

470 Assignment of Lease

New Leaf Enterprises, Inc., a Washington Corporation, herein called the "Assignor", in consideration of the sum of one dollar (\$1.00), effective immediately upon approval of the transaction by the WSLCB, assigns its interest in the lease, and all amendments made to the lease (together, the "Lease"), a copy of which is attached hereto as Exhibit A, to 6858 Real Estate, LLC., a Washington Limited Liability Company, herein called the "Assignee".

The Assignee, or its successors or assigns shall have all of the rights granted to the Assignor in the Lease for the remaining term stated therein. The Assignee acknowledges that it assumes all obligations incurred by the Assignor or its principals in the Lease, other than with respect to the personal guarantee made in Section 34 of the Lease (the "Guarantee"), which will remain in effect for the term of the Lease.

By signing this agreement South Kenyon Street Holdings, LLC, a Washington Limited Liability Company, herein called "Landlord", grants written consent to this Assignment pursuant to section 23 of the Lease.

IN WITNESS WHEREOF, the Assignor, Assignee, and Landlord execute this Agreement.

Landlord:

SOUTH KENYON STREET HOLDINGS, LLC, a Washington Limited Liability Company

By: "Lee White"
Name: Lee White
Title: Managing Member

Notary Certification

[Notary certification redacted.]

Assignor:

NEW LEAF ENTERPRISES, INC., a Washington Corporation

By: "Dax Colwell"

Name: Dax Colwell

Title: President

Notary Certification

[Notary certification redacted.]

Assignee:

6858 Real Estate, LLC,, a Washington Limited Liability Company

By: "Robert Dax Colwell"

Name: Robert Dax Colwell

Title: Manager

Notary Certification

[Notary certification redacted.]

EXHIBIT A - LEASE

ORIGINAL

Absolute Net Lease Agreement

This Commercial Lease Agreement ("Lease") is made and effective May 6th, 2013, by and between South Kenyon Street Holdings, LLC, a Washington Limited Liability Company ("Landlord") and New Leaf Enterprises, Inc. a Washington corporation ("Tenant"). Landlord is the owner of land and improvements commonly known and numbered as 470 S. Kenyon St., Seattle WA 98134 (the "Building") and legally described as follows:

[Legal property identifier redacted.]

Landlord makes available for lease the entire Building, approximately 19,200 sq. ft. (the "Leased Premises"). Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. Term and Option Renewal.

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning June 1, 2013 and ending May 31, 2018 (60 months) Landlord shall allow tenant to occupy space upon execution of this agreement.

B. Tenant may renew the Lease for two (2) extended terms of Five Years (5). Tenant shall exercise such renewal option, if at all; by giving written notice to Landlord not less than ninety (90) days prior to the expiration of the Initial Term. The rent during each year of the renewal term and or option years shall adjust 5% annually.

2. Base Rental and Triple Net.

A. Tenant shall pay rent to Landlord the sum of Seventeen Thousand Five Hundred Dollars per month, beginning June 1, 2013 continuing until May 31, 2015. On June 1, 2015 the rent shall increase 5% and the same on each calendar year thereafter. Each installment payment shall be due in advance, payable in cash or cashier's check on the first day of each calendar month during the lease term to Landlord at: [address redacted.] or at such other place designated by written notice from Landlord. In the event the monthly rental amount is not received by landlord by the 5th day of the month then it is considered late and landlord will charge to tenant a late fee of 5% of the unpaid balance. If after receipt of notice from landlord to tenant of the late fee and the unpaid balance continues 5 days thereafter then the unpaid balance shall accrue a daily penalty of \$100.00 until paid.

B. Tenant shall also pay its pro rata share of triple net charges which shall consist of real property taxes and building insurance. All other costs shall be directly paid for by tenant.

3. Prepaid Rent

Tenant shall pay to Landlord first month's rent, \$17,500.00 (Seventeen Thousand Five Hundred Dollars) and last months rent \$20,258.43 (Twenty Thousand Two Hundred fifty Eight Dollars and

Forty Three Cents) plus first months triple net charges of \$1,416.66 (\$14,000 taxes & \$3,000 Insurance / 12=\$1,416.66)

4. **Security Deposit / Lease Performance**

Tenant shall also pay to Landlord a "Security Deposit/Lease Performance" payment of \$35,000.00 (Thirty Five Thousand Dollars - two months rent.) To be used as per section 17 and 31.

5. **Use**

Wholesale production, distribution and cultivation of nursery grown plants and associated nursery products. In addition tenant shall use the space for general office use.

