

EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement (the "Lease") is made and effective as of this 6/27/2019, 2019 (the "Effective Date") by and between 6858 Equipment LLC (the "Lessor") and New Leaf Enterprises, Inc., (the "Lessee"). The Lessor and the Lessee may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the Lessor is the sole owner of that certain equipment described more particularly in Exhibit A hereto and made a part hereof by reference (the "Equipment"); and

WHEREAS, the Lessee wishes to lease the Equipment from the Lessor in accordance with the terms and conditions of the Lease; and

WHEREAS, the Lessor wants to lease the Equipment to the Lessee in accordance with the terms and conditions of the Lease; and

WHEREAS, each Party is duly authorized and capable of entering into this Lease;

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and benefits contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

1. LEASE OF EQUIPMENT.

Effective as of the Effective Date, the Lessor agrees to lease and deliver to the Lessee, and the Lessee agrees to lease and accept delivery from the Lessor, all of its right and interest in and to the Equipment. Thereafter such equipment shall be subject to the terms of this Lease and considered "Equipment" for all purposes hereunder. In the event that an item listed as Equipment becomes unavailable to Lessee due to foreclosure or other actions during the term of the Lease, Lessor agrees to either provide replacement Equipment of comparable type and quality for the remainder of the term or to adjust the Lease price to account for the fact that Lessee is no longer leasing the item.

2. TERM.

The lease term (the "Term") shall be for a period of six (6) months, commencing on the later of the following: (a) the Effective Date; or (b) the date the Lessee receives the Equipment. At the end of the Term, Lessee shall, subject to written mutual agreement of the Parties, sign a new Lease with the Lessor or surrender the Equipment to the Lessor.

3. LEASE PAYMENTS.

On the first day of each month after the date of this Lease, Lessee shall pay to Lessor the

Total Monthly Payment set forth on the payment schedule (the “Fee Schedule”) set as provided in Exhibit A, attached hereto and incorporated herein by reference.

4. SECURITY DEPOSIT.

Before taking possession of the Equipment, the Lessee shall pay to Lessor the amount of Twelve Thousand Dollars USD (\$12,000 USD) (which such amount is two (2) Total Monthly Payments) to secure performance of Lessee’s obligations under this Agreement (the “Security Deposit”). Upon termination of this Agreement and the return of the Equipment to Lessor in good working order, without damage, the Lessor shall refund the Security Deposit to the Lessee.

5. OWNERSHIP.

Except for Lessee’s rights of use under this Lease, the Equipment is and shall at all times be and remain the exclusive personal property of the Lessor, even if installed in or attached to real property by the Lessee, the Lessee shall have no right, title, or interest in or to the Equipment except as expressly set forth in this Lease.

6. USE OF EQUIPMENT.

Lessee shall exercise due care in its operation, use, and maintenance of the Equipment. Lessee shall not use, and shall not permit others to use, the Equipment in any manner that would contravene applicable laws, rules, regulations, and other governmental directives, would violate the terms of any manufacturer’s or like warranty, or would contravene the manufacturer’s reasonable operational standards for the Equipment. If the Lessor notifies Lessee of any additional operational standards, Lessee shall adhere, and shall cause others using the Equipment under this Agreement to adhere, to such standards in the operation of the Equipment. Lessee shall not alter or modify the Equipment without the prior written consent of the Lessor. Lessee agrees that only qualified employees of Licensee shall operate the Equipment.

7. PERMITS.

Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall comply with all laws, rules, regulations and other governmental directives applicable to the installation, use, and operation of the Equipment and, if compliance with such law, rule, regulation or other governmental directive requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at Lessee’s sole cost and expense upon the Lessor’s written approval of the same.

8. CARE AND MAINTENANCE OF EQUIPMENT.

a. Lessee shall keep the Equipment in good condition, but Lessor shall pay at its own cost and expense for all necessary repairs and replacements that result from the ordinary usage by Lessee of the Equipment..

b. Lessee agrees that the Equipment will be operated by the Lessee only and used solely in the conduct of its business.

c. Lessee shall use the Equipment carefully and properly, and in compliance with all federal, state, and local laws, regulations and agency rules.

d. Lessee shall not make any alterations or additions to the Equipment without the Lessor's prior written consent.

e. Lessee shall notify the Lessor promptly of any loss, theft, or destruction of all or any part of the Equipment, or of any damage beyond repair to the Equipment, and shall make the Equipment or any wreckage available for disposal.

f. Lessee shall not sell, assign, sublease, or transfer the Equipment without the Lessor's prior written consent.

