

**FIRST AMENDMENT TO TRIPLE NET LEASE AGREEMENT
AND CONSENT TO SUBLEASE**

This FIRST AMENDMENT TO TRIPLE NET LEASE AGREEMENT AND CONSENT TO SUBLEASE (“**Amendment**”), dated for reference purposes only as of the ___ day of ____ 2022, is entered into by and among SURPLUS PROPERTY AUTHORITY OF THE CITY OF RICHMOND, a public body corporate and politic (“**Landlord**”), and RICHMOND GROWN, LLC, a California limited liability company (“**Tenant**”), and VALANDTRA HOLDING, LLC, a California limited liability company (“Subtenant”).

R E C I T A L S:

A. Landlord and Tenant are parties to that certain Triple Net Lease dated July 25, 2019 (the “**Original Lease**”), pursuant to which Tenant currently leases from Landlord that certain 140,000 square foot building commonly known as the General Warehouse (Building 24), located at 1324 Canal Boulevard, Richmond, California 94804 (the “**Premises**”), as more particularly described in the Original Lease. The Original Lease as amended by this Amendment is referred to herein as the “**Lease**”.

B. The parties desire to amend the Lease in order to extend the term of the Lease and otherwise modify the Lease pursuant to the terms and conditions set forth below.

C. Capitalized terms which are used in this Amendment without definition have the meanings given to them in the Lease.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of such are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Section 2.3 - Memorandum of Lease. Landlord and Tenant agree that Tenant shall have the right at any time after execution of this Amendment to record a Memorandum of Lease in the form attached hereto as Exhibit A in the official records of Contra Costa County to make the Lease a matter of public record.

2. Section 3.1(a) – Term and Section 3.1 (b) – Extension Options. Notwithstanding the terms of Section 3.1(a) of the Lease, the initial Term of the Lease shall be fifty-five (55) years commencing measured from March 1, 2022, expiring February 28, 2077. Notwithstanding the terms of Section 3.1(b) of the Lease, Tenant shall have no Extension Options to extend the initial Term of the Lease and all of Section 3.1(b) is hereby deleted.

3. Modification to Section 5.8(b)(iv)(a). The restriction on the extent of cultivation of cannabis allowed at the Premises contained in Section 5(b)(iv) subpart (a) is hereby deleted and shall be of no further force or effect.

4. Modification to Section 6.1. The first sentence of Section 6.1 of the Lease is hereby amended to read as follows:

“Landlord understands and agrees that Tenant shall have the right to finance Tenant’s leasehold interest in the Lease and the Premises, provided in no event shall Tenant have the right to, nor shall, Tenant encumber Landlord’s interest in the Lease or Landlord’s fee

title interest in the Premises and/or the Project and at no time shall Landlord's fee title interest in the Premises or Landlord's interest in the Lease be subjected or subordinated in any manner to the interests of any mortgagee, trust deed holder, or any other lienholder of Tenant or any person claiming by or through Tenant. Tenant agrees to provide Landlord with copies of any proposed leasehold financing documentation, the terms thereof and information regarding any leasehold mortgagee, each for Landlord's review and prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed."

5. Sponsor Program Contribution. Promptly following the execution of this Amendment by Tenant and the City and Tenant's funding of the Construction Escrow Amount as provided in the Construction Agreement Exhibit C to the Lease, and as a condition to recordation of the Memorandum of Lease as to the initial tranche, Tenant will fund \$350,000.00 to City to be held and disbursed in its Community Benefits Fund pursuant to Richmond Municipal Code Section 15.04.816.060 ("Ordinance"), as it may be amended from time to time, or pursuant to any implementing regulations. These funds will be provided by Tenant on the following schedule: \$100,000.00 upon the full execution of this Amendment, \$100,000.00 the next two anniversaries of that date, then \$50,000 on the third anniversary of the initial disbursement. Upon the disbursement of any of the aforesaid funds to City, Tenant shall have no further legal or beneficial interest in said funds which shall become the property of City under distributed under the Ordinance.

