

RECORDING REQUESTED BY:

**COUNTY OF STANISLAUS
BOARD OF SUPERVISORS**

When Recorded Mail To:

County of Stanislaus
Department of Planning & Community Development
1010 10th Street, Suite 3400
Modesto, CA 95354

Fee Waived per GC 27383

Space above this line for Recorder's use

DEVELOPMENT AGREEMENT

BETWEEN

THE COUNTY OF STANISLAUS

AND

MISSION NURSERIES, LLC
2306 ALMOND AVE., PATTERSON

THIS DEVELOPMENT AGREEMENT (this "Agreement" or this "Development Agreement") is made and entered in the County of Stanislaus on this ___ day of _____, 2019, by and between Stanislaus County, a body corporate and a political subdivision of the State of California (hereafter "County") and Mission Nurseries, LLC, a Limited Liability Company (hereafter "Permittee") pursuant to the authority of §§ 65864 *et seq.*, of the California Government Code and Stanislaus County Code, Title 22. County and Permittee are, from time-to-time, individually referred to in this Agreement as a "Party," and are collectively referred to as "Parties."

List of Attachments:

Attachment A "Project Description"

Attachment B "Legal Description/Property Description"

Attachment C "Floor/Site Plan"

Attachment D "Operating Conditions"

Attachment E "Community Benefits"

Attachment F "Lease"

Attachment G "Development Schedule"

RECITALS

A. The Legislature of the State of California adopted the Development Agreement Act, Government Code §§65864 *et seq.*, which authorizes the County to enter into a property development agreement with any person having legal or equitable interest in real property for development of such property.

B. Pursuant to the Development Agreement Act, the County adopted the Development Agreement Ordinance, Title 22 of the Stanislaus County Code (hereafter "Title 22"), establishing procedures and requirements under which the County may enter into a Development Agreement for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property.

C. Permittee retains a legal or equitable interest in certain real property located at 2306 Almond Ave., in the Patterson area, California, also known as Stanislaus County Assessor Parcel Number 048-014-009 and that is more particularly described in Attachment B attached hereto and is incorporated herein by reference ("the Property"). Permittee has leased the Property for the purpose of carrying out the Project from the owners Joseph and Donna Rubin, ("Property Owner"). A copy of the lease is attached hereto as Attachment F.

D. Chapter 6.78 of the Stanislaus County Code (hereafter “Chapter 6.78”) establishes a regulatory permit for Commercial Cannabis Activities (“Commercial Cannabis Activities Permit”) and prohibits all Commercial Cannabis Activities in all zoning areas without first obtaining a permit.

E. Permittee proposes to develop the Property to be used for the commercial cannabis activity described in Attachment A (“the Project”).

F. To ensure that the County remains responsive and accountable to its residents while pursuing the benefits of this development agreement, the County accepts the restraints on its police powers contained in this Agreement only to the extent and for the duration required to achieve the County’s objectives and to offset such restraints, seeks public benefits from the Permittee that go beyond those obtained by traditional County controls and conditions imposed on development project applications.

G. The County Board of Supervisors has found that, among other things, this Development Agreement is consistent with its General Plan and has been reviewed and evaluated in accordance with the Development Agreement Statute and Title 22.

H. County and Permittee desire the timely, efficient, orderly and proper development of the Project.

I. County and Permittee have reached agreement and desire to express herein a Development Agreement that shall facilitate development of the Project in conformance with Title 22 and subject to conditions set forth herein.

J. In addition, the parties intend that this Agreement satisfy the requirements of Chapter 6.78, which requires those operating a commercial cannabis activity to enter into a “development agreement” setting forth “the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this chapter, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare.”

K. On _____, 2019, the Stanislaus County Planning Commission, serving as the planning agency for purposes of Government Code section 65867, held a duly noticed public hearing on this Agreement and Related Project Approvals. Following the public hearing, the Planning Commission, determined that the Project, the Initial Project Approvals, and the Agreement are, as a whole and taken in their entirety, consistent with the County’s General Plan and the Zoning Code. The Planning Commission recommended _____ of the Project, including this Agreement, to the Board of Supervisors.

L. On _____, 2019, the County Board of Supervisors of the County of Stanislaus having receive the recommendations of the Planning commission, held a duly notice public hearing on this Agreement and the related initial Project Approvals. Following the public hearing, the board adopted Ordinance No. _____ (the “Enacting Ordinance”), approving this Agreement and authorizing the Chairman of the

Board of Supervisors to execute this Agreement and found that the Agreement is consistent with the General Plan and Zoning Code in accordance with Government Code section 65867.5 and determined that the Project as defined herein required no further analysis under CEQA, pursuant to CEQA Guidelines Section 15183 (Consistency with a General Plan or Zoning for which an EIR was prepared).

M. Permittee will implement public benefits, above and beyond the necessary mitigation for the Project, including the creation of new jobs, funding for various community improvements, and payment of the benefit fees as set forth in this Agreement and these public benefits serve as the consideration upon which the County bases its decision to enter into this Agreement.

NOW, THEREFORE, with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, County and Permittee agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Recitals and all defined terms set forth above are hereby incorporated into this Agreement as if set forth herein in full.
2. Definitions.
 - 2.1. "Agreement" means this Development Agreement and all amendments and modifications thereto.
 - 2.2. "Enacting Ordinance" means Ordinance No. _____ adopted by the Board of Supervisors on _____, 2019, approving this Agreement and authorizing the Chairman of the Board of Supervisors to execute this Agreement.
 - 2.3. "Initial Project Approvals" means those land use approvals and entitlements relating to the Project that were approved by the Board of Supervisors concurrently with this Agreement, which include the Use Permit, and CEQA determination.
 - 2.4. "Regulatory Permit" means the permit required by Stanislaus County Code Chapter 6.78 to conduct Commercial Cannabis Activities.
 - 2.5. "Development Agreement Act" means Article 2.5 of Chapter 4 of Division 1 of Title 7 (section 65864 through 65869.5) of the California government Code.
 - 2.6. "Development Agreement Ordinance" means Title 22 of the Stanislaus County Code.
 - 2.7. "Effective Date" is the date on which the Agreement shall be effective in accordance with section 7.1 hereof.

2.8. "Rules, Regulations and Official Policies" means the County rules, regulations, ordinances, laws, and officially adopted policies governing development, including, without limitation, density and intensity of use, permitted uses, the maximum height and size of proposed buildings, the provision for the reservation or dedication of land, if any, for public purposes, the construction, installation, and extension of public improvements, environmental review, and other criteria relating to development or use of real property and which are generally applicable to the Property.

2.9. "Uniform Codes" means those building, electrical, mechanical, plumbing, fire, and other similar regulations of a Countywide adopted scope that are based on recommendations of the California Building Standards Commission and that become applicable throughout the County, such as, but not limited to, the California Uniform Building Code, the California Uniform Electrical Code, the California Uniform Mechanical Code, California Uniform Plumbing Code, or the California Uniform Fire Code (including those amendments to the promulgated California Uniform codes that reflect local modification adopted pursuant to the applicable process provided in state law for a local jurisdiction to modify such uniform codes and that are applicable Countywide).

3. Description of the Project. The Project consist of the use of the Property for the Commercial Cannabis Activities set forth in Attachment A attached hereto and in the Initial Project Approvals.
4. Description of Property. The Property that is the subject of this Agreement is described in Attachments B and C attached hereto.
5. Interest of Permittee. The Permittee has a legal interest in the Property in that it is the Lessee of the property.
6. Relationship of County and Permittee. It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by the County and Permittee and that the Permittee is not an agent of the County. The County and Permittee hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the County and Permittee joint venture's or partners.
7. Effective Date and Term.
 - 7.1. Effective Date. The Effective Date of this Agreement shall be the date on which the Enacting Ordinance becomes effective. The Enacting Ordinance is effective 30 days after the date of approval ("the Effective Date").
 - 7.2. Term. The term of this Agreement shall commence on the Effective Date and extend five (5) years thereafter, unless said term is otherwise terminated or

amended by circumstances set forth in this Agreement or Permittee no longer has a legal interest in the property or has ceased operations on the property for a period of 30 consecutive days.

8. Development of the Property.

8.1. Right to Develop. This Agreement is entered into by the Parties for the limited purpose of setting forth the terms concerning the development and use of the Property by Permittee for Commercial Cannabis Activities. Accordingly:

8.1.1. Vested Rights. Permittee waives any and all “vested rights” (as that term is used in California land use law) the Permittee may have or later acquire, in law or equity, concerning the Property or the Project except those specifically stated herein. Nothing contained in this Agreement, nor in any of the permits, approvals, plans, inspections, certificates, documents, licenses, or any other actions taken by the County regarding the Project shall be construed to grant Permittee any vesting of rights for future development or use of the Property or to conduct commercial cannabis activities except as specifically stated herein; and

8.1.2. Project Subject to Rules in Effect at Time of Development. Permittee agrees that any and all development and use of the Property shall be governed by the County’s fees, taxes, rules, regulations, ordinances, laws, and officially adopted policies governing the development and use of the Property, including, without limitation, impact fees, processing fees, regulatory fees and permits, density and intensity of use, permitted uses, the maximum height and size of proposed buildings, the provision for the reservation or dedication of land, if any, for public purposes, the construction, installation, and extension of public improvements, environmental review, and other criteria relating to development or use of real property and which are generally applicable to the Property in effect at the time of the development or use.

8.1.3. New Rules and Regulations. During the term of this Agreement, the County may apply new or modified ordinances, resolutions, rules, regulations and official policies of the County to the Property to ensure that the operation of the Commercial Cannabis Activity is consistent with the protection of the health, safety and welfare of the community and will not adversely affect the surrounding uses.

8.1.4. Future Approvals. Nothing in this Agreement shall prevent the County from denying or conditionally approving any subsequent land use permit or authorization for the Project on the basis of such new or modified ordinances, resolutions, rules, regulations and policies except that such subsequent actions shall be subject to any conditions, terms, restrictions, and requirements expressly set forth herein.

8.1.5. Application of State and Local Regulatory Laws Governing Commercial Cannabis Activities. The operation of Commercial Cannabis Activities is a highly regulated business activity, and it is subject to various state and local laws and regulations. This Agreement does not, and the County cannot and does not intend to, give Permittee the right to continue its operations without complying with applicable state and local laws governing its operations. Permittee shall be responsible for obtaining all applicable state permits, approvals and consents, even if the applicable state laws and regulations are altered following the Effective Date.

8.1.6. Uniform Codes Applicable. The Project shall be constructed in accordance with the provisions of the California Building, Mechanical, Plumbing, Electrical and Fire Codes and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, grading, or other construction permits for the Project.

8.1.7. Maintaining Regulatory Permit. Permittee shall continuously maintain its Regulatory Permit. Permittee agrees that it has an obligation to annually renew its Regulatory Permit pursuant to the terms of Stanislaus County Code Chapter 6.78. Nothing in this Agreement shall prevent the County from denying or conditionally approving the renewal of a Commercial Cannabis Business Regulatory Permit, revoking such permit, or amending Chapter 6.78 or its implementing regulations in a manner that would impose stricter requirements on existing or to-be-issued Regulatory Permits.

8.1.8. Timing of Development. Permittee shall complete Project improvements pursuant to the schedule set forth in Attachment G of this Agreement.

8.2. Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height, bulk and size of proposed buildings, provisions for reservation or dedication of land for public purposes and location and maintenance of on-site and off-site improvements, and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Initial Project Approvals, any amendments to this Agreement, and any subsequent land use entitlements.