6. **Sublease and Assignment**

Tenant shall not sublet or assign this lease without landlord's prior written consent, which may not be unreasonably withheld. In the event of assignment then an administrative fee of \$1,000 shall be payable to lessor.

7. **As Is**

Tenant accepts the space "as is where is". Landlord shall not be responsible for any alterations or improvements during the lease term except damage to walls and foundation. All HVAC, heating, roofing repairs and or replacement shall be the responsibility of tenant. During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, subject to the obligations of the parties otherwise set forth in this Lease.

8. **Alterations and Improvements**

Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations inside the Leased Premises, and fasten the same to the inside of the leased premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense. Landlord agrees to assist tenant in dividing the building in such a way as to be able to have two separate addresses. In addition Landlord agrees to enter into two separate leases, split as tenant desires, provided that the terms of both lease are more or less the same.

9. **Property Taxes**

Property taxes shall be paid for by landlord from tenants monthly pro-rata payment of the triple net charges.

10. Insurance.

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

B. Tenant shall maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities in the Building and for the leased premises with the premiums thereon fully paid on or before due date, such insurance to afford minimum protection of not less than [amount redacted] combined single limit coverage of bodily injury, property damage or combination thereof. Tenant shall name Landlord or landlord's lender as additional insured.

11. Utilities.

Tenant shall have all utilities transferred into tenants name and shall pay directly the cost of all utilities.

12. Signs.

Tenant may, at its own expense erect the maximum amount of signage tenant desires provided that such is done in accordance with city requirements.

13. Entry.

Landlord shall have the right to enter upon the Leased Premises, accompanied by tenant, with reasonable notice, at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

14. Parking.

Parking is directly in front of the leased premises, up against the building and behind the building.

15. Building Rules.

None

16. Damage and Destruction.

Subject to Section 8 above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in

advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

17. Default.

If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

18. Quiet Possession.

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease, Tenants agrees to the same.

19. Condemnation.

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

20. Subordination.

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute

and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require. In addition tenant shall provide to landlord upon request from same a copy of tenants most recent financial statement and last years P&L statement.

21. Security Deposit.

The Security Deposit shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. Unless otherwise provided by mandatory non-waivable law or regulation, Landlord may commingle the Security Deposit with Landlord's other funds. Landlord may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Tenant hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. If Tenant is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by Landlord to Tenant. If Landlord transfers its interest in the Premises during the term of this Lease, Landlord may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

22. Non-Disclosure

Neither tenant nor landlord shall disclose the terms of this agreement to any outside appraisal agencies and or brokers.

23. Termination.

See default under section 15 and 31.

24. Brokers.

Neither tenant nor landlord was represented by any brokers.

25. Waiver.

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

26. Memorandum of Lease.

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

27. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

28. Successors.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

29. Consent.

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

30. Performance.

If there is a default with respect to any of Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lesser of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand.

31. Compliance with Law.

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises. Following the commencement date, either party may terminate this lease upon ninety (90) days prior written notice to the other party if there is an enactment of State or Federal legislation or regulation which prohibits or materially restricts the permitted use or if the enforcement policy or existing laws could possibly result in adverse consequence to the person or business interest of either the landlord or the tenant. In the event of termination by tenant then the security deposit/lease performance payment shall be forfeited and tenant shall have no further obligation to landlord for the payment of rent or triple net upon the expiration of the ninety day period. Tenant shall still restore the building in the same condition as per section 8 above.

32. Notice.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord:

[Address for notice redacted.]

If to Tenant:

[Address for notice redacted.]

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

33. Governing Law.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Washington.

34. Personal Guarantee

By signing below tenant agrees to personally guarantee the full and specific performance of this lease and the full payment of the rent as contained within this agreement for the lease term and the same for any renewal periods entered into.

35. Additional Expenses.

In addition to the base rent, tenant shall be responsible for the payment all operating expenses for the building and maintenance of the building directly. There shall be no management fee charged.

36. Right of First Refusal.

Tenant shall have a "right of first refusal" to buy the property from landlord. In the event that landlord elects to sell the building and or receives a bona fide third party offer from another buyer then tenant shall have the right to buy the building on the same terms and conditions as the third party offer. Tenant shall have 30 days from notice from landlord and delivery of a copy of the third party offer to exercise tenants' right. Closing of said sale shall be 60 days from receipt of notice.

37. Final Agreement

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

BY:

[Signatures redacted.]

[Notary certification redacted.]

[Notary certification redacted.]

