

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "**Lease**") is made and entered on February 21, 2024 (the "Effective Date"), by and between CITY OF EL PASO DE ROBLES, a California municipal corporation ("**Landlord**") and EARTHTONES, a California limited liability company (DBA as EARTHTONES GIFTS & GALLERY / CENTER FOR HEALING) ("**Tenant**"), under the following terms and conditions:

1. Introduction. Landlord owns the property located at 790 Pine Street, located in the City Paso Robles, California, (the "**Property**").

2. Description of the Leased Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord a portion of the Property consisting of approximately 944 square feet, referred to herein as the "**Premises**" and shown on **Exhibit A**.

3. Term, Occupancy, and Renewal.

a. Term. The term of this Lease shall commence on March 01, 2024 (the "**Commencement Date**") and shall continue until February 28, 2026 (the "**Expiration Date**").

b. Options to Extend. So long as Tenant is not in default under the Lease, Tenant, at Tenant's sole discretion, shall have two (2), two-year (2) options which shall be exercised by Tenant by written notice to the Landlord no more than thirty (30) nor less than fourteen (14) days prior to the expiration of the then-current term. Tenant's options to extend shall be consecutive, and a later option cannot be exercised unless the prior options have been validly exercised.

c. Occupancy. Tenant may, upon execution of this Lease by Landlord and Tenant, occupy the Premises prior to the Commencement Date subject to all terms and conditions of this Lease, provided Tenant complies with Section 17 (Insurance) and delivers an insurance certificate to Landlord prior to entry. Upon delivery of the insurance certificate, first month's rent and security deposit, Landlord shall deliver the keys and possession to Tenant.

4. Rent. The initial monthly rent during the term of this Lease shall be \$1,689.76 per month ("**Base Rent**"), subject to increase as provided in Section 4(d) below. The Parties mutually acknowledge that the initial monthly rent is a voluntarily negotiated rate, and not an appropriation of public funds. Tenant shall, commencing on the Commencement Date and continuing thereafter on the first day of each and every month during the term of this Lease, pay to Landlord in advance, such minimum monthly rent, without setoff, deduction, or demand. If possession is taken prior to the Term, or taken on other than the first of the month, rent shall be prorated accordingly based on a 30-day month. Common Area expenses are inclusive to the Base Rent and no additional Common Area expenses will be paid by Tenant. Tenant acknowledges ready access to Common Areas to be provided for tenants of 800 Pine Street during regular business hours.

a. Late Charge. Tenant acknowledges that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease. If any installment of rent due from Tenant is not received by Landlord within five (5) days after it becomes due, Tenant shall pay to Landlord an additional sum of 5% of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will

incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

b. Interest on Unpaid Rent. Rent or other charges under this Lease not paid within five (5) days of the date due shall, in addition to any late charges under Section 4(a) above, bear interest at the lesser of the maximum legal rate or 10% per annum from the date due until paid.

c. Holdover. Tenant shall not hold over after the expiration or earlier termination of the term hereof without the express prior written consent of Landlord. Acceptance of rent is not Landlord's consent to holdover. Without Landlord's express consent Tenant shall become a tenant at sufferance only at a rental rate equal to 150% of the rent in effect upon the date of such expiration. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Section 4 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. If Tenant fails to surrender the Premises upon the expiration of this Lease, Tenant shall indemnify, protect, defend and hold Landlord harmless from all loss or liability, including without limitation, any claim made by any succeeding tenant founded on or resulting from such failure to surrender. Such indemnity shall survive the expiration of this Lease.

d. Annual Adjustment. Beginning on the first day of the Option Period, if exercised, Base Rent shall increase by the greater of (i) four percent (4%) or (ii) any increase in the Consumer Price Index ("CPI") as determined by the U.S. Bureau of Labor Statistics for all Urban Consumers for the San Francisco/Oakland/San Jose Metropolitan Area over the previous year. Should the CPI be discontinued, the index used for comparison shall be a comparable index as designated by the Bureau. It is recognized by both parties that the Index for any month is not published for approximately two months. In no event shall Base Rent ever decrease below the prior year's Base Rent.

e. Place of Payment of Rent. Rent and all other sums which shall become due under this Lease, including but not limited to late charges and additional rent, shall be payable by hand delivery or mail at City of El Paso De Robles, Department of Public Works, 1000 Spring Street, Paso Robles, CA 93446, or at such other place as Landlord may designate from time to time in writing. Mailed payments must be received (not postmarked) by Landlord by the date due.

5. Security Deposit. Tenant shall deposit with Landlord upon Tenant's execution of this Lease the amount of \$3,379.52 as security for Tenant's faithful performance of Tenant's obligations hereunder. Landlord may use, apply or retain all or any portion of said security deposit for the payment of any rent or other charge in default; to repair any damage to the Premises caused by Tenant, its agents, employees, customers, contractors or invitees; to clean the Premises upon the termination of Tenant's tenancy or to reimburse or compensate Landlord for any liability, loss, cost, expense (including attorneys' fees) or damage which Landlord may suffer or incur by reason of Tenant's breach or default of this Lease. If Landlord so uses or applies all or any portion of the security deposit, Tenant shall within 10 days after written demand therefor deposit monies with Landlord in an amount sufficient to restore said deposit to the full amount then required of Tenant hereunder.