8.2.1. Although Chapter 6.78 - Commercial Cannabis Activities, of the Stanislaus County Code does not specifically identify Commercial Cannabis Activities as allowed uses in any specific zoning district, Stanislaus County Code Title 21 identifies zoning districts where commercial cannabis activities are permitted, when a Use Permit is obtained.

9. Public Benefits

9.1. Community Benefits. Permittee shall perform the Community Benefits identified in Attachment E to the Agreement.

10. Fees & Subsequently Enacted or Revised Fees, Assessments and Taxes.

10.1. Fees. Permittee agrees to pay all permit fees and charges required by Stanislaus County, including but not limited to permit application and permit issuance fees, annual operating fees, amended registration fees, and regulatory renewal fees. Permittee shall pay such fees in an amount determined by the County Board of Supervisors.

10.2. Amended Application Fees. Any existing application, processing, renewal and registration fees that are amended during the term of this Agreement shall apply to the Project.

10.3. New Taxes. Any subsequently enacted County taxes shall apply to the Project.

10.4. Assessments. Nothing herein shall be construed to relieve the Property from assessments levied against it by the County pursuant to any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Property.

10.5. Vote on Future Assessments and Fees. In the event that any assessment, fee or charge which is applicable to the Property is subject to Article XIID of the Constitution and Permittee does not return its ballot, Permittee agrees, on behalf of itself and its successors that the County may count Permittee's ballot as affirmatively voting in favor of such assessment, fee or charge.

11. Compliance with Chapter 6.78 of the Stanislaus County Code.

11.1. The parties intend this Agreement as the instrument to satisfy the requirements of Stanislaus County Code section 6.78.060 (A)(2), which provides as follows:

“Development Agreement. Prior to operating in the county and as a condition of issuance of the CCA permit, the permittee of each commercial cannabis activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the county setting forth the terms and conditions under which the commercial cannabis activity will operate that are in addition to the requirements of this chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.”

12. Compliance with Conditions of Approval and Regulatory Permits.

12.1. Permittee agrees to operate the Commercial Cannabis Activity on the Property pursuant to the terms and conditions set forth in the Operating Conditions attached hereto as Attachment D and incorporated herein by reference. Failure to strictly comply with the terms and conditions of the Operating Conditions shall constitute a default under this Agreement, which shall be subject to termination pursuant to paragraph 15 below.

12.2. Permittee agrees that its failure to strictly comply with all the requirements set out in Attachment D shall be a material breach of this agreement and subject to default under paragraph 15 below.

12.3. The provisions of this Agreement require a close degree of cooperation between County and Permittee. It is anticipated during the term of this Agreement that refinements to the manner in which the Permittee operates may be appropriate with respect to the Project. To the extent allowable by law, the Parties shall retain a certain degree of flexibility as provided herein with respect to all matters, items and provisions covered in general under this Agreement. When and if the Parties find it necessary or appropriate to make changes, adjustments or clarifications, the Parties shall enter into memoranda (“Operating Memoranda”) approved by the Parties in writing, which reference this Section of the Agreement. Operating Memoranda are not intended to constitute an amendment to this Agreement but mere ministerial clarifications; therefore, public notices and hearings shall not be required. The Stanislaus County Chief Executive Officer shall be authorized upon consultation with the County Counsel, to determine whether a requested clarification may be effectuated pursuant to this Section or whether the requested clarification is of such character to constitute an amendment to the Agreement which requires compliance with the provision of this Agreement pertaining to amendments. The authority to enter into such Operating Memoranda is hereby delegated to the Chief Executive Officer, who is hereby authorized to execute any Operating Memoranda hereunder without further Board of Supervisor action.

13. Amendment or Cancellation.

13.1. Amendment Because of Conflict with State or Federal Laws. In the event that state or federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the County, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such amendment or suspension of the Agreement shall be subject to approval by the County Board of Supervisors in accordance with Stanislaus County Code, Title 22.

13.2. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto and in accordance with the procedures of State law and permitted uses.

13.3. Insubstantial Amendments. Notwithstanding the provisions of the preceding Section 13.2, any amendments to this Agreement which do not relate to (a) the term of the Agreement; (b) the permitted uses of the Property; (c) provisions for "significant" reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Project; (f) the maximum height or size of proposed buildings; or (g) monetary contributions by Permittee as provided in this Agreement, shall not, except to the extent otherwise required by law, require notice or public hearing before either the Planning Commission or the County Board of Supervisors before the parties may execute an amendment hereto. The County Chief Executive Officer, or his/her designee, shall determine whether a reservation or dedication is "significant".

13.4. Amendment of Project Approvals. Any amendment of Project Approvals relating to: (a) the permitted use of the Property; (b) provision for reservation or dedication of land; (c) conditions, terms, restrictions or requirements for subsequent discretionary actions; (d) the density or intensity of use of the Project; (e) the maximum height or size of proposed buildings; (f) monetary contributions by the Permittee; or (g) public improvements to be constructed by Permittee shall require an amendment of this Agreement. Such amendment shall be limited to those provisions of this Agreement which are implicated by the amendment of the Project Approval. Any other amendment of the Project Approvals, or any of them, shall not require amendment of this Agreement unless the amendment of the Project Approval(s) relates specifically to some provision of this Agreement.

14. Annual Review.

14.1. Review Date. Annual review of the Property Owner's good faith compliance with the terms of this Agreement shall take place on an annual basis beginning 12 months after the Effective Date of this Agreement and continuing to occur annually thereafter on the yearly anniversary of the Effective Date ("Annual Review") until termination of the Agreement.

14.2. Initiation of Review. The County Chief Executive Officer, or designee, shall initiate the annual review, as required under Chapter 22.07 of the Stanislaus County Code, by giving to Permittee thirty (30) days written notice that the County intends to undertake such review. Permittee shall provide evidence to the County Chief Executive Officer, or designee, prior to the hearing on the annual review, as and when reasonably determined necessary by the County Chief Executive Officer, or designee, to demonstrate good faith compliance with the provisions of the Agreement. The burden of proof by substantial evidence of compliance is upon the Permittee.

14.2.1. Appeal of the Chief Executive Officer's, or designee's, findings regarding compliance shall be made in accordance with Stanislaus County Chapter 22.07, except that the County Chief Executive Officer, or designee, shall replace all instances where the planning director is indicated.

14.3. Staff Reports. To the extent practical, the County shall deposit in the mail and fax to Permittee a copy of all staff reports, and related Attachments concerning contract performance at least ten (10) days prior to any annual review.

14.4. Costs. Costs reasonably incurred by the County in connection with the annual review shall be paid by Permittee in accordance with the County's schedule of fees in effect at the time of review.

15. Default.

15.1. Permittee's Default. The occurrence of any of the following shall constitute a default by Permittee under this Agreement.

15.1.1. Failure or unreasonable delay to perform any material provision of this Agreement.

15.1.2. Permittee's failure to pay when due any fee, tax, or payment required to be paid under this Agreement, County Ordinance or Resolution, or California State Law, if the failure to pay continues for three (3) days after written notice of the failure from County.

15.1.3. Permittee's abandonment of the Property, including Permittee's absence from the Property for thirty 30 consecutive days.

15.1.4. Permittee's failure to strictly comply with all the requirements set out in Attachment D.

15.1.5. Permittee's failure to make the contributions or community Benefit Rate Payments set out in Attachment E.

15.2. County's Default. Failure to perform any material provision of this agreement, or any intentional or unreasonable delay to perform or in performance of any material provision of this Agreement.

15.3. Other Remedies Available. Upon the occurrence of an event of default, the parties may pursue all other remedies at law or in equity which are not otherwise provided for in this Agreement or in the County's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

15.4. Notice and Cure. Upon the occurrence of an event of default by either party, the non-defaulting party shall serve written notice of such default upon the defaulting party (“Notice of Default”). Failure to give notice shall not constitute a waiver of any default. Upon delivery of notice, the parties shall meet and confer in good faith to address the alleged default and attempt to cure such default within a reasonable time or modify the Agreement to remedy such default.

15.5. Cure Period. The defaulting Party shall respond within 5 business days of the date of the Notice of Default, and shall provide reasonable evidence that it was never, in fact, in default or shall state that it will immediately commence to cure the identified default and shall cure the identified default within 30 days of the Notice of Default, unless the Parties extend such time by mutual written consent. In the case of a dispute as to whether a default exist or whether the defaulting Party has cured the default, the Parties may submit the matter to dispute resolution pursuant to section 16 of this Agreement.

15.6. Remedies for Default.

15.6.1. Permittee Default; If the Permittee remains in default after the cure period, and the alleged default is not the subject of a dispute resolution pursuant to Section 16 of this Agreement, the County shall have all rights and remedies provided by this Agreement, including, without limitation, the right to terminate or modify this Agreement subject to the provisions set forth below. The County shall, in addition to any other remedy available at law or in equity, also have the right to compel specific performance of the obligations of Property Owner under this Agreement, including, without limitation, the right to compel specific performance of the Community Benefits set forth in Attachment E to this Agreement.

15.6.2. Termination or Modification. If the Director of Planning finds and determines that Permittee remains in default after the cure period, if the alleged default is not the subject of dispute resolution pursuant to Section 16 of this Agreement, and if the County intends to terminate or modify this Agreement, the Director of Planning shall set the matter for a hearing by the Planning Commission in accordance with the provisions of the Development Agreement Ordinance (County Code Chapter 22.08). If after such public hearing, the Planning Commission finds that Property Owner is in violation of this Agreement, the Planning Commission shall notify the Board of Supervisors of its findings and recommend such action as it deems appropriate. If the Planning Commission reports a violation of the Development Agreement to the Board of Supervisors pursuant to this Section, the Board of Supervisors may take one of the following actions: (a) approve the recommendation of the Planning Commission instructing that action be taken as indicated therein in cases other than a recommendation to terminate or modify the Agreement; (b) refer the matter back to the Planning Commission for further proceedings with or without instructions;

or (c) schedule the matter for hearing before the Board of Supervisors if termination or modification of the Agreement is recommended. There shall be no termination or modifications of this Agreement unless the Board of Supervisors acts pursuant to the provisions set forth in Government Code Sections 65865.1, et seq., and Stanislaus County Code chapter 22.08. Pursuant to Government Code §65865., if, as a result of the Annual Review, the County determines, on the basis of substantial evidence, that Permittee has not complied in good faith with terms or conditions of this Agreement, the County may terminate or modify the Agreement; provided, however, that if Permittee does not agree to the modification the County's only remedy shall be to terminate the Agreement. Further, if the County seeks to terminate or modify the Agreement for any other reason, such action shall be subject to the requirements of Government Code § 65868, including the requirement for the mutual consent of the Parties.

15.6.3. County Default. If the County remains in default after the cure period and the alleged default is not the subject of dispute resolution pursuant to Section 16 of this Agreement, Permittee shall have all rights and remedies provided by this Agreement, including, without limitation, the right to compel specific performance of the County's obligations under this Agreement. Permittee also has the right to initiate amendment or cancellation of this Agreement subject to the provisions set forth in the Development Agreement Act and Development Agreement Ordinance, which include, but are not limited to, the requirement for mutual consent of the Parties to the amendment or cancellation.

15.6.4. No Monetary Damages Against County. Notwithstanding anything to the contrary contained herein, in no event shall monetary damages be awarded against the County upon an event of default or upon termination of this Agreement.