9. LESSOR'S REPRESENTATIONS AND WARRANTIES.

The Lessor hereby represents and warrants to the Lessee as follows:

a. Lessor has the right to lease the equipment, as provided in this Lease, and disclaims any and all other warranties, express or implied, including but not limited to the design or condition of the equipment, and implied warranties of merchantability or fitness for a particular purpose.

b. During the Term and subject to the terms and provisions hereof, the Lessor shall not interrupt the Lessee's possession and use of the Equipment if the Lessee performs and observes all the conditions set forth herein.

c. The Lessor shall bear all expenses incurred or related to any claims made or actions taken on any assigned warranty. Any cash or cash equivalent recovered under any such warranty shall be used to repair or replace the Equipment.

10. LESSEE'S REPRESENTATIONS AND WARRANTIES.

The Lessee hereby represents and warrants to the Lessor as follows:

a. The Equipment is in good condition and of a type, size, design, and capacity selected solely by the Lessee, and each item of Equipment is being leased for use in the conduct of the Lessee's business.

b. All documents delivered by the Lessee in connection with this Lease have been duly authorized by all necessary action on the part of the Lessee.

c. The execution, delivery, and performance of this Lease do not violate any law or governmental rule, regulation, or order applicable to the Lessee.

11. INSURANCE.

During the Term, the Lessee may procure, maintain, and pay for insurance in such form and with such company satisfactory to the Lessee at their discretion. This insurance shall provide primary coverage for the protection of the Parties without regard to any other coverage carried by either Party protecting against similar risks. Should the Lessee choose not to insure the Equipment, the Lessee is solely responsible for any damages up to and including replacement.

12. LIABILITY FOR LOSS AND DAMAGE.

If the Equipment is damaged or lost while in the Lessee's possession, the Lessee shall be responsible for such damage or loss and shall pay to the Lessor the value of the lost or damaged Equipment. For purposes of calculating the Lessee's payment obligations, the value of the Equipment shall be listed in Exhibit A. On receipt of any such payment, the Lessor shall, to the extent of the amount paid, assign to the Lessee any of its rights with respect to the damaged or lost Equipment under any insurance policy, together with all of the Lessor's interest in the Equipment.

13. DEFAULT.

The occurrence of any of the following events (each an "Event of Default") shall constitute a default of this Lease:

a. The failure to make any required payment under this Lease as and when due, including but not limited to lease fees, interest charges, sums due as an indemnity, excess item expenses, or other charges;

b. The breach or violation by the Lessee of any term, covenant, promise, agreement, representation, or warranty of this Lease;

c. The insolvency or bankruptcy of the Lessee;

d. Any default, breach, or violation of or under any debenture, bond, or evidence of indebtedness of the Lessee; or

e. Subjection of any of the Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.

14. RIGHTS OF LESSOR ON DEFAULT.

On the occurrence of any Event of Default under Section 13, the Lessor shall have the right, without notice or demand, to terminate this Lease and take possession of the Equipment, in addition to any other rights afforded to the Lessor by law. The Lessee shall not be released from paying damages sustained by the Lessor on such termination. If on any termination of this Lease the Lessee fails or refuses to deliver the Equipment to the Lessor, the full retail price shall be charged against the deposit hold. The Lessee expressly waives all further rights to possession of the Equipment and all claims for injury suffered through or loss caused by the repossession. The Lessee shall pay all expenses, including attorneys' fees, the Lessor incurs to enforce this Lease. All of the Lessor's remedies are cumulative and may be exercised concurrently or separately.

15. INDEMNITY.

The Lessee shall indemnify the Lessor against all losses, damages, claims, suits, actions, costs, expenses, obligations, or disbursements, including legal expenses, incurred by the Lessor in any way connected to the Lessee's use or possession of the Equipment during the Term.