6. Condition of, and Improvements to, Premises.

a. Improvements. Under this Lease, Landlord shall have no obligation or responsibility, actual or implied, to install, construct, accommodate, or make any improvements to the Premises prior to, or as a condition of, Tenant's occupation of the Premises.

b. Walk Through; As-Is Condition. Tenant shall have the right to schedule with Landlord and perform a walk-through of the Premises within the 72-hour period prior to the commencement of the Term. Upon execution of this Lease, Tenant warrants and agrees that Tenant has inspected the Premises. Tenant agrees to take possession of the Premises in an AS-IS condition (which exists on the date this Lease is signed) and Tenant further agrees that Landlord shall have no responsibility for any repairs or improvements to the Premises, prior to, or as a condition of, Tenant's occupation of the Premises. Landlord makes no representations regarding the condition, status, compliance with laws or suitability for a particular purpose for Tenant's use.

c. Condition Upon Surrender. Upon termination of this Lease, Tenant shall surrender the Premises to Landlord in as good condition as when originally received, ordinary wear and tear and damage by fire, earthquake, flood or act of God excepted, and including any repairs or improvements made by Tenant, provided, however, Tenant shall be required to shampoo the carpets and clean the Premises, including, without limitation, the restrooms. Prior to the date Tenant is to actually surrender the Premises to Landlord, Tenant agrees to give Landlord reasonable prior notice of the exact date Tenant will surrender the Premises so that Landlord and Tenant can schedule a walk-through of the Premises to review the condition of the Premises and identify the alterations and personal property which are to remain upon the Premises and which items Tenant is to remove, as well as any repairs Tenant is to make upon surrender of the Premises. If Tenant fails to maintain the Premises in good order and repair, after thirty (30) days' prior written notice, Landlord may, at its option, make such repairs, and Tenant shall pay the reasonable cost thereof as additional rent hereunder within ten (10) days after receipt of a written statement therefor. In the event the giving of thirty (30) days' prior notice may result in additional damage to the Premises, Landlord may make such repairs, at Tenant's expense, without thirty days' prior written notice.

d. Inspection by Certified Access Specialist. Landlord discloses that the Premises have not undergone inspection by a Certified Access Specialist as referenced in California Civil Code Section 1938 subsection (e) which provides: "A Certified Access Specialist (CASP) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Pursuant to the foregoing Section 1938(e), Tenant acknowledges and agrees that, if Tenant wishes to have the Premises inspected by a CASp: (i) Tenant must notify Landlord on or before the date when Tenant executes this Lease pursuant to the election below; (ii) the inspection will be at Tenant's sole cost and expense; (iii) the inspection must be scheduled through Landlord and in coordination with the Building's property manager; (iv) any repairs or

modifications necessary to correct any violation of construction-related accessibility standards that is noted in the CASp report shall be Tenant's responsibility; and (v) Tenant must provide a copy of the CASp report to Landlord on completion. By initialing below, Tenant represents that:

Tenant wishes to have a CASp inspection of the Premises Initials: _____

Tenant hereby waives its right to have a CASp inspection of the Premises Initials: Mary Oberlin (Feb 7, 2024 17:51 PST)

7. Use. The Premises shall be used only for the operation of a Retail and Massage Services – CAMTC Certified facility and for no other purpose (“**Permitted Use**”). Tenant shall not use any portion of the Premises for purposes other than those specified without first obtaining the written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. Tenant shall maintain and conduct its said business insofar as the same relates to Tenant's use and occupancy of the Premises, in a lawful manner and in strict compliance with all governmental laws, rules, regulations and order, and all applicable Americans with Disability Act (“**ADA**”) requirements, including, but not limited to, any federal, state or local laws or orders relating to healthcare providers and facilities, the regulation of medical waste and infectious diseases, as well as guidelines and standards issued by the CDC. Tenant shall obtain all licenses, clearances, and permits required to operate the facility prior to opening, maintain such necessary licenses and permits in force during the Term. Tenant shall post all notices to the public in an accessible and visible place to the public. Such notices may include, but are not limited to, Health Department clearances, business licenses or other licensure. Without limiting in any way the restriction in this Lease that the Premises be used only for the Permitted Use specified in this paragraph, in no event shall the Premises be used for any exclusive use granted by Landlord to other tenants of the Property prior to or subsequent to the date of this Lease. Nothing in this Lease shall be construed to grant Tenant an exclusive right to such Permitted Use.

8. Uses Prohibited. In addition to uses prohibited pursuant to Paragraph 7, Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which is not within the permitted use of the Premises which will in any way increase the existing rate of or affect any fire or other insurance upon the Property or any of its contents, or cause a cancellation of any insurance policy covering the Property or any part thereof or any of its contents. Tenant shall not use the Premises for any cannabis related uses, dispensary, manufacture, assembly, the sale of cannabis or accessories related to cannabis products. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Property or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises. Under no circumstances shall the right herein granted to use the common areas be deemed to include the right to sell or solicit in any manner or store any property, temporarily or permanently, in the common areas. Any such storage shall be permitted only by the prior written consent of Landlord or Landlord's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur then Landlord shall have the right, without notice, in addition to any other rights and remedies that it may have, to remove the property and charge the cost to Tenant, which cost shall be payable as additional rent immediately upon demand by Landlord.