6. Consent to Sublease and Related Agreements.

(a) Sublease. Pursuant to that certain Single-Tenant Commercial/Industrial Lease" dated April 28, 2021, between Tenant, as "Landlord" and Culture Cannabis Club, LLC, a California limited liability company, as "Tenant" ("**Subtenant**") for the entirety of the Premises, as amended by a Second Addendum to Lease, a Third Addendum to Lease, a Fourth Addendum to Lease and a Fifth Addendum to Lease Tenant has subleased the Premises (as amended, collectively, the "**Sublease**"). Subtenant is now known as Valandra Holding LLC.

(b) Consent. Landlord hereby consents to the Sublease and to the Subtenant's Permitted Use as set forth in Section 1.10 of the Sublease, subject to and on the terms and conditions contained in this Amendment ("**Consent**"). The Consent is not assignable. Except as expressly provided in this Consent, this Consent shall not:

(i) operate as a representation or warranty by Landlord and Landlord shall not be bound or estopped in any way by the provisions of the Sublease;

(ii) be construed to modify, waive or affect (i) any of the provisions, covenants or conditions in the Lease, (ii) any of Tenant's obligations under the Lease, or (iii) any rights or remedies of Landlord under the Lease or otherwise or to enlarge or increase Landlord's obligations or Tenant's rights under the Lease or otherwise; or

(iii) be construed to waive any present or future breach or default on the part of Tenant under the Lease.

(c) Notwithstanding anything to the contrary contained in the Sublease, the Sublease shall at all times be subject and subordinate to the Lease and all of its provisions, covenants and conditions. Subtenant shall not commit or permit to be committed any act or omission which shall violate any term or condition of the Lease. In case of any conflict between the provisions of the Lease and the provisions of the Sublease, the provisions of the Lease shall prevail unaffected by the Sublease. Subtenant acknowledges

that it has received from Tenant, and reviewed, a full and complete copy of the Lease. Except as expressly provided in this Consent, this Consent shall not operate as a consent to, or approval or ratification by Landlord of, any of the provisions, covenants or conditions of the Sublease (other than the actual demise of the Premises to Subtenant from Tenant). In furtherance of the preceding sentence, but without limiting the generality thereof, Landlord shall in no event be bound or estopped by any of the provisions, covenants and/or conditions of the Sublease. Neither this Consent, nor the Sublease, nor any acceptance of rent by Landlord from Subtenant, shall be deemed to grant Subtenant any rights whatsoever against Landlord.

(d) Neither the Sublease, nor this Consent thereto, nor any acceptance of rent by Landlord from Subtenant, shall release or discharge Tenant from any liability under the Lease and Tenant shall remain primarily liable and responsible for the full performance and observance of all of the provisions, covenants and conditions set forth in the Lease on the part of the Tenant to be performed and observed. Any act or omission by Subtenant (or Subtenant's employees, agents, contractors, representatives and/or invitees) which would otherwise constitute a breach or violation of any provision of the Lease if committed by Tenant, or its employees, agents, contractors, representatives and/or invitees, shall be deemed to be and shall constitute a breach or violation by Tenant of any such provision of the Lease.

(e) This Consent by Landlord shall not be construed as a consent to (A) any further subletting of the Premises, or any part thereof (including, without limitation, any sub-sublet of the Premises), or (B) any assignment of any interest in the Lease or Sublease either by Tenant or Subtenant. Notwithstanding anything to the contrary contained in the Lease and/or the Sublease, neither the Lease nor the Sublease may be modified, amended, assigned (whether by operation of law, or otherwise, and provided that the sale, assignment, transfer or hypothecation of more than 49% of the ownership interests of Subtenant shall be deemed a prohibited assignment), renewed or extended, nor shall the Lease or the Premises, or any part thereof, be further sublet, sub-sublet or occupied by persons or entities other than Subtenant, without the prior written consent of Landlord in each instance, which consent Landlord shall not unreasonably withhold, condition or delay, and provided in all events the provisions of Section 15.2 shall govern as to the rent and charges to be charged by Tenant to any Occupants of the Premises or any portion thereof.