16. Dispute Resolution. In addition to, and not by way of limitation of, all other remedies available to the Parties under the terms of this Agreement, the Parties may choose to use the informal dispute resolution and/or arbitration processes in this Section.

16.1. Informal Dispute Resolution Process. The Parties may agree to informal dispute resolution proceedings to fairly and expeditiously resolve disputes related to the interpretation or enforcement of, or compliance with, the provision of this Agreement ("Disputes"). These dispute resolution proceedings may include: (a) procedures developed by the County for expeditious interpretation of questions arising under development agreements; or (b) any other manner of dispute resolution that is mutually agreed upon by the Parties.

16.2. Non-Binding Arbitration. The Parties may agree to use nonbinding arbitration to resolve any Dispute arising under this Agreement. The arbitration shall be conducted by an arbitrator who must be a former judge of the Stanislaus

County Superior Court, Appellate Justice of the Fifth District Court of Appeals, or Justice of the California Supreme Court. This arbitrator shall be selected by mutual agreement of the Parties.

16.3. Non-Binding Arbitration Procedures. Upon appointment of the arbitrator, the Dispute shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration shall be conducted under procedures that are mutually agreed upon by the Parties in writing prior to the commencement of arbitration.

17. Termination or cancellation. In addition to the procedures set forth in Section 15.6, above, this Agreement is also subject to the following termination provisions:

17.1. Termination Upon Expiration of Term. This Agreement shall terminate upon expiration of the Term set forth in Section 7.2 unless otherwise extended or modified by mutual consent of the Parties. Upon termination of this Agreement, the County Registrar-Recorder/County Clerk may cause a notice of such termination in a form satisfactory to the County to be duly recorded in the official records of the County.

17.2. Cancellation by Mutual Consent. This Agreement may be cancelled by mutual consent of the Parties, subject to the procedures set forth in the Development Agreement Act and the Development Agreement Ordinance.

17.3. Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where a delay is enforced due to: war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, third-party litigation, restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, judicial decisions, or similar basis for excused performance that is not within the reasonable control of the Party to be excused, and the cause of the enforced delay actually prevents or unreasonably interferes with such Party's ability to comply with this Agreement; provided, however, that the Parties agree that a delay that results solely from unforeseen economic circumstances shall not constitute an enforced delay for purposes of this Section. This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Permittee, or by any third parties against Permittee if such third-party proceedings are not dismissed within ninety (90) days. If written notice of an enforced delay is given to either Party within forty-five (45) days of the commencement of such enforced delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

18. Estoppel Certificate.

18.1. Either party may, at any time, and from time to time, request written notice from the other party requesting such party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (c) to the knowledge of the certifying party the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the parties. Chief Executive Officer of the County shall be authorized to execute any certificate requested by Permittee. Should the party receiving the request not execute and return such certificate within the applicable period, this shall not be deemed to be a default, provided that such party shall be deemed to have certified that the statements in clauses (a) through (c) of this section are true, and any party may rely on such deemed certification.

19. Severability.

19.1. The unenforceability, invalidity or illegality of any provisions, covenant, condition or term of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

20. Attorneys' Fees and Costs.

20.1. If the County or Permittee initiates any action at law or in equity to enforce or interpret the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other relief to which it may otherwise be entitled. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the parties shall cooperate in defending such action. Permittee shall bear its own costs of defense as a real party in interest in any such action and shall reimburse the County for all reasonable court costs and attorneys' fees expended by the County in defense of any such action or other proceeding.

21. Transfers and Assignments.

21.1. The Permittee shall not transfer, delegate, or assign its interest, rights, duties, and obligations under this Agreement without the prior written consent of the County. Any assignment, delegation, or assignment without the prior written County consent of the other parties to this Agreement shall be null and void. Any transfer, delegation, or assignment by the Permittee as authorized herein shall be effective only if and upon the party to whom such transfer, delegation, or

assignment is made is issued a Regulatory Permit as required under chapter 6.78 of the Stanislaus County Code.

21.2. No change in Permittee's ownership or in the composition of the Permittee's ownership shall be made, and no transfer or sub-lease of the lease Agreement shall be made, without providing the County with 30 days prior written notice. If the change, transfer or sub-lease changes Control over the use of the Property, the operations of Permittee, or the actions or activities of Permittee, then the prior written consent of the County must be obtained 30 days before the change, transfer or sub-lease.

22. Bankruptcy.

The obligations of this Agreement shall not be dischargeable in bankruptcy.

23. Indemnification.

23.1. Permittee hereby agrees to and shall indemnify, save, hold harmless, and, if requested by the County, defend the County from any claim, action, or proceeding brought by a third party (i) to challenge, attack, set aside, void, or annul this Agreement or the Initial Project Approvals, or (ii) for claims, costs, and liability for any damages, personal injury, or death, which may arise in connection with The Project or this Agreement. Directly or indirectly from the negotiation, formation, execution, enforcement, or termination of this Agreement. Nothing in this Section shall be construed to mean that Permittee shall hold the County harmless and/or defend it from any claims arising from, or alleged to arise from, the negligent acts, negligent failure to act, or intentional acts on the part of the County. The County agrees that it shall reasonably cooperate with Permittee in the defense of any matter in which Permittee is defending, indemnifying, and/or holding the County harmless. The County may make all reasonable decisions with respect to its representation in any legal proceeding. In the event any claim, action, or proceeding as described above is filed by a third party against the County, Permittee shall, within 10 days of being notified of the filing, make an initial deposit with the County in the amount of \$5,000, from which actual costs and expenses shall be billed and deducted for purposes of defraying the costs and/or expenses involved in the County's cooperation in the defense, including, but not limited to, depositions, testimony, and other assistance provided to Permittee or Permittee's counsel. If during the litigation process actual costs or expenses incurred reach 80 percent of the amount on deposit, Permittee shall deposit additional funds to bring the balance up to the amount of \$5,000. There is no limit to the number of supplemental deposits that may be required during the course of litigation. At the sole discretion of Permittee, the amount of the initial or any supplemental deposit may exceed the minimum amounts specified herein. Additionally, the cost for collection and duplication of records, including the reasonable costs of staff time necessary to collect, review, and/or duplicate such records in connection with the preparation of any administrative record or otherwise in relation to litigation, shall

be paid by Permittee. Upon Permittee's initial \$5,000.00 deposit to cover the County's costs and expenses pursuant to this section, Permittee shall have the right to a monthly, itemized accounting of such expenses, which County shall provide upon Permittee's request within 5 days of such request, but no sooner than 30 days after Permittee's initial deposit.

24. Insurance.

24.1. Public Liability and Property Damage Insurance. During the term of this Agreement, Permittee shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than two million dollars (\$2,000,000.00) with a one hundred thousand dollar (\$100,000) self-insurance retention per claim. The policy so maintained by Permittee shall name the County as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

24.2. Workers Compensation Insurance. During the term of this Agreement Permittee shall maintain Worker's Compensation insurance for all persons employed by Permittee for work at the Project site. Permittee shall require each contractor and subcontractor similarly to provide Worker's Compensation insurance for its respective employees. Permittee agrees to indemnify the County for any damage resulting from Permittee's failure to maintain any such insurance.

24.3. Evidence of Insurance. Prior to the County Board of Supervisors approval of this Agreement, Permittee shall furnish the County satisfactory evidence of the insurance required in Sections 24.1 and 24.2 and evidence that the carrier is required to give the County at least fifteen days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the County, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Permittee performing work on the Project.

25. Notices.

25.1. All notices required or provided for under this Agreement shall be in writing. Notices required to be given to the County shall be addressed as follows:

County Chief Executive Officer
County of Stanislaus
1010 10th Street, Suite 6800
Modesto, CA 95354

Notices required to be given to Permittee shall be addressed as follows:

Mission Nurseries, LLC
2306 Almond Ave.
Patterson, CA 95363
Attn: Mitch Davis

A party may change address by giving notice in writing to the other party and thereafter all notices shall be addressed and transmitted to the new address. Notices shall be deemed given and received upon personal delivery, or if mailed, upon the expiration of 48 hours after being deposited in the United States Mail. Notices may also be given by overnight courier which shall be deemed given the following day or by facsimile transmission which shall be deemed given upon verification of receipt.

26. Agreement is Entire Understanding.

This Agreement constitutes the entire understanding and agreement of the parties.

27. Attachments.

The following documents are referred to in this Agreement and are attached hereto and incorporated herein as though set forth in full:

- Attachment A "Project Description"
- Attachment B "Legal Description/Property Description"
- Attachment C "Floor/Site Plan"
- Attachment D "Operating Conditions"
- Attachment E "Community Benefits"
- Attachment F "Lease"
- Attachment G "Development Schedule"

28. Counterparts.

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original.

29. Recordation.

The County shall record a copy of this Agreement within ten (10) days following execution by all parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

COUNTY

PERMITTEE

County of Stanislaus

Mission Nurseries, LLC

By: _____
Terrance Withrow
Chairman of the Board of Supervisors

By: _____
Mitchell Davis, Owner

Dated: _____

Attest:
Clerk of the Board of Supervisors

By: _____
Rachel Davis, Owner

Deputy Clerk

Dated: _____

Approved as to form:
John P. Doering
County Counsel

By: _____
Adam Davis, Owner

Dated: _____

Thomas E. Boze
Assistant County Counsel

(NOTARIZATION ATTACHED)

ATTACHMENT A
PROJECT DESCRIPTION

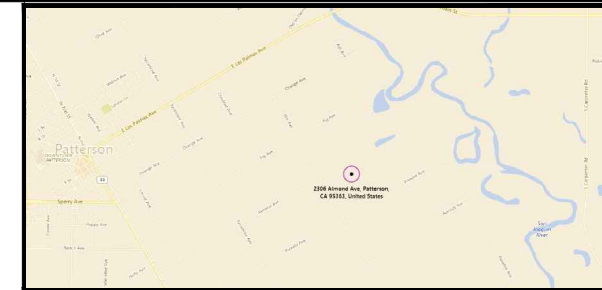
Project Description: Request to establish a commercial cannabis mixed-light cultivation and nursery operation, including 6 greenhouses to be utilized for cultivation, 12 greenhouses to be utilized for nursery production, and an existing agricultural storage building for office, storage, distribution, and processing activities in the A-2-20 (General Agriculture) zoning district.

**ATTACHMENT B
LEGAL DESCRIPTION**

Real property in the County of Stanislaus, State of California, described as follows:

Lot 430 of the Patterson Colony Sub-Tract No. 2 as per map filed January 9, 1911 in Vol. 5 of Maps, Page 23, Stanislaus County Records.