1st Lease Amendment

The mutually executed lease agreement, dated May 6th, 2013 between South Kenyon Street Holdings, LLC (Lessor) and New Leaf Enterprises, Inc. (Lessee) is hereby amended as follows:

1) Section 10 shall be deleted and replaced with the following:

a. Tenant's Liability Insurance. *During the Lease term, Tenant shall pay for and insure the value of the building, maintain commercial general liability insurance with broad form property damage and contractual liability endorsements on the leased building that tenant occupies. This policy shall name Landlord as additional insured using an endorsement form acceptable to Landlord, and shall insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than [amount redacted] and a deductible of not more than [amount redacted]. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord.*

b. Miscellaneous. *Tenant's insurance required under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the state in which the Premises are located. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days prior written notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of rent hereunder.*

c. Waiver of Subrogation. *Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by property insurance required to be carried or otherwise carried*

by each of them. Each party shall provide notice to the property insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective property insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such property policies or to the extent of liabilities exceeding the limits of such policies.

Agreed to by the following:

BY: _____
Lessee

Date

BY: _____
Lessor

Date

STATE OF WASHINGTON

)

) **ss.**

COUNTY OF

)

On this day _____ personally appeared before and said person acknowledged that he/she signed this _____, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____, _____, _____

Notary Public in and for the State of Washington

My appointment expires:

STATE OF WASHINGTON

)

) **ss.**

COUNTY OF

)

On this day _____ personally appeared before and said person acknowledged that he/she signed this _____, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____, _____, _____

Notary Public in and for the State of Washington

My appointment expires:

2nd Lease Amendment

The mutually executed lease agreement, dated May 6th, 2013 between South Kenyon Street Holdings, LLC (Lessor) and New Leaf Enterprises, Inc. (Lessee) is hereby amended as follows:

Recitals:

- Lessee needs to apply for a change a change of use permit with the city of Seattle which would allow Lessee to conduct Lessees business in Lessors building that Lessee currently leases from Lessor. Currently the zoning does not allow for Lessee to use the space under current zoning rules. In order for the Lessee to obtain the Change of Use Permit the city of Seattle requires the Lessor to enter into an agreement with the city of Seattle known as a "Covenant Consenting to Formation of a Local Improvement District" and additionally a document known as "Statement of Financial Responsibility/Agent Authorization"
- Lessor has leased the space to Lessee "as is where is", Lessee took space on that basis. If Lessor were to enter into this agreement with the city of Seattle then Lessor would be forced to incur additional expenses for such. Lessor has no desire to do this unless Lessee guarantees that Lessee will be responsible for all costs associated with the "Covenant Consenting to Formation of a Local Improvement District" agreement and the full cost of any legal representation necessary to indemnify Lessor. The document known as "Statement of Financial Responsibility/Agent Authorization" lists who the financial responsible party is.

It is hereby agreed as follows:

- 1) Lessor agrees to allow Lessee to seek a change of use permit and execute necessary documents as needed provided that Lessee guarantees that Lessee will be responsible for all costs associated with the "Covenant Consenting to Formation of a Local Improvement District" agreement and "Statement of Financial Responsibility/Agent Authorization" the full cost of any legal representation necessary to indemnify Lessor from any risk of loss in the value of Lessors property, the cost of implantation of this agreement, any costs whatsoever with the change of use permit and the building. Any costs required of Lessor by the city of Seattle shall be paid for by Lessee. If Lessor should have to retain legal representation to enforce Lessors rights then those costs shall be paid for by the Lessee. In addition Lessee shall indemnify Lessor from any risk of loss in value of Lessors property, the cost of implantation of this agreement; any costs whatsoever with the change of use permit and the building.
- 2) The "Covenant Consenting to Formation of a Local Improvement District" is hereby attached as Exhibit A and the "Statement of Financial Responsibility/Agent Authorization" attached as exhibit B for reference purposes only.

Signatures on following page

Agreed to by the following:

[Signatures redacted.]

[Notary certification redacted.]

[Notary certification redacted.]

Exhibit A

Covenant Consenting to Formation of a Local Improvement District

WHEREAS.