(f) Upon the expiration or any earlier termination of the term of the Lease, or in case of the surrender of the Lease by Tenant to Landlord, except as provided in the following sentence, the Sublease and its term shall expire and come to an end as of the effective date of such expiration, termination, or surrender and Subtenant shall vacate the Premises on or before such date. If the Lease shall expire or terminate during the term of the Sublease for any reason other than condemnation or destruction by fire or other cause, or if Tenant shall surrender the Lease to Landlord during the term of the Sublease, Landlord, in its sole and absolute discretion (upon written notice given to Subtenant not more than thirty (30) days after the effective date of such expiration, termination or surrender and without any additional further agreement of any kind on the part of the Subtenant), may elect to continue the Sublease with the same force and effect as if Landlord, as lessor, and Subtenant, as lessee, had entered into a lease as of such effective date for a term equal to the then unexpired term of the Sublease and containing the same terms and conditions as those contained in the Sublease. In such event, Subtenant shall attorn to Landlord and Landlord and Subtenant shall have the same rights, obligations and remedies thereunder as were had by Tenant and Subtenant thereunder prior to such effective date, respectively, except that in no event shall Landlord be (a) liable for any act or omission of Tenant, (b) subject to any offsets or defenses which Subtenant had or might have against Tenant, (c) bound by any rent, additional rent or other payment paid by Subtenant to Tenant in advance, nor obligated to recognize, or liable in any way for, any security deposit delivered by Subtenant to Tenant or (d) bound by any amendment to the Sublease not consented to by Landlord. Upon expiration of the Sublease pursuant to the provisions of the first sentence of this Section 6, in the event of the failure of Subtenant to vacate the Premises as therein provided, (i) Landlord shall be entitled to all the rights and remedies available to a landlord against a tenant holding over after the expiration

of a term and (ii) Tenant shall be liable to Landlord for all costs, losses, expenses or liability, including lost rent, damages due to the unavailability of the Premises to new tenants and attorneys' fees, incurred by Landlord as a result of Subtenant's failure to vacate and surrender the Premises upon the expiration or termination of the Lease and Tenant shall indemnify and defend Landlord against such costs.

(g) Upon the expiration or any earlier termination of the term of the Lease, or in case of the surrender of the Lease by Tenant to Landlord, except as provided in the following sentence, the Sublease and its term shall expire and come to an end as of the effective date of such expiration, termination, or surrender and Subtenant shall vacate the Premises on or before such date. If the Lease shall expire or terminate during the term of the Sublease for any reason other than condemnation or destruction by fire or other cause, or if Tenant shall surrender the Lease to Landlord during the term of the Sublease, Landlord, in its sole and absolute discretion (upon written notice given to Subtenant not more than thirty (30) days after the effective date of such expiration, termination or surrender and without any additional further agreement of any kind on the part of the Subtenant), may elect to continue the Sublease with the same force and effect as if Landlord, as lessor, and Subtenant, as lessee, had entered into a lease as of such effective date for a term equal to the then unexpired term of the Sublease and containing the same terms and conditions as those contained in the Sublease. In such event, Subtenant shall attorn to Landlord and Landlord and Subtenant shall have the same rights, obligations and remedies thereunder as were had by Tenant and Subtenant thereunder prior to such effective date, respectively, except that in no event shall Landlord be (a) liable for any act or omission of Tenant, (b) subject to any offsets or defenses which Subtenant had or might have against Tenant, (c) bound by any rent, additional rent or other payment paid by Subtenant to Tenant in advance, nor obligated to recognize, or liable in any way for, any security deposit delivered by Subtenant to Tenant or (d) bound by any amendment to the Sublease not consented to by Landlord. Upon expiration of the Sublease pursuant to the provisions of the first sentence of this Section 6, in the event of the failure of Subtenant to vacate the Premises as therein provided, (i) Landlord shall be entitled to all the rights and remedies available to a landlord against a tenant holding over after the expiration of a term and (ii) Tenant shall be liable to Landlord for all costs, losses, expenses or liability, including lost rent, damages due to the unavailability of the Premises to new tenants and attorneys' fees, incurred by Landlord as a result of Subtenant's failure to vacate and surrender the Premises upon the expiration or termination of the Lease and Tenant shall indemnify and defend Landlord against such costs.