9. Compliance with Laws/Hazardous Materials.

a. Tenant, at Tenant's expense, shall comply with and cause all of Tenant's agents to comply with all applicable laws, ordinances, rules and regulations of governmental authorities applicable to the Premises or the use or occupancy thereof, including, without limitation, the regulation of medical waste and infectious diseases, as well as guidelines and standards issued by the CDC, and the ADA (collectively, "**Laws**").

b. Tenant shall not cause or permit any Hazardous Materials, as defined below, to be brought upon, kept, used, discharged, deposited or leaked in or about the Premises or the Property by Tenant or any of Tenant's agents or by anyone in the Premises (other than Landlord or its agents, employees or contractors), except to the extent such Hazardous Materials are cleaning or office supplies customarily kept or used by typical Retail and Massage Services – CAMTC Certified facilities and are kept and used in accordance with all applicable laws. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of any Hazardous Material on the Premises or the Property caused or suffered or permitted by Tenant or any of Tenant's agents or by anyone in the Premises (other than Landlord or its agents, employees or contractors) results in contamination of the Premises or the Property, or if contamination of the Premises or the Property by any Hazardous Material otherwise occurs for which Tenant is legally liable, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, damages, costs, liabilities and expenses (including, without limitation, diminution in value or use of the Property, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification shall include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work on or under the Premises. "**Hazardous Material**" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local, state or federal governmental authority or by common law decisions, including without limitation (i) all chlorinated solvents, (ii) petroleum products or by-products, (iii) asbestos and (iv) polychlorinated biphenyls.

10. Waste; Nuisance; Quiet Enjoyment. Tenant shall not suffer or commit any waste or nuisance on the Premises, nor shall Tenant interfere with or obstruct the rights of or disturb the quiet enjoyment of any other tenant or occupant of the building or injure or annoy them. Tenant shall not use or allow the Premises to be used for any improper, immoral, or objectionable purposes, to be determined at Landlord's sole and absolute judgment.

11. Repair and Maintenance.

a. Landlord shall repair, maintain, and/or replace the roof, structural foundations, exterior walls and the building systems (HVAC, electrical, fire/life/safety and plumbing) of the building in which the Premises are located unless the need for such repair shall be caused by the neglect, misuse, or misconduct of Tenant, its agents, employees or invitees, in which case Landlord shall promptly cause the repairs to be made at Tenant's sole expense. Within ten (10) days after receipt of a written notice that Landlord has made repairs that were caused by the neglect, misuse, or misconduct of Tenant, its agents, employees or invitees, Tenant shall promptly reimburse Landlord within thirty (30) days of invoice for the cost of all such repairs and maintenance. Landlord shall not be required to make any repairs to the roof, structural foundation, or exterior walls unless and until Tenant has notified Landlord in writing of the need

for such repairs and Landlord shall have had a reasonable period thereafter to commence and complete said repairs.

b. Tenant shall, at Tenant's sole cost and expense, maintain the Premises except as noted under Section 11(a), above, in good condition and repair. Said maintenance shall include but not be limited to, the interior of the Premises, exterior doors and windows, all fixtures and equipment, plate glass, electrical wiring, plumbing fixtures, plumbing drains (from the interior of the Premises to the point of connection of Tenant's drainage system with the sanitary sewer system owned, managed, and/or maintained by the local municipality). Tenant hereby waives California Civil Code Sections 1932(1), 1941 and 1942 and any other applicable existing or future law, ordinance or governmental regulation permitting Tenant to make repairs at Landlord's expense.

12. Additional Rent. In addition to the Base Rent required to be paid hereunder, Tenant shall pay as additional rent, the cost of tenant's trade fixtures and equipment and the cost to repair any damage to the Premises by the Tenant or any of Tenant's agents, contractors or employees, clients, visitors, or third parties, as set forth in this Section 12.

a. Tenant acknowledges that electric, water/sewer, and gas charges ("Utilities") are not separately metered. The Base Rent is inclusive of utility charges for electric, gas, water and sewer. Tenant's proportionate share for Utilities shall be and any other Property expenses payable to Landlord hereunder shall represent a fraction, the numerator of which is the rentable square footage of the Premises and the denominator of which is the total rentable area of the Property. Utility charges included in the Base Rent will be reviewed annually. If an adjustment is needed to the utility charges, proper notice will be provided to the Tenant. Telephone, Internet, and/or other utilities or services are not included in the Base Rent and shall be at Tenant's sole cost and expense. Landlord shall not be responsible for any interruptions or disturbance of service regardless of whether Tenant is paying directly for such services or if such services are being contracted for by Landlord, nor shall there be any abatement of rent resulting from any cessation or interruption of utility service or other service contemplated by this section. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future law, ordinance or governmental regulation permitting the termination of this Lease due to the interruption or failure of any services to be provided under this Lease.

b. To the extent separately assessed, billed or charged, Tenant shall pay, during the term hereof, all electric, water, gas, telephone, and other public utility charges in connection with its occupancy and use of the Premises, including all costs of operating and maintaining all equipment therein, and all business taxes and all taxes upon the property and fixtures of the Tenant. To the extent not separately assessed, billed or charged, such charges shall be subject to this Section 12. Landlord shall not be responsible for any interruptions or disturbance of service regardless of whether Tenant is paying directly for such services or if such services are being contracted for by Landlord, nor shall there be any abatement of rent resulting from any cessation or interruption of utility service or other service contemplated by this section. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future law, ordinance or governmental regulation permitting the termination of this Lease due to the interruption or failure of any services to be provided under this Lease.