LEGEND	
	LOT PROPERTY LINE
	NEIGHBOR LOT BOUNDARIES
	ROAD
	DRIVEWAY
	FENCE
	EXISTING STRUCTURE
	NEW STRUCTURE
	EXISTING SEPTIC FIELD



VICINITY MAP

PREPARED BY:

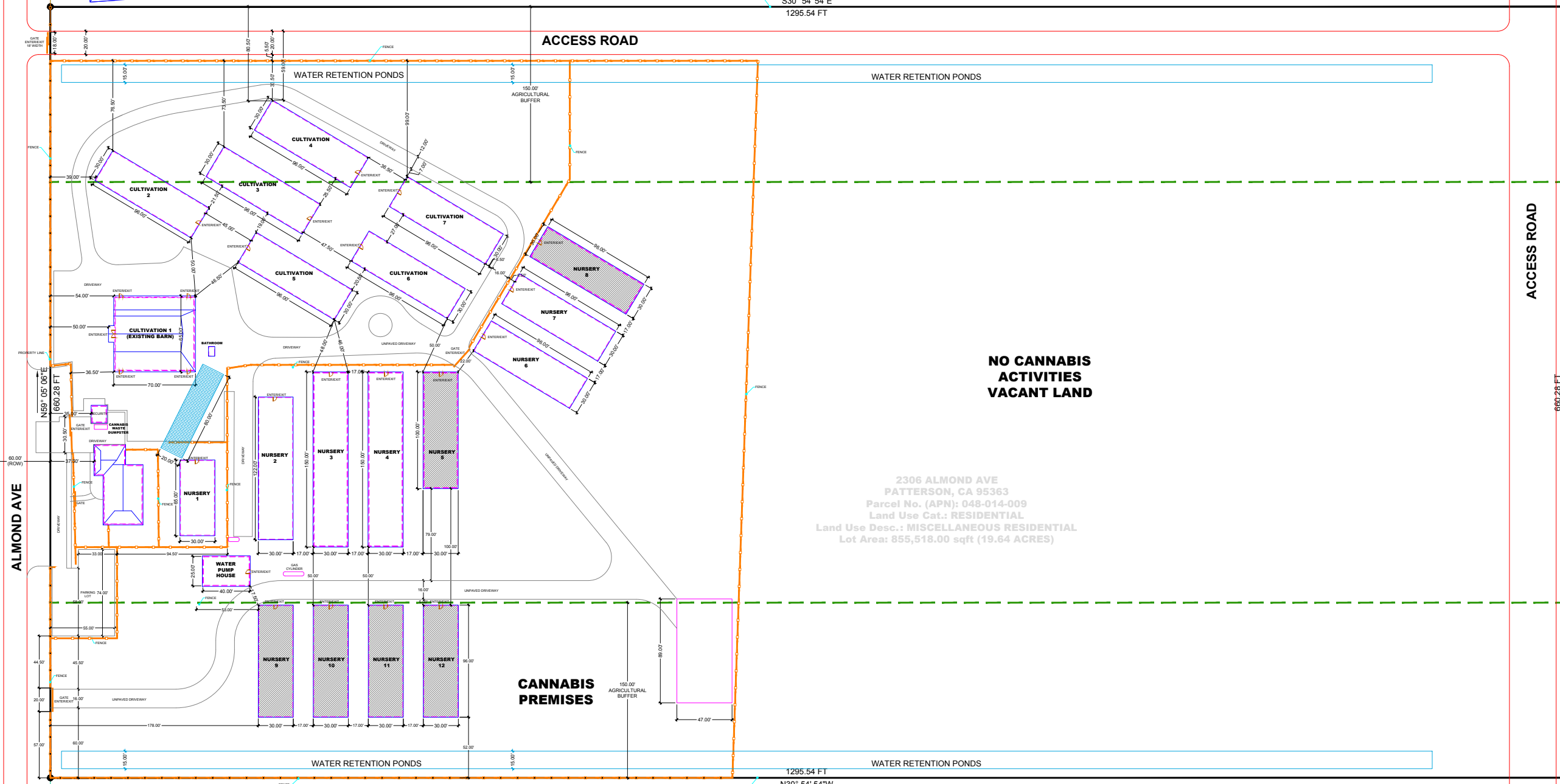


2400 ALMOND AVE
PATTERSON, CA 95363
Parcel No. (APN): 048-014-003
Land Use Cat.: RESIDENTIAL
Land Use Desc.: MISCELLANEOUS RESIDENTIAL
Lot Area: 1,094,208.00 sqft (24.89 ACRES)

S30° 54' 54"E
1295.54 FT

ACCESS ROAD

WATER RETENTION PONDS



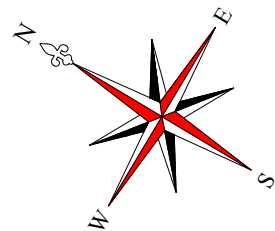
NO CANNABIS
ACTIVITIES
VACANT LAND

2306 ALMOND AVE
PATTERSON, CA 95363
Parcel No. (APN): 048-014-009
Land Use Cat.: RESIDENTIAL
Land Use Desc.: MISCELLANEOUS RESIDENTIAL
Lot Area: 855,518.00 sqft (19.64 ACRES)

CANNABIS
PREMISES

N30° 54' 54"W
1295.54 FT

3120 ALMOND AVE
PATTERSON, CA 95363
Parcel No. (APN): 048-014-010
Land Use Cat.: RESIDENTIAL
Land Use Desc.: MISCELLANEOUS RESIDENTIAL
Lot Area: 900,518.00 sqft (20.64 ACRES)



MITCH DAVIS
2306 ALMOND AVE, PATTERSON, CA 95363
PARCEL #:048-014-009
AREA:855,518.00 sqft (19.64 acres)

58

CONTENT:

SITE PLAN

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

APRIL 2019

SCALE:

1":100'

SHEET:

2



MITCH DAVIS
2306 ALMOND AVE, PATTERSON, CA 95363

PARCEL #:048-014-009

AREA:855,518.00 sqft (19.64 acres)

59

CONTENT:

**FLOOR PLAN
CULTIVATION 1
(EXISTING BARN)**

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

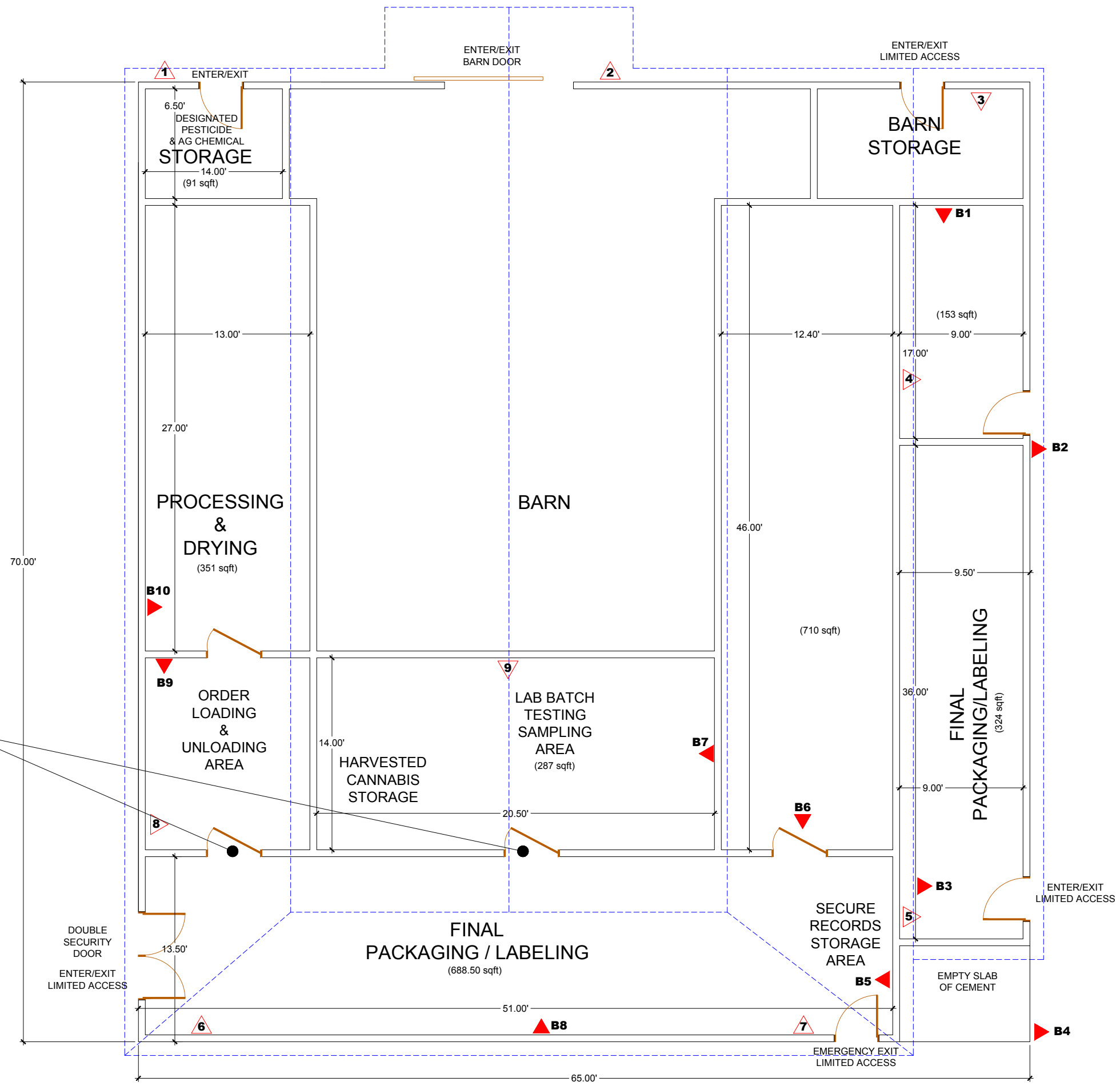
APRIL 2019

SCALE:

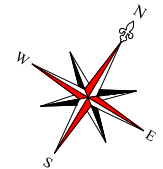
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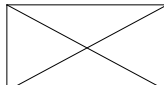
SHEET:

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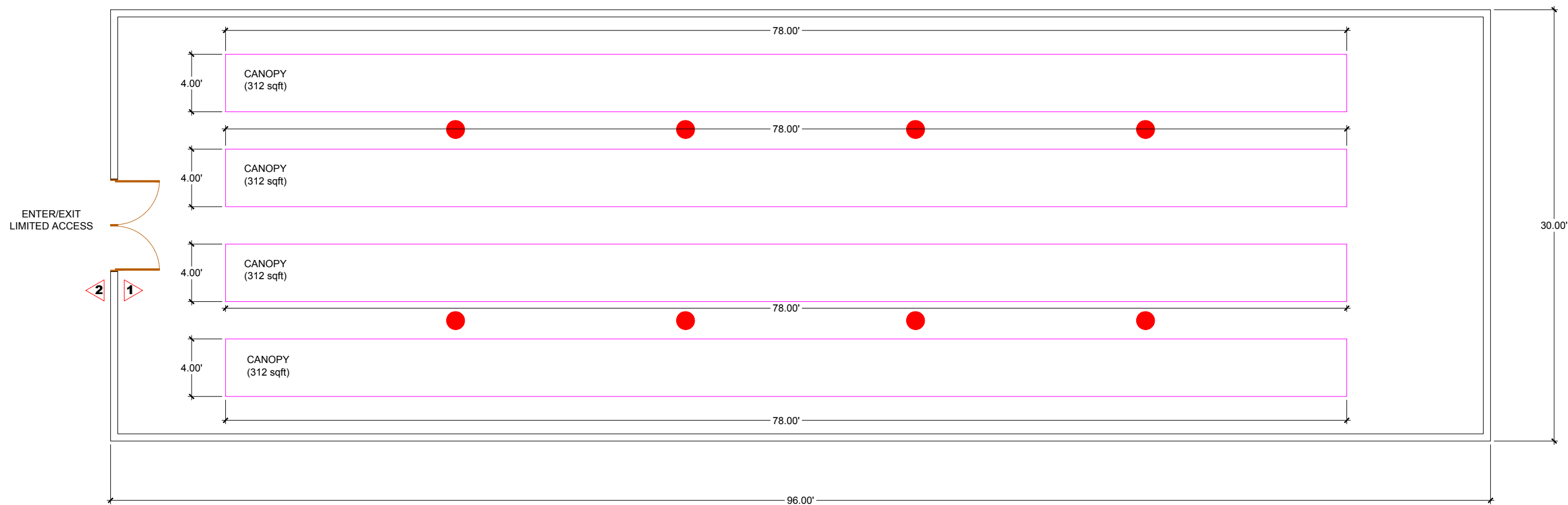