(h) Tenant hereby assigns and transfers to Landlord, as security for Tenant's obligations under the Lease, all of Tenant's right, title and interest in all rentals and income arising from the Sublease, subject, however, to the following terms of this Section 5(h):

(i) Landlord agrees that until a default shall occur in the performance of Tenant's obligations under the Lease, Tenant may receive, collect and enjoy the rents accruing under the Sublease. However, if a default shall occur in the performance of any of Tenant's obligations under the Lease beyond applicable notice and cure periods provided therein, then Landlord may, at its option, receive and collect, directly from Subtenant, all rent then owing and thereafter becoming due and payable under the Sublease as such rent shall become due and payable under the Sublease. All such rent payable under the Sublease so collected by Landlord shall be applied against any rent payable by Tenant to Landlord under the Lease. So long as the Lease remains in effect, any excess amounts collected under the Sublease, after discharge of all of Tenant's obligations under the Lease, shall be refunded promptly by Landlord to Tenant. Landlord shall not, by reason of the collection of rents from Subtenant, be deemed liable to Subtenant for any failure of Tenant to perform and comply with Tenant's obligations under the Lease or the Sublease. Nothing contained herein shall be deemed to create any right of Tenant to the refund of any rents or other amounts paid or payable to Landlord by Subtenant arising or accruing after the expiration or earlier termination for any reason of the Lease.

(ii) Tenant hereby irrevocably authorizes and directs Subtenant, subject to the provisions of Section 5(h)(i)) hereof, upon receipt of any written notice from Landlord stating that a default exists in the performance of Tenant's obligations under the Lease beyond applicable notice and cure periods under the Lease, to pay to Landlord the rents and other amounts due and to become due under the Sublease as such rents and other amounts shall become due and payable under the Sublease. Tenant agrees that Subtenant shall have the right to rely upon any such statement and request from Landlord, and that Subtenant shall pay such rents and other amounts to Landlord without any obligation or right to inquire as to whether such default exists and notwithstanding any notice or claim from Tenant to the contrary and Tenant shall have no right or claim hereunder against Subtenant for any such rents or other amounts so paid by Subtenant. Tenant agrees that payments to Landlord shall satisfy and discharge Subtenant's obligation for the payment of rent and other amounts due under the Sublease to the full extent of such payments made to Landlord.

(i) Subtenant hereby agrees and acknowledges that, notwithstanding anything to the contrary contained in the Sublease: (a) Subtenant shall at all times strictly comply with the insurance requirements and all other terms and conditions of Section 10.3 of the Lease (without limiting the generality of the foregoing, Subtenant shall name Landlord, and such other persons or firms with insurable interests as Landlord specifies from time to time, as additional insureds in accordance with Section 10.3 of the Lease); (b) any consent sought by Subtenant from Tenant must first be sought and obtained from Landlord, subject to the terms and conditions of the Lease; and (c) Subtenant shall provide to Landlord copies of any and all notices that it provides to Tenant.

7. Broker. Tenant hereby represents and warrants to Landlord that it is not aware of any brokers, agents or finders, representing Landlord or Tenant, who may claim a fee or commission in connection with the consummation of the transactions contemplated by this Amendment. If any claims for brokers' or finders' fees in connection with the transactions contemplated by this Amendment arise, then Tenant agrees to indemnify, protect, hold harmless and defend Landlord (with counsel reasonably satisfactory to Landlord) from and against any such claims if they shall be based upon any statement, representation or agreement made by Tenant.

8. Authority. Each signatory of this Amendment on behalf of Tenant represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

9. Successors and Assigns. This Amendment shall extend to, be binding upon, and inure to the benefit of, the respective successors and permitted assigns and beneficiaries of the parties hereto.

10. No Other Modification. Landlord and Tenant agree that except as otherwise specifically modified in this Amendment, the Lease has not been modified, supplemented, amended, or otherwise changed in any way and the Lease remains in full force and effect between the parties hereto as modified by this Amendment. To the extent of any inconsistency between the terms and conditions of the Lease and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall apply and govern the parties. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Amendment. For purposes of this Amendment, signatures by facsimile or electronic PDF shall be binding to the same extent as original signatures.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, Landlord, Tenant, and Subtenant have caused this Amendment to be executed the date first above written.