c. Tenant at its own expense shall provide and maintain all trade fixtures and equipment reasonably required to enable it to conduct its business in the Premises in a business-

like manner. Tenant shall keep all trade fixtures and equipment clean and in good repair. Landlord may inspect the Premises from time to time to ensure good maintenance practices and review the current condition of the Premises pursuant to Section 22. Such fixtures and equipment shall remain the property of Tenant, and Tenant may remove or if required to do so by Landlord, shall remove the same or any part thereof upon the termination of this Lease. Prior to lease expiration or earlier termination, Tenant shall repair at its own expense any damage to the Premises caused by its removal of said fixtures or equipment. All trade fixtures and equipment installed by Tenant pursuant thereto shall not be subject to, and shall be free of any lien for payment of rent by Tenant or for the performance of any other obligation of Tenant. Tenant shall keep Tenant's fixtures and equipment insured for full replacement value.

d. Notwithstanding anything herein to the contrary, Tenant shall reimburse Landlord for the cost to repair any and all damage caused to the Premises by Tenant or any of its employees, agents, contractors, clients, visitors or third parties.

e. Revenue & Taxation Code Section 107.6 Possessory Interest Tax. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxes and that, if a possessory interest is created, Tenant shall, in accordance with this Section 12(e) hereof, be responsible for payment of property taxes levied against such possessory interest, and Tenant shall pay all such possessory interest taxes to the County Tax Assessor prior to delinquency.

13. Alterations and Liens. Tenant shall not make or cause to be made any alterations, additions, or improvements to or of the Premises or any part thereof without the prior written consent of Landlord, which may be withheld Landlord's sole and absolute discretion. If any alterations require additional changes to comply with Laws which are triggered by Tenant's alterations, all such resulting requirements to comply with Laws shall be at Tenant's expense and any Landlord consent to such alterations shall be conditioned on Tenant's payment for same. Any alterations, additions, or improvements affixed to the Premises, except furnishings, equipment, and trade fixtures, shall, at Landlord's option, become part of the real property and belong to Landlord on expiration or termination of the term and any extension thereof. If Landlord consents to the making of any alteration, additions, or improvements to the Premises, they shall be made at Tenant's sole cost and expense. Tenant shall keep the Premises free and clear of any liens or encumbrances which may arise from such work. At Landlord's option, Tenant shall, at its sole cost and expense, remove all such additions, alterations, and improvements from the Premises at the end of the term hereof and repair any damage to the Premises occasioned by such removal. If Tenant shall fail to complete such removal and repair such damage within ten (10) days after such termination, Landlord may do so and Tenant shall pay the reasonable cost thereof as additional rent within ten (10) days after Landlord shall render to Tenant a written statement therefor. In the event Tenant makes any alterations to the Premises that trigger or give rise to a requirement that the Premises come into compliance with any governmental laws, ordinances, statutes, order and or regulations (such as ADA requirements), Tenant shall be fully responsible for complying, at its sole cost and expense with same. Tenant shall file a Notice of Completion after completion of any alteration or improvement and provide Landlord with a copy thereof. Tenant shall provide Landlord with a copy of a set of "as built" drawings of any such work.

14. Assignment and Subletting. Tenant shall not either voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein,

and shall not sublet the said Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the said Premises, or any portion thereof, without first obtaining the written consent of Landlord which may be withheld in Landlord's reasonable discretion. Consent to one assignment, subletting, occupation or use by another person shall not be deemed to be consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under the terms of this Lease. No sublease or assignment shall release Tenant from continuing liability hereunder. In the event that Landlord shall consent to a sublease or assignment hereunder, Tenant shall pay Landlord reasonable attorney fees and costs incurred in connection with the processing of documents necessary to giving of such consent. Any excess consideration above the rental rate provided in this Lease Tenant is entitled to as a result of any assignment or sublease shall be divided and paid 50% to Tenant and 50% to Landlord; provided, however, that if Tenant is in default under this Lease, Landlord shall be entitled to all such excess consideration.

a. Procedures. Should Tenant desire to assign, transfer, sublet, mortgage, pledge, hypothecate or encumber this Lease or any interest therein (a "**Transfer**"), Tenant shall request, in writing, Landlord's consent to the proposed Transfer at least 60 days before the intended effective date of the proposed Transfer (which request shall be accompanied by a payment of Five Hundred Dollars (\$500.00) to reimburse Landlord for costs incurred in connection with reviewing such proposed Assignment), which request shall include any information reasonably requested by Landlord to evaluate the proposed Transfer. Within 30 days after receipt of Tenant's request for consent to the proposed Transfer together with all of the above-required information, Landlord shall respond and shall have the right to: (a) consent to the proposed Transfer; (b) refuse to consent to the proposed Transfer; or (c) terminate this Lease, such termination to be effective 30 days after Tenant's receipt of Landlord's notice electing to so terminate. If Landlord shall exercise its termination right hereunder, Landlord shall have the right to enter into a lease or other occupancy agreement directly with the proposed transferee, and Tenant shall have no right to any of the rents or other consideration payable by such proposed transferee under such other lease or occupancy agreement. A consent to one Transfer by Landlord shall not be deemed to be a consent to any subsequent Transfer to any other party.