**AREAS FOR DISTRIBUTION
WITH DOOR CLOSED
WHEN NOT IN USE**



 CANNABIS WASTE DUMPSTER (OWNED BY WASTE HIGGEER)

 **CAMERA LOCATION**



- MATURE PLANTS
- 1,248 sqft OF CANOPY
- 7,000 WATTS LIGHT
- LIMITED ACCESS

MITCH DAVIS

2306 ALMOND AVE, PATTERSON, CA 95363

PARCEL #:048-014-009

AREA:855,518.00 sqft (19.64 acres)

60

CONTENT:

**FLOOR PLAN
CULTIVATION
2-3-4-5-6-7**

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

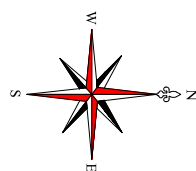
APRIL 2019

SCALE:

1/8"=1'

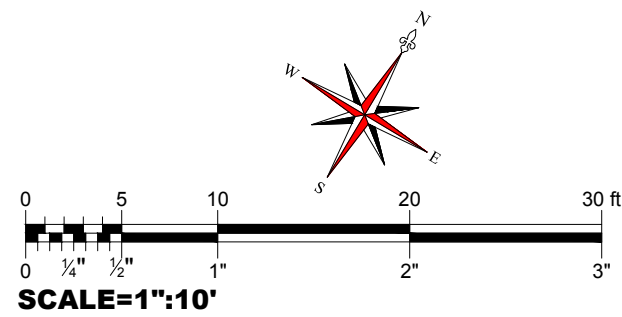
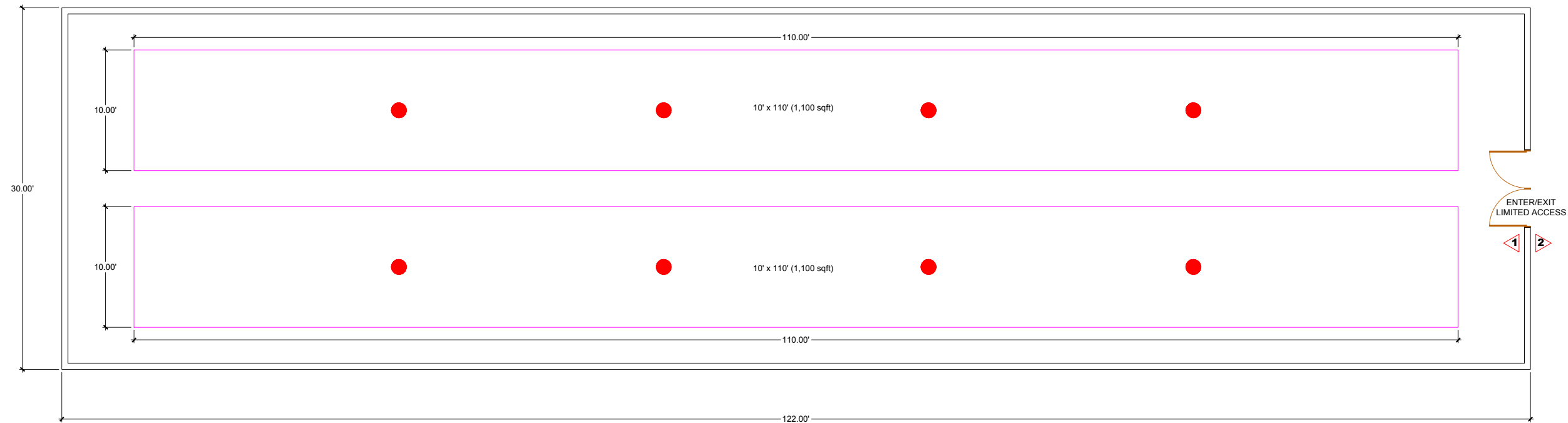
SHEET:

5



SCALE=1/8":1'

PREPARED BY:



MITCH DAVIS
 2306 ALMOND AVE, PATTERSON, CA 95363
 PARCEL #:048-014-009
 AREA:855,518.00 sqft (19.64 acres)

61

CONTENT:

**FLOOR PLAN
NURSERY 1-2**

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

APRIL 2019

SCALE:

1"=10'

SHEET:

6

PREPARED BY:



MITCH DAVIS
2306 ALMOND AVE, PATTERSON, CA 95363

PARCEL #:048-014-009

AREA:855,518.00 sqft (19.64 acres)

62

CONTENT:

**FLOOR PLAN
NURSERY 3-4-5**

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

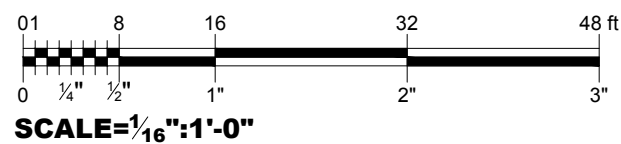
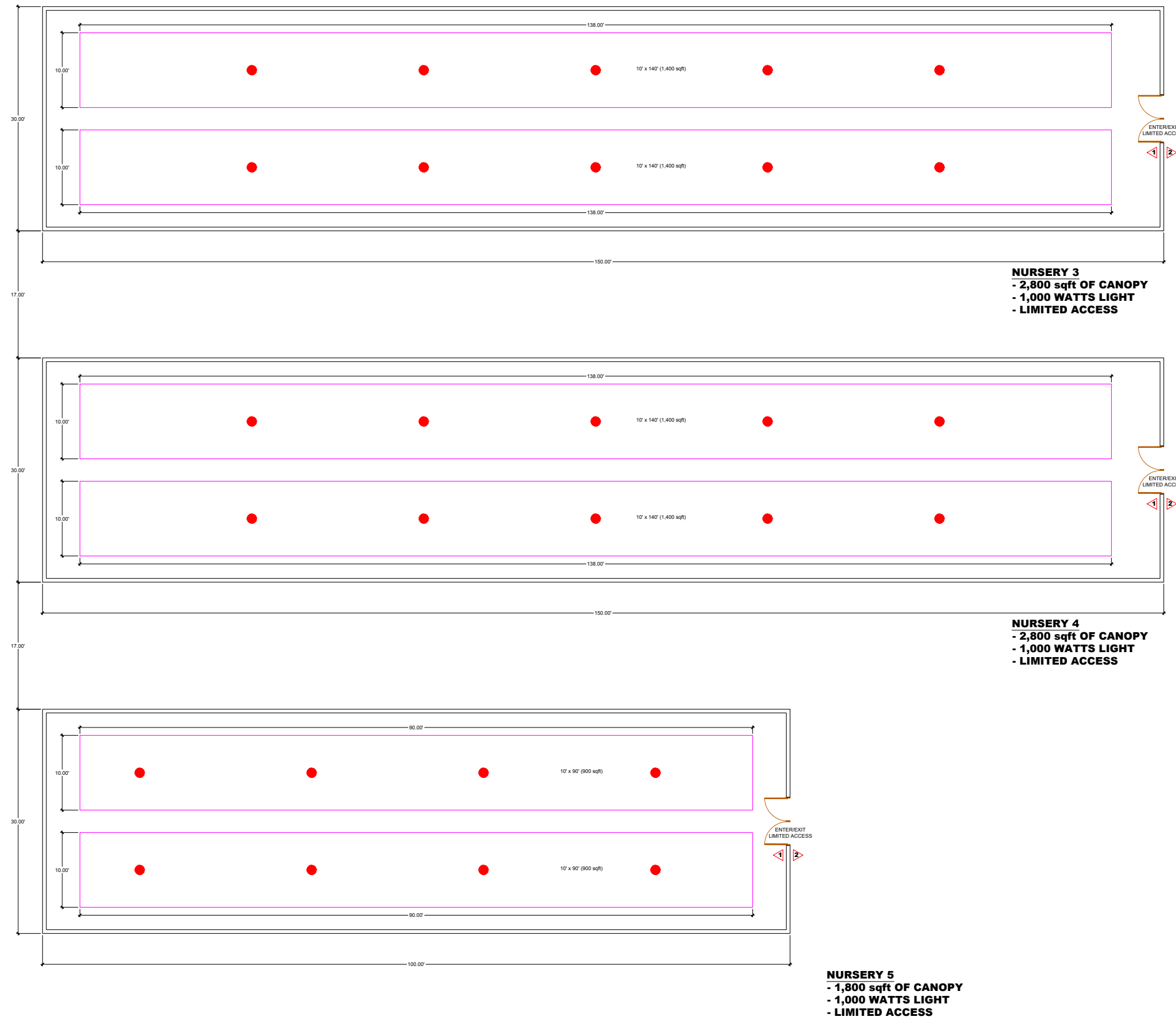
APRIL 2019

SCALE:

1/16"=1'

SHEET:

7





MITCH DAVIS
2306 ALMOND AVE, PATTERSON, CA 95363

PARCEL #:048-014-009

AREA:855,518.00 sqft (19.64 acres)

63

CONTENT:

**FLOOR PLAN
NURSERY 6-7-8**

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

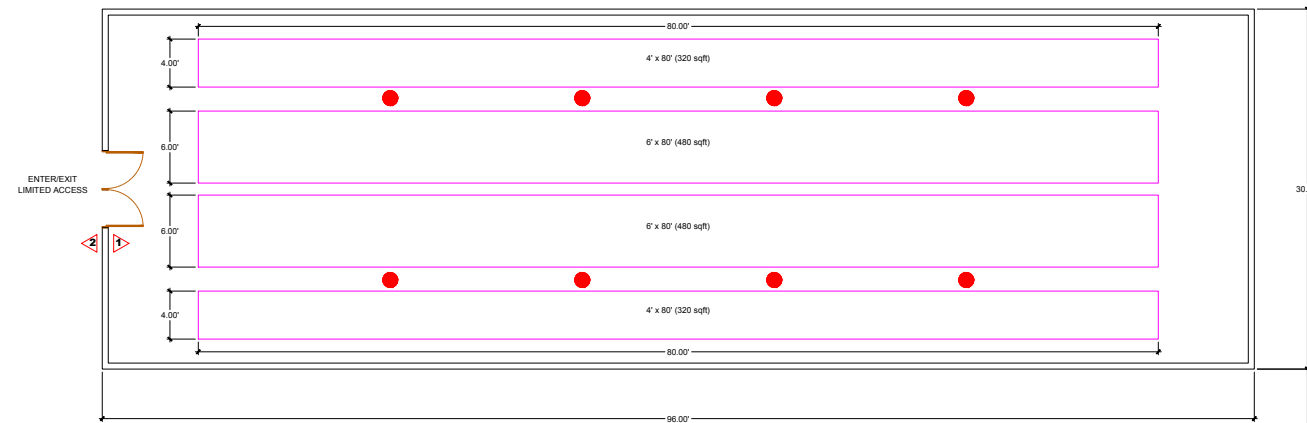
APRIL 2019

SCALE:

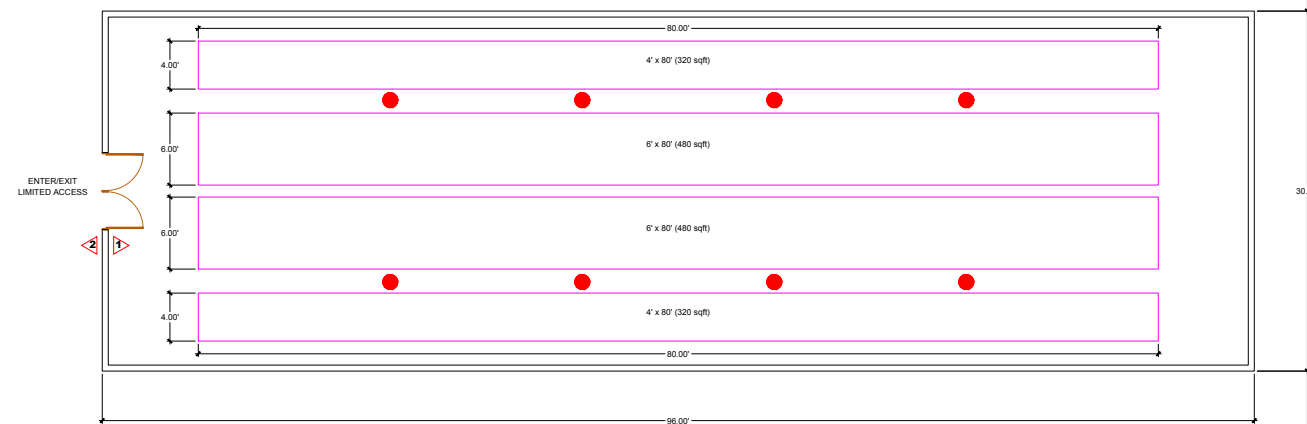
1/16"=1'

SHEET:

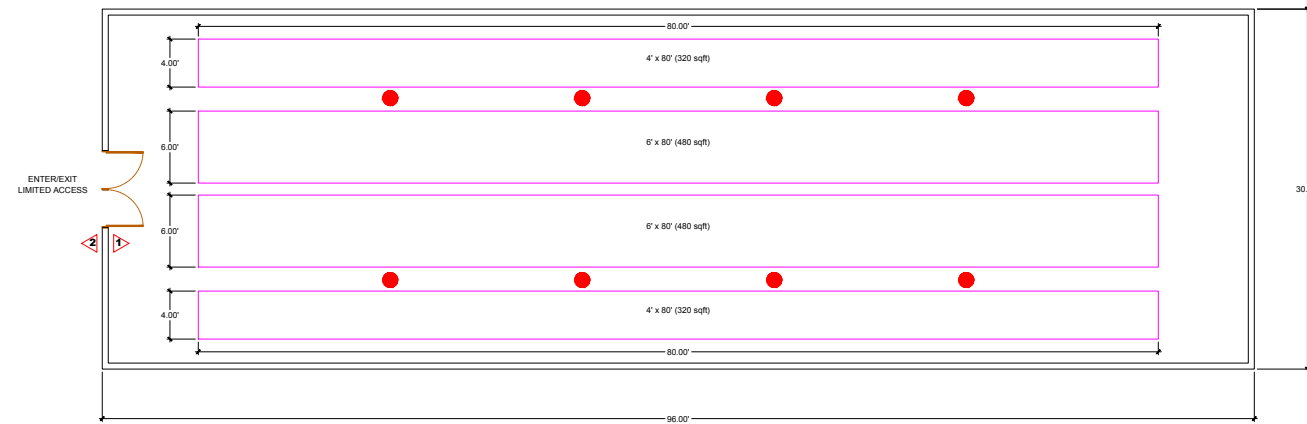
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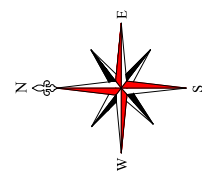
NURSERY 8
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS



NURSERY 7
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS



NURSERY 6
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS



SCALE=1/16"=1'-0"



MITCH DAVIS
2306 ALMOND AVE, PATTERSON, CA 95363
PARCEL #:048-014-009
AREA:855,518.00 sqft (19.64 acres)

64

CONTENT:

**FLOOR PLAN
NURSERY
9-10-11-12**

REVISED BY:

DATE:

APPROVED BY:

DATE:

DRAWING
DATE

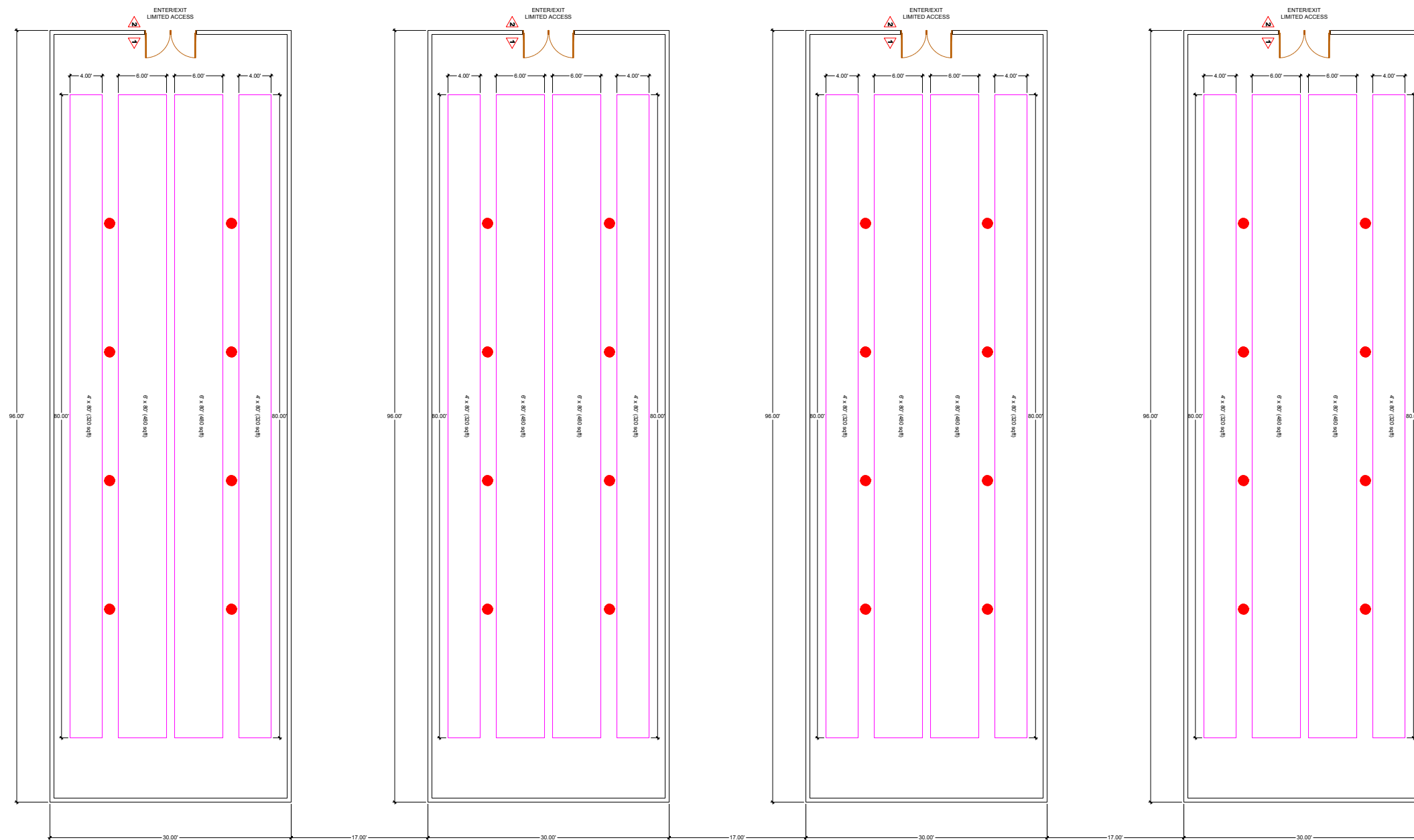
APRIL 2019

SCALE:

1/16"=1'

SHEET:

9

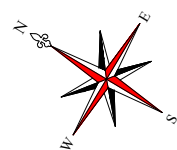


NURSERY 9
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS

NURSERY 10
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS

NURSERY 11
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS

NURSERY 12
- 1,600 sqft OF CANOPY
- 1,000 WATTS LIGHT
- LIMITED ACCESS



SCALE=1/16"=1'-0"

**ATTACHMENT D
OPERATING CONDITIONS**

1. Compliance with Laws. Permittee shall operate in accordance with all applicable State and local laws, and any regulations promulgated thereunder.
2. Compliance with Conditions of Approval/Development Standards/Mitigation Measures. Permittee shall operate in compliance with all conditions of approval/development standards/mitigation measures associated with the Initial Project Approvals and any subsequent approvals issued by the County or any other regulatory agency.
3. Compliance with License Regulations. Permittee shall operate in strict compliance with the regulations contained in Chapter 6.78 of the Stanislaus County Code.

ATTACHMENT E COMMUNITY BENEFITS

Permittee agrees that its participation in commercial cannabis activities negatively impacts the residents of Stanislaus County and that by entering into this Development Agreement Permittee is agreeing to contribute greater public benefits than could otherwise be required and that Permittee does so freely and with full knowledge and consent.

Permittee agrees to provide the following public benefits and specifically consents to the payment or provision of these public benefits. Permittee agrees that these public benefits are not a tax and do not constitute a taking of Permittee's property for the public's benefit and Permittee waives any and all claims, actions, causes of action, liabilities, damages, demands, attorneys' fees, expenses and costs (including without limitation court costs) of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, which may arise by reason of payment or provision of the community benefits stated herein.

A. Community Benefit Contribution.

Permittee shall pay to the County a Community Benefit Contribution in the amount of \$8,750 in 2019, \$24,533 in 2020, \$32,743 in 2021, \$37,420 in 2022, and \$42,098 in 2023. Permittee shall deliver the Community Benefit Contribution in quarterly installments in the same manner as Benefit Rate Payments described in section B.

The Community Benefit Contribution may be used for the general governmental purposes of the County and not for the purposes of regulation or of raising revenues for regulatory purposes. All of the Community Benefit Contribution proceeds received from Permittee shall be placed in the County's general fund and used for the usual current expenses of the County and is a separate and distinct payment from the Community Benefit Rate Payment below. The County intends, but is not obligated, to distribute these funds to local community charities for their use and for public improvement projects.

B. Community Benefit Rate Payments:

1. Permittee shall provide funding as described below for the general governmental purposes of the County, including the enforcement of illegal commercial cannabis activities, and not for the purposes of regulation or of raising revenues for regulatory purposes. All of the proceeds received from Permittee shall be placed in the County's general fund and used for the usual current expenses of the County.

2. Definitions.

2.1. "Canopy" means all of the following:

2.1.1. The designated area(s) at a licensed premises that will contain cannabis plants at any point in time;

2.1.2. Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain cannabis plants at any point in time, including all of the space(s) within the boundaries;

2.1.3. Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least ten feet of open space; and

2.1.4. If cannabis plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.

2.2. "Processing" means all activities associated with drying, curing, grading, trimming, rolling, storing, packaging, and labeling of nonmanufactured cannabis products, including flower, shake, kief, leaf, and pre-rolls.

2.3. "Designated area(s)" means the entirety of the enclosed area measured in square feet without regard to any portion of the enclosed area that does not or will not contain cannabis plants.

