tenant in or under any bankruptcy, insolvency or reorganization proceeding, nor shall any of the same pass by operation of law under any State or Federal insolvency or bankruptcy law to any trustee, receiver, or assignee for the benefit of creditors or any other person whatever without Landlord's express written consent.

16.3 Landlord shall be entitled, notwithstanding any provision of this Lease to the contrary, upon re-entry of the Premises in case of breach under this Article, to recover from Tenant as damages for loss of the bargain resulting from such breach, and not as a penalty, such amounts as are specified in Article 24, unless any statute governing the proceeding in which such damages are to be proved shall lawfully limit the amount thereof capable of proof, in which later event Landlord shall be entitled to recover as and for its damages the maximum amount permitted under said statute.

ARTICLE 17. PERSONAL PROPERTY AND OTHER TAXES

17.1 Tenant shall pay, before delinquency, any and all taxes and assessments, sales, use, business, occupation or other taxes, and license fees or other charges whatever levied, assessed or imposed upon its business operations conducted in the Premises. Tenant shall also pay, before delinquency, any and all taxes and assessments levied, assessed or imposed upon its equipment, furniture, furnishings, trade fixtures, merchandise and other personal property in, on or upon the Premises.

17.2 Tenant shall pay all taxes and assessments levied, assessed or imposed on its leasehold improvements, regardless of whether such improvements were installed and/or paid for by Tenant or by Landlord, and regardless of whether or not the same are deemed to be a part of said building.

17.3 Tenant shall pay (or reimburse Landlord forthwith on demand) any exercise tax, gross receipts tax, or any other tax however designated, and whether charged to Landlord, or to tenant, or to either or both of them, which is imposed on or measured by or based on the rentals to be paid under this Lease, or any estate or interest of Tenants, or any occupancy, use or possession of the Premises by Tenants.

17.4 Nothing hereinabove contained in this Article shall be construed as requiring Tenant to pay any inheritance, estate, succession, transfer, gift, franchise, income or profits tax or taxes imposed upon Landlord.

ARTICLE 18. SIGNS AND PROMOTION

18.1 Tenant shall not, without first obtaining the written consent of Landlord, place or maintain any sign of any kind anywhere in, on or about the Premises, and shall promptly remove any such sign which has been placed without Landlord's prior written consent. All signs shall be subject to review and approval by the Landlord with regard to location, size and design. Further, all signs must be approved by the applicable governmental authorities as well. Tenant shall, at its own cost and expense, install one sign identifying the name of the business specified in Article 1.(e) hereof across the facade of the Premises. Further, Tenant shall make all repairs required by reason of the installation and maintenance of its signs.

ARTICLE 19. ASSIGNMENT AND SUBLETTING

19.1 Tenant shall not assign, voluntarily, involuntarily, or by operation of law transfer, hypothecate, or otherwise encumber this Lease or Tenant's interest therein, and shall not sublet nor permit the use by others of the Premises or any part thereof, without first obtaining in each instance Landlord's prior written consent. If consent is once given by Landlord to any such assignment, transfer, hypothecation or subletting, such consent shall not operate as a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment, transfer, hypothecation or sublease. Any such assignment or transfer without Landlord's consent shall be null and void and shall, at Landlord's election, constitute a material breach of this Lease.

19.2 The consent of Landlord required under Paragraph 19.1, above, shall not be unreasonably withheld. Should Landlord withhold its consent for any of the following reasons, the withholding shall be deemed to be reasonable:

(a) Tenant assigns to an assignee where the assignee does not have a net worth of at least \$1,000,000 and \$250,000 in liquid assets, has a risk score on his/her/its credit report of under "650" or where that credit report shows unlawful detainer filings, a bankruptcy, or any unsatisfied judgments.

(b) Use of the Premises by the assignee or reassignee is different than that authorized under ARTICLE 1(h) or ARTICLE 4, above.

(c) Tenant does not agree in a signed writing to stand surety for and personally guaranty the rent due and payable by the assignee, reassignee or subtenant, to Landlord under the terms of this Lease, before the assignment, reassignment, or sublease.

(d) Tenant assigns or sublets its interest to a 3rd party who, in the opinion of the City of Oakland, does not qualify to hold Tenant's permit to dispense medical marijuana.

19.3 Each assignee, sublessee or transferee shall assume and be deemed to have assumed this Lease and shall be and remain liable jointly and severally with Tenant for the payment of all rents due hereunder, and for the due performance during the term of all the covenants and conditions herein set forth by tenant to be performed. No assignment or transfer shall be effective or binding on Landlord unless said assignee, transferor or transferee shall, concurrently, deliver to Landlord a recordable instrument which contains a covenant of assumption by said assignee or transferee; provided that failure or refusal to so execute said instrument shall not release or discharge the assignee, transferor or transferee from its liability aforesaid.

19.4 If Tenant is a corporation (not publicly traded) or if Tenant is an unincorporated association or a partnership, except for transfers of stock between existing shareholders of Tenant, the transfer, assignment, or hypothecation of any stock or interest in such corporation, association or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment within the meaning of this Article.

19.5 If Tenant intends to assign this Lease or any interest therein, sublet all or any part of the Premises, Tenant shall give prior written notice to Landlord of each such proposed assignment or subletting specifying the proposed assignee or subtenant and the terms of such proposed assignment or sublease. Landlord shall, within thirty (30) days thereafter, notify Tenant in writing either, that it consents (subject to any conditions of consent that may be imposed by Landlord), or does not consent to such transaction.

19.6 In the event of an approved assignment, pursuant to this Article 19, Tenant shall assign to Landlord the right to rent from the assignee previously due and owing by Tenant to Landlord, and Tenant agrees to stand surety for any default in rent payable by the assignee to Landlord. In the event of an approved subletting, pursuant to this Article 19, Tenant shall assign to Landlord one hundred percent (100%) of any and all subrentals payable by subtenant(s) to Tenant which are in excess of the rent payable by Tenant to Landlord under this Lease, and Tenant and subtenant(s) shall become jointly and severally liable to Landlord for the said rent.

19.7 Tenant agrees to reimburse Landlord for Landlord's reasonable costs and attorneys fees incurred in connection with the processing and documentation of any requested assignment, transfer, hypothecation or subletting of this Lease aforesaid.

ARTICLE 20. RIGHT OF ENTRY

20.1 Within twenty-four (24) hours of written notice from Landlord to Tenant, Tenant shall permit Landlord or its agent(s) entry into the Premises for any reason or no reason. Entry may be sought for any day, including weekends and holidays, at any time, between 9:00 am and 10:00 pm. If, after such notice, Tenant refuses or prevents entry into the Premises by Landlord or its agent(s), then Tenant shall forfeit its right to return of the security deposit and shall be