16. Limitations Of Damages And Remedies.

Even if advised of the possibility of such damages, in no event shall the Lessor be liable for (i) personal injury or property damages, or (ii) lost profits, work stoppage, lost data, or any other special, indirect or consequential damages of any kind. In the event of the Lessor's breach or failure to perform any obligation under this Agreement, the Lessor's entire liability and the Lessee's exclusive remedy shall be, at the Lessor's option, either (i) return of the monetary consideration paid to the Lessor under this Agreement, or (ii) the Lessor's performance of any obligation that failed to satisfy the terms of this Agreement, including the repair of any damaged or defective Equipment.

17. DISCLAIMER OF WARRANTIES.

The Lessor disclaims and excludes all warranties, express and implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose, concerning the Equipment leased under this Agreement. The Parties acknowledge and agree the Equipment shall be leased and accepted "AS IS" with all defects.

18. PERSONAL PROPERTY.

The Equipment is and shall at all times be and remain personal property, notwithstanding that the Equipment, or any part thereof, may now be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by any means of cement, plaster, nails, bolts, screws or otherwise.

19. RETURN OF EQUIPMENT.

Upon termination of this Agreement, Lessee, at its sole cost and expense, shall promptly deliver the Equipment to the Lessor. Lessee shall be liable to the Lessor for the fair market value of the Equipment, determined as of the date of this Agreement, unless Lessee shall return the Equipment to the Lessor within thirty (30) business days after termination of this Agreement, in good working order, reasonable wear and tear excepted. Lessee shall be responsible for any damage to the Equipment in shipping the Equipment back to the Lessor.

20. GENERAL PROVISIONS.

a. Entire Agreement; Amendment. This Agreement (including all attached or referenced exhibits, addenda and schedules) is intended by the Parties as the final and binding expression of their agreement and as the complete and exclusive statement of its terms. This Agreement cancels, supersedes and revokes all prior negotiations, representations and agreements between the Parties, whether written or oral, relating to the subject matter of this Agreement. The terms and conditions of any purchase order or similar document submitted by Lessee in connection with this Agreement shall not be binding upon the Lessor. This Agreement may be amended only in writing duly executed by all Parties.

b. Assignment. This Agreement may not be assigned by a Party without the prior written consent of the other Party. Any assignment attempted to be made in violation of this Agreement shall be void. In the event of any assignment, Lessee shall remain responsible for its performance and liable for assignee's performance.

c. Force Majeure. No Party to this Agreement shall be responsible for any delays or failure to perform any obligation under this Agreement due to acts of God, strikes or other disturbances, including, without limitation, war, insurrection, embargoes, governmental restrictions, acts of governments or governmental authorities, and any other cause beyond the control of such party. During an event of force majeure, the Parties' duty to perform obligations shall be suspended.

d. Governing Law; Consent to Jurisdiction. The internal laws of the state of Washington shall govern the validity, construction and enforceability of this Agreement, without giving effect to its conflict of laws principles. All suits, actions, claims and causes of action relating to the construction, validity, performance and enforcement of this Agreement shall be in the courts of King County, Washington.

e. Independent Contractor. In the performance of their obligations under this Agreement, the Parties shall be independent contractors, and shall have no other legal relationship, including, without limitation, joint venturers, or employees. Neither Party shall have the right or power to bind the other Party and any attempt to enter into an agreement in violation of this section shall be void.

f. Successors and Assigns. All references in this Lease to the Parties shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Lease shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

g. No Implied Waiver. The failure of either Party to insist on strict performance of any covenant or obligation under this Lease, regardless of the length of time for which such failure continues, shall not be deemed a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Lease shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

h. Notice. Any notice or other communication provided for herein or given hereunder to a Party hereto shall be in writing and shall be given in person, by overnight courier, or by mail (registered or certified mail).

i. Counterparts/Electronic Signatures. This Lease may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Lease, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

j. Severability. Whenever possible, each provision of this Lease, will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or any other jurisdiction, but this Lease will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provisions had never been contained herein.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date first above written.

6858 Equipment, LLC

New Leaf Enterprises, Inc.

By: "Dax Colwell"
Dax Colwell, Manager

By: "Dax Colwell"
Dax Colwell, President

By: "Boris Gorodnitsky"
Boris Gorodnitsky, Manager

By: "Boris Gorodnitsky"
Boris Gorodnitsky, Vice President

EXHIBIT A

EQUIPMENT LEASED / FEE SCHEDULE

LEASED EQUIPMENT
[Leased equipment redacted.]
TOTAL MONTHLY PAYMENT: \$6,000 (US\$)