2.4. "Gross Receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales or transfers; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

2.4.1. Cash discounts allowed and taken on sales;

2.4.2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;

2.4.3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

2.4.4. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

2.4.5. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;

2.4.6. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the Permittee in the regular course of the Permittee's business;

2.4.7. Cash value of sales, trades or transactions between departments or units of the same business;

2.4.8. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;

2.4.9. Transactions between a partnership and its partners;

2.4.10. Receipts from services or sales in transactions between affiliated corporations. An affiliated corporation is a corporation:

A. The voting and nonvoting stock of which is owned at least 80 percent by such other corporation with which such transaction is had; or

B. Which owns at least 80 percent of the voting and nonvoting stock of such other corporation; or

C. At least 80 percent of the voting and nonvoting stock of which is owned by a common parent corporation which also has such ownership of the corporation with which such transaction is had.

2.4.11. Transactions between a limited liability company and its member(s), provided the limited liability company has elected to file as a Subchapter K entity under the Internal Revenue Code and that such transaction(s) shall be treated the same as between a partnership and its partner(s) as specified in subsection (E)(9) of this section;

2.4.12. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of \$1.00;

2.4.13. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

2.5. "Sell," "sale," and "to sell" include any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom such cannabis or cannabis product was purchased.

3. Amount of Community Benefit Rate Payment.

3.1. Cultivation. Permittee’s Annual Community Benefit Rate Payment shall be based on the greater of the active state, or local, permitted canopy, or actual total canopy.

3.1.1. Community Benefit Rate Payment for Cultivation: For mixed light cultivation activities Permittee shall pay the greater of the applicable annual rate per square foot of canopy set forth in Table 1 below or the amount stated in paragraph 3.1.2 below.

Table 1

<u>Annual Rate*</u>	<u>Area of Canopy</u>
\$25,000	Up to 5,000 sq.ft.
\$55,000	5,001 to 10,000 sq.ft.
\$132,000	10,001 to 22,000 sq.ft.

*Rate subject to CPI adjustment per paragraph 3.3 below.

3.1.2. Permittee shall pay to the County:

- A. In 2019, \$27,500 to be paid in quarterly installments of \$13,750 and to be paid on October 30, and January 30.
- B. Subsequent years, \$55,000 each year to be paid in quarterly installments of \$13,750 and to be paid on April 30, July 30, October 30, and January 30.

3.1. Nursery. Permittee’s Annual Community Benefit Rate Payment shall be based on the greater of the active state or local permitted canopy.

3.1.1. Community Benefit Rate Payment for Nursery: For cannabis nursery activities Permittee shall pay the greater of the applicable rate per square foot of canopy set forth in Table 1 below or the amount stated in paragraph 3.1.2 below.

Table 1

<u>Annual Rate*</u>	<u>Area of Canopy</u>
\$1.00 per sq.ft.	Up to 22,000 sq.ft.

*Rate subject to CPI adjustment per paragraph 3.3 below.

3.1.2. Permittee shall pay to the County:

- A. In 2019, \$7,500 to be paid in quarterly installments of \$3,750 and to be paid on October 30 and January 30.
- B. In 2020, \$26,775 to be paid in quarterly installments of \$6,694 and to be paid on April 30, July 30, October 30, and January 30.
- C. Subsequent years, \$38,550 each year to be paid in quarterly installments of \$9,637.50 and to be paid on April 30, July 30, October 30, and January 30.

3.2. Commercial Activities. Permittee shall pay annually the amount stated below or the stated percentage of Gross Receipts, which ever is greater.

3.2.1. Community Benefit Rate Payment for Commercial Cannabis Activities is 0% of Gross Receipts for distribution of permittee’s products.

3.3. Annual CPI Adjustment. Beginning on July 1, 2020 and on July 1 of each succeeding fiscal year thereafter, the amount of each benefit rate payment imposed by this subsection shall be increased by the most recent change in the annual average of the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas as published by the United States Government Bureau of Labor Statistics. However, no CPI adjustment resulting in a decrease of any payment shall be made.

4. Payment Location. Permittee shall make the Community Benefit Rate Payment at the Offices of the County Treasurer-Tax Collector. The Community Benefit Rate Payment may be paid in legal tender or in money receivable in payment of taxes by the United States. The County Treasurer-Tax Collector shall have the right to refuse the payment in coins. The County Treasurer-Tax Collector may, in his or her discretion, accept electronic funds transfers in payment of the Community Benefit Rate Payment in the same way it would accept the payment of taxes in accordance with section 2503.2 of the Revenue and Taxation Code.

5. Payment Due.

5.1. The Community Benefit Rate Payment shall be due and payable as follows:

5.1.1. Permittee shall on or before the last day of the period designated by and at the discretion of the County Treasurer-Tax Collector, prepare and deliver a Community Benefit Rate Payment statement to the County Treasurer-Tax Collector of the total gross receipts and the amount of Community Benefit Rate Payment owed for the preceding designated period. At the time the Community Benefit Rate Payment statement is filed, the full amount of the Community Benefit Rate Payment owed for the preceding designated period shall be remitted to the County Treasurer-Tax Collector.

5.1.2. All Community Benefit Rate Payment statements shall be completed on forms provided by the County Treasurer-Tax Collector.

5.1.3. Community Benefit Rate Payment statements and payments for all outstanding Community Benefit Rate Payment owed the County are immediately due to the County Treasurer-Tax Collector upon cessation of business for any reason.

6. Payments and Communications Made by Mail—Proof of Timely Submittal. Community Benefit Rate Payments made shall be deemed timely if submitted in accordance with Revenue and Taxation Code sections 2512 and 2513.

7. Payment—When Deemed Late.

7.1. The Community Benefit Rate Payments required to be paid pursuant to this Agreement shall be deemed late if not paid on or before the due date specified in this Attachment E.

7.2. The County is not required to send a late or other notice or bill to the Permittee.

8. Payment—Returned Checks. Whenever a check is submitted in payment of and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the Permittee, in addition to the amount due, pay a return check fee as established by the Board of Supervisors.

9. Payment —Interest on Late Payments. If Permittee fails to remit the Community Benefit Rate Payment at the time due shall pay interest at the rate of one-half of one percent per month or fraction thereof on the amount of the Community Benefit Rate Payment, from the date on which the remittance first became delinquent until paid. All such interest as accrues shall become a part of the Community Benefit

Rate Payment required to be paid. Only payments for the full amount due shall be accepted. Partial payments shall not be accepted.

10. Refunds.

10.1. Whenever the amount of Community Benefit Rate Payment or interest has been overpaid, paid more than once, or has been erroneously collected or received by the County under this Agreement, it may be refunded to the Permittee; provided, that a written claim for refund is filed with the County Treasurer-Tax Collector within three years of the date the Community Benefit Rate Payment was originally due and payable.

10.2. The County Treasurer-Tax Collector or the County Treasurer-Tax Collector's authorized agent shall have the right to examine and audit all the books and business records of the Permittee in order to determine the eligibility of the Permittee to the claimed refund. No claim for refund shall be allowed if the Permittee refuses to allow such examination of Permittee's books and business records after request by the County Treasurer-Tax Collector to do so.

10.3. In the event that the Community Benefit Rate Payment was erroneously paid and the error is attributable to the County, the entire amount of the Community Benefit Rate Payment erroneously paid shall be refunded to the claimant. If the error is attributable to the Permittee, the County shall retain the amount set forth in the schedule of fees and charges established by resolution of the Board of Supervisors from the amount to be refunded to cover expenses.

11. Audit and Examination of Records and Equipment.

11.1. The County Treasurer-Tax Collector shall have the power to audit and examine all books and records of the Permittee, including both State and Federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of the Permittee, and, where necessary, all equipment of Permittee, for the purpose of ascertaining the gross receipts to determine the amount of Community Benefit Rate Payment, if any, required to be paid by this Agreement, and for the purpose of verifying any statements or any item thereof when filed by the Permittee. If such person, after written demand by the County Treasurer-Tax Collector, refuses to make available for audit, examination or verification such books, records or equipment as the County Treasurer-Tax Collector requests, the County Treasurer-Tax Collector may, after full consideration of all information within his or her knowledge concerning the cannabis business and activities of the person so refusing, make an assessment in the manner provided in this Chapter of any Benefit Rate Payment estimated to be due.

11.2. Permittee shall keep and preserve, for a period of at least three years, all records as may be necessary to determine the amount of the Community Benefit

Rate Payment, which records the County Treasurer-Tax Collector shall have the right to inspect at all reasonable times.

12. Deficiency Determination. If the County Treasurer-Tax Collector is not satisfied that any statement filed as required under the provisions of this Agreement is correct, or that the amount of Community Benefit Rate Payment is correctly computed, the Treasurer-Tax Collector may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in their possession or that may come into their possession within three years of the date the Community Benefit Rate Payment was originally due and payable. One or more deficiency determinations of the amount of Community Benefit Rate Payment due for a period or periods may be made. If Permittee discontinues the permitted commercial cannabis activity, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the Community Benefit Rate Payment would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the Permittee concerned in the same manner as notices under this Agreement.
13. Subsequently Enacted Tax. In the event Stanislaus County enacts a tax applicable to the Project following the execution of this agreement, Permittee's obligation to pay Community Benefit Rates under this Section shall be reduced by the amount to which Permittee would be obligated to pay under the subsequently enacted tax.

[End of Attachment E.]

LEASE

THIS LEASE AGREEMENT made and entered into this ____ day of March, 2019 by and between **The Joseph and Donna Rubin Family Trust** with principal offices at 400 Santa Clara Street, Vallejo, CA (hereinafter referred to as "LANDLORD") and **Mission Nurseries LLC**, a California Limited Liability Company and Mitchell Davis, (hereinafter referred to as "TENANT") having their principal office at 2306 Almond Avenue, Patterson, California.

WITNESSETH:

1. Description of Premises. Landlord is the owner of a certain parcel of real property together with the building and barn erected thereon situated in the City of Patterson, County of Stanislaw and State of California, commonly known as 2306 Almond Avenue, being more particularly described on Exhibit attached hereto. The Premises subject to this Lease consists of approximately twenty (20) acres ("Premises"). In addition to the above-described real property the Premises shall include all furniture, fixtures, and equipment located on the real property comprising the Premises at the commencement of this Lease.

2. Conditions of Premises and Landlord's Work. The Premises are leased and let subject to any state of facts which a physical inspection thereof might disclose and subject to all zoning regulations, restrictions, rules, and ordinances, building restrictions, and other laws and regulations, now or hereafter in effect, and, with respect to all structures and improvements located on or constituting part of the Premises, in their condition as of the date when the Landlord turns the Premises over to the Tenant and without representation or warranty of any kind.

3. Interpretation of Lease. Whenever the word "Landlord" or "Tenant" is used in this Lease, such words shall include the respective successors, assigns, heirs, and personal representatives of the Landlord and Tenant.

If any clause, sentence, paragraph, or part of this Lease shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Lease but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered, and in all other aspects, the Lease continues in full force and effect.

This Lease and all covenants provided and conditions herein contained shall inure to the benefit of and shall bind the parties hereto and their successors and assigns provided, however, no assignment by, from, through, or under Tenant in violation of the provisions hereof shall vest in the assigns of the Tenant any right, title, or interest whatsoever.