b. Standard for Consent. Tenant agrees that Landlord may refuse its consent to the proposed transfer on any reasonable grounds, and (by way of example and without limitation) Tenant agrees that it shall be reasonable for Landlord to withhold its consent if any of the following situations exist or may exist: (a) the proposed assignee, subtenant or transferee (each a "**Transferee**") proposes to change the use of the Premises from the permitted use pursuant to Section 7; (b) the proposed Transferee's financial condition, net worth or liquidity is inadequate, based upon Landlord's reasonable business judgment consistent with generally accepted industry standards necessary to support all of the financial and other obligations of Tenant under this Lease; (c) the business reputation or character of the proposed Transferee is not reasonably acceptable to Landlord; (d) the proposed Transferee is not likely to conduct on the Premises a business of a quality substantially equal to that conducted by Tenant; (e) Tenant is in default under the Lease, or has defaulted hereunder on more than one (1) occasion during the twelve (12) months preceding the request by Tenant; (f) the proposed business plan (or past business history) of the proposed Transferee indicates a possible likelihood of detriment to any portion of the Property or to the Rent to be received by Landlord hereunder; and/or (k) the proposed

Transferee does not, in Landlord's reasonable judgment, have sufficient business experience to successfully operate in the Premises in the manner contemplated in this Lease.

15. Indemnification.

a. Waiver of Claims. To the extent permitted by law, Tenant waives all claims against Landlord for damage to person or property arising for any reason. Tenant assumes all such risks for Tenant and any employees, licensees, invitees, agents, or contractors.

b. General Indemnity. Tenant shall indemnify, protect, defend (at Tenant's sole cost and with legal counsel acceptable to Landlord) and hold harmless, Landlord and Landlord's affiliated entities, and each of their respective members, managers, partners, officers, employees, volunteers, council members, lenders, agents, contractors, successors and assigns from and against any and all claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including all court costs and attorney fees, arising at any time during or after the Term, as a result (directly or indirectly) of or in connection with (i) default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or (ii) Tenant's use of the Premises, the conduct of Tenant's business or any activity, work or things done, permitted or suffered by Tenant or Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants (individually, a "**Tenant Party**" and collectively "**Tenant Parties**") in or about the Premises, the Property, the Common Area or other portions of the Premises except as provided by law or for claims caused solely by Landlord's gross negligence or willful misconduct. Tenant's indemnity is not intended to nor shall it relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease to the extent such policies cover the results of negligent acts or omissions of Landlord, its employees, agents, volunteers, contractors, council members, board members and officers or the failure of Landlord to perform any of its obligations under this Lease. The obligations of Tenant under this Section 15(b) shall survive the termination or earlier expiration of this Lease.

c. Exemption of Landlord from Liability. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to the Premises and its property including, but not limited to, Tenant's fixtures, equipment, furniture and alterations, or illness or injury to persons in, upon or about the Premises, arising from any cause, and Tenant hereby expressly releases Landlord and waives all claims in respect thereof against Landlord, except only such claims as are caused solely by Landlord's gross negligence or willful misconduct. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the property of Tenant, or injury to or illness or death of Tenant or any Tenant Party or any other person in or about the Premises, whether such damage, illness or injury is caused by fire, steam, electricity, gas, water or rain, or from the breakage, leakage or other defects of sprinklers, wires, appliances, ventilation, plumbing, air conditioning or lighting fixtures, or from any other cause, and whether said damage, illness or injury results from conditions arising upon the Premises, upon other portions of the Property or from other sources or places, and regardless of whether the cause of such damage, illness or injury or the means of repairing the same is inaccessible to Tenant, except only damage, illness or injury caused solely by Landlord's gross negligence or willful misconduct.

16. Insurance. Tenant shall obtain and maintain at all times during the Term of this Lease insurance against claims for injuries to personal or damages to property which may arise from or

in connection with the Lease by the Tenant, its agents, representatives, employees, invitees, or subcontractors. Tenant shall provide certificates of insurance to Landlord as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by Landlord's risk manager prior to commencement of performance. Current certification of insurance shall be kept on file with Landlord at all times during the term of this contract. Landlord reserves the right to require complete, certified copies of all required insurance policies, at any time.

a. Property Insurance. During the Lease Term, Tenant shall, at Tenant's expense, maintain, or cause to be maintained, "All risk" property insurance including boiler and machinery comprehensive form, if applicable, covering damage to or loss of any of Tenant's personal property, fixtures, equipment, and alterations, including electronic data processing equipment (collectively, "Tenant's Property") and coverage for the full replacement cost thereof including business interruption of Tenant.

b. Liability Insurance. Tenant agrees to maintain in force throughout the term hereof, at Tenant's sole cost and expense, commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01 insuring against any liability for any claim for damages due to death, bodily injury or property damage related to Tenant's occupancy of the Premises, with single limit coverage of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate. Landlord shall be named as an additional insured in such policy and shall insure the performance by Tenant of its indemnity obligations herein. The policy shall provide that Tenant's insurance will operate as primary insurance and that no other insurance maintained by Landlord will be called upon to contribute to a loss hereunder which relates solely out of Tenant's operations.

c. Workers' Compensation Insurance. Tenant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

d. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against Landlord, its elected or appointed officers, agents, officials, employees, and volunteers or shall specifically allow Tenant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Tenant hereby waives its own right of recovery against Landlord

e. Notice of Cancellation. Tenant agrees to oblige its insurance agent or broker and insurers to provide to Landlord with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. Proof of such obligation shall be in the form of a special endorsement. If any of the Tenant's insurers are unwilling to provide such notice, then Tenant shall have the responsibility of notifying the Landlord immediately in the event of Tenant's failure to renew any of the required insurance coverages or insurer's cancellation or non-renewal.

f. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in

accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the Landlord's risk manager.