TENANT:

RICHMOND GROWN, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

SUBTENANT:

VALANDTRA HOLDING, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

LANDLORD:

SURPLUS PROPERTY AUTHORITY OF THE CITY OF RICHMOND,
a public body corporate and politic

By: _____

Name: _____

Title: _____

Recording Requested by:
And When Recorded Return to:

City of Richmond

Richmond, CA 94804
Attn: City Clerk

Space above this line for recording use

Free Recording – Government Code 6103 and 27383

THE UNDERSIGNED GRANTOR DECLARES

DOCUMENTARY TRANSFER TAX is \$ _____

 x computed on full value of property conveyed; or

 computed on full value less value of liens or encumbrances remaining at time of sale.

SB 2 FEE – EXEMPT PURSUANT TO GOVERNMENT CODE SECTION 27388.1(a)(2)(D)

MEMORANDUM OF TRIPLE NET LEASE AGREEMENT

This MEMORANDUM OF TRIPLE NET LEASE AGREEMENT (this “**Memorandum**”) is made and entered into as of _____, 2022 (the “**Effective Date**”), by and between the SURPLUS PROPERTY AUTHORITY OF THE CITY OF RICHMOND, a public body corporate and politic (“**Landlord**”), as Landlord, and RICHMOND GROWN, LLC, a California limited liability company (“**Tenant**”), as Tenant.

RECITALS:

A. Landlord and Tenant are parties to that certain Triple Net Lease dated July 25, 2018 as amended by First Amendment to Lease and Consent to Sublease dated as of _____, 2022 (the “**First Amendment**” and as amended, the “**Lease**”), pursuant to which Tenant currently leases from Landlord that certain 140,000 square foot building commonly known as the General Warehouse (Building 24), located at 1324 Canal Boulevard, Richmond, California 94804 (the “**Premises**”), as more particularly described in on **Exhibit A** and depicted on **Exhibit B**, each of which exhibits is attached hereto and made a part hereof. The Premises is located at the Point Potrero Marine Terminal. A copy of the Lease is available for public inspection at the office of the City Clerk of the City of Richmond, Richmond, CA 94804.

B. The term of the Lease commenced on July 25, 2019, and as extended by the First Amendment continues for fifty five (55) years measured from March 1, 2022, expiring February 28, 2057.

C. Landlord and Tenant desire that a short form memorandum of the Lease shall be executed and recorded in the Official Records of Contra Costa County, California.

A G R E E M E N T:

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

1. **Lease.** Landlord, pursuant to the Lease, hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises upon the terms and conditions and subject to the terms, conditions, and requirements set forth in the Lease. The provisions of the Lease are incorporated into this Memorandum by this reference as if set out in full herein.

2. **Purpose of Memorandum.** The purpose of this Memorandum is to provide notice of the Lease. This Memorandum is not a complete summary of the Lease and shall not be used to interpret the provisions of the Lease and in no way modifies the terms and provisions of the Lease. In the event of any inconsistency between the terms of the Lease and the terms of this Memorandum, the terms of the Lease shall prevail..

3. **Counterparts.** This Memorandum may be executed in counterparts, each of which shall be an original and all of which together shall constitute one fully executed document.

4. **Quitclaim Deed.** Upon the expiration or sooner termination of the Lease, Tenant hereby covenants to promptly execute a Quitclaim Deed relinquishing to Landlord any interest of Tenant in the Premises.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Memorandum of Ground Lease Agreement as of the Effective Date.

TENANT:

RICHMOND GROWN, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

[Signatures continued on following page. The remainder of this page is left blank intentionally.]

LANDLORD:

SURPLUS PROPERTY AUTHORITY OF THE CITY OF RICHMOND,
a public body corporate and politic

By: _____

Name: _____

Title: _____

ATTEST:

APPROVED AS TO FORM:

By: _____
_____, City Clerk

APPROVED AS TO FORM:

_____, LLP

By: _____
_____, City Attorney

LANDLORD ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 2022, before me, _____,
(insert name of notary)

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

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

WITNESS my hand and official seal.

Signature_____

(Seal)

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

On _____, 2022, before me, _____,
(insert name of notary)

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

Signature_____

09683\002\9058097.v7

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

EXHIBIT B
DEPICTION OF PREMISES