Hereinafter referred to as "Owner", owns certain property within the City of Seattle legally described as follows:

WHEREAS, Owner has applied for a permit(s) from the City of Seattle which will require, as a condition of approval of the permit(s), either that certain improvements be made to public rights-of-way or, in lieu of making the improvements, that the Owner execute a covenant consenting to the formation of a local improvement district for the improvement of such rights of way; and

WHEREAS, Owner has agreed to execute a covenant consenting to the formation of such a local improvement district in lieu of completing the improvements to the public rights of way adjacent to Owner's property;

NOW THEREFORE, as a condition of issuance of applicable City permit(s) pursuant to Title 23 of the Seattle Municipal Code and in lieu of constructing certain public right-of-way improvements, Owner consents to the formation of a local improvement district, hereafter formed by the City or other property owners for the improvement of the following right(s)-of-way or portions thereof:

Indicate Rights-of-Way:
Site Address:
Project Number:

Improvements which may be provided include:

The installation of all public facilities required to improve the street or alley to City design standards including grading, drainage, pavement, curb/gutter, sidewalk, streetlights, traffic signals, street trees and other necessary appurtenances. Such street or alley for improvements shall not be limited to the half street or alley abutting the property for example, where no permanent street or alley improvements exists, the street or alley improvement shall be extended beyond the centerline a sufficient distance (10 foot minimum) to permit safe movement of traffic.

Owner specifically waives his or her right to protest formation of a local improvement district under RCW 35.45.161.

This Covenant waives legal protest only to formation of a local improvement district and does not affect Owner's rights to comment upon proposed public improvements or object to the owner's individual assessment therefore.

The City shall deliver a signed release of this Covenant to Owner after completion of public improvements as described above and after transmittal of the final assessment roll to King County.

This Covenant shall be a covenant touching, concerning and running with the land and shall be binding on Owner's heirs, assigns and successors in interest; however, in no event shall this Covenant be valid and binding after expiration often (10) years after the date of its execution.

IN WITNESS WHEREOF, Owner(s) has hereunto executed this Covenant this _____ day of _____, 20_____.

(Owner)

BY:

Its:

BY:

Its:

DECLARATION:

Know all people by these presents that we the undersigned, owner(s) in fee simple [and contract purchaser(s)] of the land herein described do hereby consent to a covenant forming a local improvement district, and that said covenant is made with the free consent and in accordance with the desire of the owner(s).

In Witness whereof we have set our hands and seals.

NAME _____ NAME _____

STATE OF WASHINGTON,)
County of _____) ss.

On this day personally appeared before me _____
to me known to be the _____ of _____
the Corporation that executed the within and foregoing instrument and acknowledged
the said instrument to be the free and voluntary act and deed of said Corporation, for the
uses and purposes therein mentioned, and on oath stated that _____ is
authorized to execute the said instrument and that the seal affixed is the corporate seal
of said corporation.

GIVEN under my hand and official seal this _____ day of _____, 20_____.

PRINT NAME:

NOTARY PUBLIC in and for the State of Washington
residing at:

Commission Expires:

DECLARATION:

Know all people by these presents that we the undersigned, owner(s) in fee simple [and contract purchaser(s)] of the land herein described do hereby consent to a covenant forming a local improvement district, and that said covenant is made with the free consent and in accordance with the desire of the owner(s).

In Witness whereof we have set our hands and seals.

NAME _____ NAME _____

STATE OF WASHINGTON,)
) SS.
County of _____)

On this day personally appeared before me _____
to me known to be the individual(s) that executed the within and foregoing instrument
and acknowledged the said instrument to be the free and voluntary act and deed of said
individuals, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____, 20_____.

PRINT NAME:

NOTARY PUBLIC in and for the State of Washington
residing at:

Commission Expires:

3rd Lease Amendment

The mutually executed lease agreement, dated May 6th, 2013 between South Kenyon Street Holdings, LLC (Lessor) and New Leaf Enterprises, Inc. (Lessee) is hereby amended as follows:

Recitals:

- Lessor has leased the space to Lessee "as is where is", Lessee took space on that basis.
- Lessee would like to remove the overhead 5 ton bridge crane and dispose of it, at Lessees cost.
- Lessor has determined that removal of the crane would devalue Lessors building and make it more difficult to land credible tenants in the event of vacancy.
- Lessee would also like to permanently seal off and or remove the northern roll up door and the eastern roll up door and remove electronic openers.
- Lessor has determined that the closure of such would be result in the Lessor having to re-open the doors upon Lessees vacancy.