17. Destruction of Premises.

a. Destruction Due to Risk Covered by Insurance. If, during the term of this Lease and any renewal term, the Premises or the Property and other improvements in which the Premises are located are totally or partially destroyed from a risk covered by insurance carried by either Tenant or Landlord for the Property, rendering the Premises totally or partially inaccessible or unusable, Landlord shall restore the Premises or the Property, and other improvements in which the Premises are located, to substantially the same condition as they were immediately before destruction if they can be repaired within 270 days from date of destruction. Such destruction shall not terminate this Lease. If the existing laws do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party. Provided, however, if the cost of the restoration exceeds the amount of proceeds received from the insurance, or the estimate of time to fully restore the Premises exceeds the lesser of 270 days or the remaining Term of the Lease, Landlord can elect to terminate this Lease by giving notice to Tenant within fifteen (15) days after determining that the restoration cost will exceed the insurance proceeds.

b. Destruction Due to Risk Not Covered by Insurance. If, during the term of this Lease and any renewal term, the Premises or the Property and other improvements in which the Premises are located are totally or partially destroyed by a risk not covered by the insurance, rendering the Premises totally or partially inaccessible or unusable, Landlord can elect to terminate this Lease by giving notice to Tenant within fifteen (15) days after determining the restoration cost and replacement value.

c. Abatement or Reduction of Rent. In case of destruction, there shall be an abatement or reduction of rent between the date of destruction and the date of substantial completion of restoration based on the extent to which the destruction interferes with Tenant's use of the Premises.

d. Waiver of Civil Code Sections. Tenant waives the provisions of California Civil Code Section 1932(2) and California Civil Code Section 1933(4) with respect to any destruction of the Premises.

18. Default and Landlord's Remedies.

a. Default. The occurrence of any of the following shall constitute a default by Tenant:

(1) Tenant shall fail to pay when due any rent or any other monetary sum payable under this Lease.

(2) Tenant shall fail to observe, keep or perform any of the other terms, covenants, agreements or conditions contained in this Lease if such default continues for a period of ten (10) days after written notice by Landlord specifying the nature of the default with reasonable particularity, unless the nature of the default is such that more than ten (10) days is required to cure it and Tenant commences to cure it within such ten (10) -day period and thereafter diligently pursues it to completion.

(3) Tenant shall become bankrupt or insolvent or make a transfer in fraud of creditors, or make an assignment for the benefit of creditors, or take or have taken against Tenant any proceedings of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event any such proceedings are involuntary, Tenant is not discharged from the same within thirty (30) days thereafter.

(4) A receiver is appointed for a substantial part of the assets of Tenant, and such receivership is not released within thirty (30) days.

(5) The abandonment of the Premises by Tenant, or the vacation (hereby defined to be thirty (30) or more consecutive days of continual absence from the Premises) of the Premises by Tenant.

(6) This Lease or any estate of Tenant hereunder shall be levied upon by any attachment or execution and such levy is not released within thirty (30) days.

Notices given under this Section shall specify the alleged default and the applicable Lease provisions and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises.

b. Landlord's Remedies. If any default by Tenant shall occur, and following notice of default as required by this Lease (for the period applicable to the default under the applicable provision of this Lease), Landlord shall have the following remedies in addition to all other rights and remedies provided by law or equity, to which Landlord may resort cumulatively or in the alternative.

(1) Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall so elect to terminate this Lease, then Landlord may recover from Tenant:

(a) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in Subparagraphs (a) and (b) above of this Section, the "worth at the time of award" is computed by allowing interest at the maximum rate an individual is permitted by law to charge. As used in subparagraph (c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(2) In the event of the vacation or abandonment of the Premises by Tenant, or in the event that Landlord shall elect to reenter as provided herein or shall take possession of the Premises pursuant to legal proceeding or pursuant to any notice provided by law, then Landlord shall have the remedy specified by Civil Code Section 1951.4, in which Landlord may from time to time recover all rental as it becomes due or relet the Premises or any part thereof for the account of Tenant on such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. In the event that Landlord shall elect so to relet, then rentals received by Landlord from such reletting shall be applied first, to the payment of any indebtedness, other than rent due hereunder, owed by Tenant to Landlord; second, to the payment of any cost (including commissions) of such reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord upon demand. Tenant shall also pay to Landlord, as soon as ascertained, any and all costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(3) No reentry or taking possession of the Premises by Landlord pursuant to this Section shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

19. Signs. Tenant, at Tenant's sole expense may hang one (1) exterior banner upon the Premises. All signs and graphics of every kind visible in or from public view or corridors, or the exterior of the Premises, whether inside or outside the Premises, shall be subject to Landlord's prior written approval and shall be subject to compliance with any applicable Laws, including local sign ordinances and Historic Preservation laws. Landlord may provide, at its option, a building directory sign, for which Tenant shall pay its Proportionate Share.

20. Parking. Tenant shall have the non-exclusive use and in common with Landlord and Landlord's other tenants, no fewer than eight (8) parking spaces within the parking area owned by Landlord at and around the Premises; provided, however, that no tenant may park in an area designated, identified, and/or reserved for parking by any other tenant or tenants, if any. Should any damages to the Premises, the parking area, and/or the vehicles of Tenant or their invitees/licensees/employees be occasioned by the invitees, licensees, tradesmen, or customers of Tenant, such damage shall be repaired at Tenant's sole cost and expense. It is expressly understood and agreed the Tenant's right to the use of said parking area shall be non-exclusive and subject to the Rules and Regulations, and that Landlord reserves the right to establish and enforce other rules with respect to the use thereof, and Tenant agrees to abide by and conform to the same, as revised from time-to-time.

21. Estoppel Certificate. Tenant shall execute and deliver to Landlord within ten (10) days of request a commercially reasonable estoppel statement. Landlord and Tenant intend that any estoppel statement delivered pursuant to this Section may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the building or any interest therein and failure to execute and return such estoppel shall be a material breach of the Lease.

22. Eminent Domain. In case the whole of the Premises, or such part thereof that substantially interferes with the reasonable use of the Premises in conformance with Tenant's Permitted Use, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. In the event the amount of property or the type of estate taken shall not substantially interfere with the reasonable use of the Premises in conformance with Tenant's Permitted Use, Landlord shall be entitled to the entire amount of the award without deduction for any estate or interest of Tenant. If there is no substantial interference or if there is substantial interference, but neither party elects to terminate, Landlord shall promptly proceed to restore the Premises to substantially the same condition as the Premises existed prior to such partial taking, to the extent possible by application of the condemnation proceeds only, and a proportionate allowance shall be made to Tenant for the rent corresponding to the time during which, and to the part of the Premises of which Tenant shall be so deprived on account of such taking and restoration. Nothing contained in this Section shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant. Each party waives the provisions of California Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the premises.

23. Entry by Landlord. Landlord and its agents shall have the right to enter the Premises at reasonable times to inspect and examine the same and to make such repairs to the Premises as the Landlord shall deem advisable, and to show the Premises to prospective tenants, buyers or lenders.

24. Brokers. The parties represent that there are no brokers involved in the negotiation of this Lease or otherwise entitled to a commission or fee in connection with the transactions contemplated in this Lease. Each party hereby indemnifies, defends, and holds the other party harmless from all loss, cost, and expense (including reasonable attorneys' fees) arising out of a breach of its representation set forth in this Section 23. The provisions of this Section 23 shall survive the termination of the Lease. This Section 23 is for the benefit of Landlord and Tenant only and is not intended to give any third person, including Broker, any right of subrogation or action over or against any party to this Lease.

25. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

26. Notices. Any notice required or permitted to be given hereunder may be given by personal delivery or by United States certified mail, postage prepaid, addressed to Tenant at the

Premises and to Landlord at City of El Paso De Robles, Department of Public Works, 1000 Spring Street, Paso Robles, CA 93446, or at such other address as the Landlord shall designate in writing.

27. Waiver; Accord and Satisfaction. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such right or be construed as a waiver. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No payment by Tenant or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

28. Time is of the Essence. Time is of the essence of this Lease as to the performance of all terms, covenants, and conditions stated herein.

29. Successors and Assigns. Except as otherwise provided herein, all of the terms and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. In the event of any transfer, assignment or other conveyance or transfers of any such title or tenant, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer. Landlord may transfer its interest in the Premises without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

30. Titles and Definitions. The titles of paragraphs herein are for identification only. They shall not be considered to be a part of this Lease and shall have no effect upon the construction or interpretation thereof. The words "Landlord" and "Tenant" as used in this Lease shall include both singular, plural, masculine, feminine, and neuter as the context shall require.

31. Entire Agreement/Amendment. This Lease contains the entire agreement of the parties and supersedes all prior negotiations, drafts, and other understandings which the parties may have concerning the subject matter hereof. This Lease may not be modified except by written instrument duly executed by the parties hereto or their successors in interest.

32. Choice of Laws; Interpretation. This Lease shall be governed by and construed pursuant to the laws of the State of California. The provisions of this Lease shall be construed in accordance with the fair meaning of the language used and shall not be strictly construed against either party.

33. Authority/Consents & Approvals. Each of the persons executing this Lease on behalf of Tenant warrants and represents that Tenant is a duly organized and validly existing entity, that Tenant has full right and authority to enter into this Lease and that the persons signing on behalf of Tenant are authorized to do so and have the power to bind Tenant to this Lease. Tenant shall provide Landlord upon request with evidence reasonably satisfactory to Landlord confirming the foregoing representations. The approval of Landlord, wherever required in this Lease, shall mean the approval of the City Council or City Manager.

34. No Merger. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies.

35. Recordation. Tenant shall not record this Lease or a short form memorandum hereof without Landlord's prior written approval.

36. No Third Party Benefit. This Lease is a contract between Landlord and Tenant, and nothing herein is intended to create any third-party benefit.