It is hereby agreed as follows:

- 1) Lessor would be willing to allow Lessee to remove the crane and dispose of it and remove/close off roll up doors provided Lessee agrees to the following:
 - A) *Lessor shall establish a fund, which will be paid into on a monthly basis by Lessee, an amount of money sufficient to replace the crane and re-open the roll up doors in the event Lessee vacates the building upon lease expiration or lease cancellation, whichever comes first. Such monies shall be held by Lessor.*
 - B) *The estimated amount of the fund shall be \$200,000. Of this \$160,000. (One hundred sixty thousand dollars) will be used to replace the crane and \$40,000. (forty thousand dollars) will be used to re-open the doors and install new 16 foot high roll up doors with electronic openers.*
 - C) *The monthly payment shall be calculated by taking the fund amount (\$200,000.) and dividing it by the remaining initial lease term months, which will be 46 months beginning August 1, 2014. Such payment, rounded down will be \$4,347.83*
- 2) Lessee shall not be obligated to pay into the fund upon lease cancellation or lease termination nor during the option period. The monthly payments shall stop once the fund has accumulated \$200,000.
- 3) In the event Lessee buys the building then the money paid into the fund shall be returned to Lessee.
- 4) Nothing contained in this amendment shall release Lessee from replacing the crane with a brand new crane of similar size, horsepower, lift capacity and such and re-opening the doors with brand new roll up doors of similar size, look, material and such.

- 5) If Lessee vacates the building for whatever reason and Lessee fulfills its obligation under this lease amendment then the money held on behalf of Lessee shall be returned to Lessee.
- 6) Any interest accrued shall be credited to Lessor.
- 7) Lessee shall make payments either directly to Lessor or directly into Lessors LLC account at Banner Bank in Bellevue.
- 8) Lessor shall take pictures of the crane and doors prior to removal of such as evidence of section 4 above.

Agreed to by the following:

[Signatures redacted.]

[Notary certification redacted.]

[Notary certification redacted.]

4th Lease Amendment

The mutually executed lease agreement, dated May 6th, 2013 between South Kenyon Street Holdings, LLC (Lessor) and New Leaf Enterprises, Inc. (Lessee) is hereby amended as follows:

Recitals:

- Lessee would like a six month suspension of the “crane payment” to allow Lessee to build up cash reserves to solidify Lessee's business.
- Lessee has put its business up for sale and is looking for a qualified buyer.

It is hereby agreed as follows:

- 1) Lessor will suspend the “crane payment” for a period of six months beginning August 1, 2017 ending January 2018. The next payment due will be February 1, 2018.
- 2) Lessor and Lessee agree that the crane repayment term will be extended an additional six months to make up for the suspension period. The new term shall expire with the last payment being due on Dec 31, 2018.
- 3) In the event of a default by Lessee then this amendment shall immediately terminate and the suspended term shall begin again as per the third amendment and any missed payments shall be made up again by Lessee prior to lease termination.
- 4) Assignment of Lessee's lease is subject to buyer agreeing to the assumption of the crane payment terms and conditions.
- 5) In the event Lessee does not renew its lease on June 1, 2018 then Lessee shall make a one-time lump sum payment to Lessor for the remaining six payments for the extended term. The payments will make up the balance of the fund which will be used to replace the crane as per amendment number three.

Agreed to by the following:

[Signatures redacted.]



*****Notice of Acceptance of 1st Extension of Term / Lease****

Lee,

New Leaf enterprises is exercising its option of its 1st extension term of the lease with South Kenyon Street Holdings, extending the lease agreement another five years. By the lease agreement the existing lease ends May 31st 2018. With this notice the 1st extension term will start June 1st 2018 and terminate May 31st 2023.

The new rent starting June 1st 2018

1. Term and Option Renewal.

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from

Landlord, for an "Initial Term" beginning June 1, 2013 and ending May 31, 2018 (60 months) Landlord

shall allow tenant to occupy space upon execution of this agreement.

B. Tenant may renew the Lease for two (2) extended terms of Five Years (5). Tenant shall exercise

such renewal option, if at all; by giving written notice to Landlord not less than ninety (90) days prior to

the expiration of the Initial Term. The rent during each year of the renewal term and or option years

shall adjust 5% annually.

Regards

Dax Colwell
President
New Leaf Enterprises

"Dax Colwell"

South Kenyon Street Holdings, LLC

A Real Property Investment Company.

March 1, 2018

New Leaf Enterprises, Inc.
Mr. Boris Gorodnitsky
Mr. Robert Colwell
470 S. Kenyon Street
Seattle, WA 98108

RE: Lease Extension Receipt

You are hereby notified that I have received your lease extension notification. As per the terms of the lease agreement you are in occupancy, you have notified the lessor within the required time period and I, as Lessor, acknowledge that you are in full compliance with the lease terms.

I look forward to another five years with you as tenant. You now have one remaining five year option to extend. Should you wish to discuss adding additional extension options I am open to that conversation.

Sincerely,

"Lee White"

Lee White
Managing Member
South Kenyon Street Holdings LLC