37. Confidentiality. Tenant and Landlord each shall keep the terms of this Lease, including its amendments, confidential, which may not be disclosed to any third party except (i) to their respective affiliates' and investors', officers, directors, employees, lenders, attorneys, advisors and other representatives on a "need to know" basis, provided that each of Landlord and Tenant informs the same of its obligations hereunder, and Tenant and Landlord each shall be responsible for any release of such terms by such parties, or (ii) if either is compelled to disclose the terms of Lease or its amendments by law (including under the California Public Records Act, Government Code Section 6250 et seq.) or judicial process, provided each provide the other with a written notice prior to any such disclosure by judicial process. If either Landlord or Tenant or such third parties disclose such terms in violation of this Section, then Landlord and Tenant shall be entitled to recover any damages incurred as a result thereof, and pursue any remedies available at law or in equity.

38. Severability. If, for any reason whatsoever, any of the provisions hereof shall be unenforceable or ineffective, all of the other provisions shall be and remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

Exhibit A

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the day and year set forth above.

TENANT:

EARTHTONES, a California limited liability company

By: 
Mary Uebersax (Feb 7, 2024 17:51 PST)

Name: Mary Uebersax

Its: Director

LANDLORD:

CITY OF EL PASO DE ROBLES, a California municipal corporation

By: _____

Name: Ty Lewis

Its: City Manager

ATTEST:

By: _____

City Clerk

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

By: _____

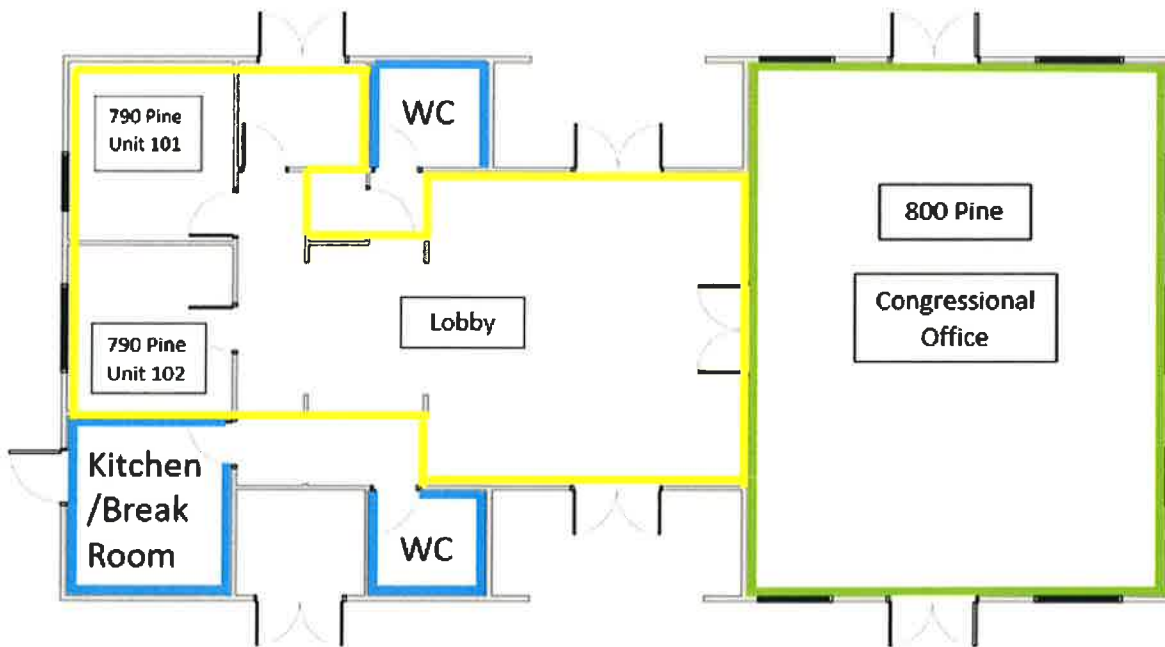
Elizabeth Hull, City Attorney

EXHIBIT A MAP OF PREMISES

Yellow = Earthtones Lease Area

Blue = Common Areas

Train Station Floorplan



1 Tenant Space Plan Diagram
1/8" = 1'-0"

SCALE 1/8" = 1'-0"






01a - Exhibit A - Lease - Train Station 790 Pine St.

Final Audit Report

2024-02-08

Created:	2024-02-08
By:	Paul Sloan (PSloan@prcity.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAuQadRaanh8e98VQjCOtNwzEdxZVEHuDE

"01a - Exhibit A - Lease - Train Station 790 Pine St." History

-  Document created by Paul Sloan (PSloan@prcity.com)
2024-02-08 - 1:13:46 AM GMT- IP address: 47.44.22.34
-  Document emailed to Mary Uebersax (muebersax61@gmail.com) for signature
2024-02-08 - 1:44:22 AM GMT
-  Email viewed by Mary Uebersax (muebersax61@gmail.com)
2024-02-08 - 1:47:59 AM GMT- IP address: 174.195.81.255
-  Document e-signed by Mary Uebersax (muebersax61@gmail.com)
Signature Date: 2024-02-08 - 1:51:36 AM GMT - Time Source: server- IP address: 174.195.81.255
-  Agreement completed.
2024-02-08 - 1:51:36 AM GMT