4. Purpose. Tenant shall use the Premises for the purposes of operating a marijuana growing and processing operation.

5. Term. The term of the Lease shall be for a period which shall commence on March 20, 2015 and shall end on March 19, 2035.

6. Rent. Beginning January 1, 2009, Tenant shall pay Fixed Rent as defined herein on or before the first day of each calendar month (provided such Fixed Rent payments shall not be deemed late if paid on or before the 6th of each month) directly to Landlord without any demand therefor and without any deduction or setoff whatsoever in the manner at the times, and in accordance with the following provisions: Eight Thousand Dollars (\$8,000) per/month on a triple net basis. Tenant is solely responsible for all expenses associated with the Premises.

In addition to the Fixed Rent, Tenant shall pay to Landlord additional rent (the "Additional Rent") consisting of all other sums, liabilities, and obligations which Tenant has agreed or is required to pay or discharge pursuant to this Lease.

In addition to the Fixed Rent, Tenant agrees to pay to the Landlord each Lease Year (defined as each successive twelve month period during the Term hereof) "Percentage Rent" which is defined as an amount equal to one percent (1%) multiplied by the amount of Tenant's Gross Sales as defined herein. Said Additional Rent shall be paid on or before January 31 of each year in a single payment.

As used herein, Gross Sales means the aggregate sale prices of all items sold, ordered, or delivered from the Premises and all services ordered or rendered from the Premises. Gross Sales shall not include: (a) condemnation proceeds and/or insurance proceeds received in the settlement of claims for loss of or damage to furniture, fixtures, equipment, inventory, etc.; (b) interest, service, or sales carrying charges or other charges, however denominated, paid by customers for extension of credit on sales and where not included in the initial sales price; (c) discounted or no charge sales to restaurant employees; (d) refunds, allowances, or discounts to customers including so-called manager-compensated meals (i.e. discounted or free meals given to customers in return for loyalty and/or as a result of alleged poor service or quality); (e) sales tax levied upon any sales or any tax in substitution of a sales tax; (f) walkouts and bad debts not to exceed one percent (1%) of annual Gross Sales; (g) sale of Tenant's furniture, fixtures, or equipment; (h) the exchange of food or beverages between Tenant and another restaurant owned or operated by Tenant; (i) returns to vendors, purveyors, and shippers.

Pursuant to this obligation to pay Percentage Rent, Tenant shall submit to Landlord monthly reports of Gross Sales within ten (10) days of the end of each month of each Lease Year ("Monthly Reports"). In addition to such Monthly Reports, within thirty (30) days of the end of each Lease Year, Tenant shall submit to Landlord an annual report of Tenant's Gross Sales for the foregoing Lease Year ("Annual Reports"). Within thirty (30) days of the end of each Lease Year, Tenant shall pay to Landlord the amount of Percentage Rent due from Tenant to Landlord under the foregoing formula for the prior Lease Year, plus, if applicable, any amount necessary to pay the difference between such Percentage Rent and the Minimum Rent for such Lease Year.

Landlord shall have the right, in its reasonable discretion, and at such times as Landlord reasonably deems necessary and/or proper to audit the books and records of Tenant with respect to

Tenant's Gross Sales and the calculation of Percentage Rent pursuant to this provision. Notwithstanding Landlord's right to audit Tenant's books and records, Tenant hereby represents and warrants that each Monthly Report and Annual Report will accurately reflect Tenant's Gross Sales and Tenant's calculation of Percentage Rent in accordance with the terms of this provision.

7. Insurance.

Tenant Insurance. Tenant hereby agrees to indemnify and save harmless Landlord against all claims, demands, and judgments for loss, damage, or injury to property (excluding property of Landlord) or person resulting or occurring by reason of the use and occupancy of the Premises by Tenant and/or resulting from the negligence of or intentional acts by Tenant, its agents, servants, invitees, or employees to the extent that all such matters arising from such claims can be insured against as provided in the next paragraph. Tenant's insurance policy shall provide for coverage against damage to glass and vandalism.

Tenant shall carry and pay all premiums for public liability insurance in limits of not less than Five Hundred Thousand Dollars (\$500,000) and One Million Dollars (\$1,000,000) bodily injury and Five Hundred Thousand Dollars (\$500,000) on account of damage to property, including fire and extended coverage. Such policy or policies shall name the Landlord as an additional insured hereunder. Tenant shall deposit memorandum copies of certificates of such policy or policies with Landlord.

8. Utilities. Tenant will pay all charges and bills for water, sewer, gas, and electric current together with any license fees, inspection fees, and other charges in connection with the operation of the business which may be assessed or charged against said Tenant during said term.

9. Real Estate Taxes. Tenant shall pay all annual real estate taxes on said leasehold Premises due during the Lease term and all personal property taxes with respect to Landlord's personal property, if any, on the Lease Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

10. Repairs and Maintenance. Tenant shall at its sole expense keep and maintain the buildings located on the Premises, including, without limitation, all glass, windows, doors, permitted exterior signs and lights, exterior canopy lights, plumbing, electrical and heating systems, interior and exterior air conditioning, sewage equipment and facilities serving the Premises. If Tenant refuses or neglects to repair and maintain the Premises as provided herein, then Landlord may, but shall not be obligated to, make such repairs without liability to Tenant for any loss or damage that may be incurred to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and the cost of such repairs shall constitute Additional Rent hereunder and shall be immediately due and payable.

Tenant shall keep the Premises including equipment, facilities, and fixtures serving the Premises at Tenant's expense clean, neat, and in good order; repair, and condition, including all necessary painting and decorating, and, at Tenant's expense, shall keep all glass, including that in windows, doors, and skylights, clean and in good condition and shall replace any glass which may be damaged or broken with glass of the same quality.

Notwithstanding anything contained herein to the contrary, if Landlord fails to maintain the Premises as provided under paragraph 10 of the Lease, after seven (7) days advance written notice and opportunity to cure within such seven (7) day period, Tenant shall have the right to make such repairs and Landlord agrees to reimburse Tenant for reasonable out-of-pocket costs of such repairs within five (5) days following demand therefore accompanied with reasonable evidence of such repair costs.

11. Alterations and Improvements. Tenant may during the continuance of this Lease make such alterations and improvements as may be proper or necessary for the conduct of Tenant's business or for the full beneficial use of the Premises, but in no event structural alteration; provided, however, that any alterations, improvements, or additions shall not be made without first having obtained the written consent of the Landlord which consent shall not be unreasonably withheld. Tenant shall pay all costs and expenses thereof and shall make such alterations and improvements in accordance with applicable laws and building codes in a good and workmanlike manner. All alterations and additions to the leased Premises shall remain for the benefit of the Landlord, provided, however, that any alterations, improvements, or additions shall not be made without first having obtained the written consent of the Landlord. Tenant shall pay 100% of any taxes and insurance attributable to any alterations and improvements.

12. Signs. Tenant shall have the right to erect and maintain signs on the Leased Premises as it shall deem necessary for its business and shall be subject to the approval of the Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. Tenant shall be responsible for all costs of said signs and installation expenses incident, including electrical wiring, to the installation in addition to removal upon expiration of the Lease and repairs necessary because of removal, providing such signs are permitted by applicable zoning ordinances and private restrictions, if any.

13. Tenant's Duty to Occupy Premises. Tenant will keep said Premises and appurtenances in a clean, safe, and healthy condition according to the law and at the direction of the proper officials at Tenant's own expense and will not let rubbish, garbage, or trash accumulate. Tenant will use and occupy said Premises and appurtenances in a careful, safe, and proper manner and will at Tenant's expense comply with the direction of the proper public officials as to the use, repair, and maintenance of such portions thereof as Tenant is under the duty of repairing and maintaining. Tenant shall be required to continuously operate or occupy the Premises. If the Premises are not operated for a period of thirty (30) days at any time during the term of the Lease, Landlord shall have the right to terminate the Lease.

14. Redelivery of Premises. Tenant will deliver upon and surrender to the Landlord the Premises hereby leased upon the expiration of the Lease or its termination in any way in as good condition and repair as the same shall be at the commencement of this Lease, loss by fire, casualty, and ordinary wear and tear only excepted. Tenant shall remove all rubbish, waste material, and all of Tenant's property from the leased Premises and shall surrender all keys to said Premises in Tenant's possession, whether such keys were provided by the Landlord or by the Tenant.

15. Landlord's Access. Unless in the case of an emergency, Landlord may have free access to the Premises at all reasonable times for the purposes of examining the same or to make any alterations or repairs that Landlord may deem necessary to its safety or preservation and also during the last three months of the term of this Lease for the purpose of exhibiting said Premises and putting up the usual notice "For Rent" or "For Sale", which notice shall not be removed, obliterated, or hidden by Tenant.

16. Personal Property Liability. Unless in the case of negligence by Landlord or its employees, invitees, guests, successors, or assigns, Landlord shall not be liable for any loss, injury, or damage to any persons or to Tenant's business or property or property of others nor shall Landlord be considered to be in default hereunder on account of any such loss or damage resulting from any cause whatsoever including, but not by way of limitation, fire, explosions, falling plaster, electrical shorts, rain, snow, steam or gas leaks, or leaks from any pipes, appliances, plumbing, or from the roof, street, or subsurface.

17. Fire and Safety Equipment. Tenant shall provide necessary fire protection and safety equipment that may be required by law for their business.

18. Default. If Tenant fails to pay the Fixed Rent and/or Additional Rent at the time and in the manner hereinbefore provided and fails to cure said default within ten days after written notice from Landlord of such default or if Tenant defaults in performing any other covenant or agreements hereunder and fails to cure such default within thirty days after written notice of default from Landlord or if the Tenant is not in the process of curing such default if such default cannot be cured within thirty days, this Lease shall cease and come to an end and thereupon the Tenant shall vacate and surrender the leased Premises to Landlord and Landlord may re-enter and repossess itself of the same, discharged of this Lease, and remove all persons and parties there from with or without legal process and using such force as may be necessary so to do. The foregoing right of termination herein reserved to Landlord is in addition to any and all rights which it may have by virtue of the laws and statutes of the state within which the Premises is situated relating to the relationship of Landlord and Tenant. In the event of any repossession of the Premises by Landlord because of the default of the Tenant herein either under the foregoing provisions or in pursuance of any proceedings under the laws or statutes of the state within which the leased Premises is situated, Landlord shall reasonable efforts to mitigate its damages and in connection therewith, may if it so elects, relet the leased Premises or any part thereof, either on its own account or as agent for the Tenant, and for the balance of the term hereof or for a longer or shorter period at the discretion of Landlord and the Tenant agrees to pay to Landlord the rent hereinbefore reserved on the days when the same become due and payable less the net proceeds of the reletting, if any. To the extent Landlord pursues a monetary claim against Tenant, Landlord has a duty to mitigate its damages and such duty to mitigate damages shall be determined in accordance with the law existing as of the effective date of this Lease.

19. Bankruptcy. In the event Tenant shall become insolvent or if bankruptcy proceedings shall begin by Tenant or if a receiver is appointed by a court of competent jurisdiction to control any part of Tenant's business or assets on the demised Premises and is not removed after thirty (30) days from appointment or if the Tenant makes a general assignment for the benefit of its creditors, then

this Lease shall be automatically terminated because of the default of the Tenant.

20. Venue. If the event of a dispute between the parties hereto that results in the institution of legal action, the courts located in California shall be the exclusive venue for any such lawsuit.

21. Casualty. If during the term of this Lease or any renewal or extension thereof the Premises hereby leased shall be partially damaged by fire or other casualty but not rendered untenable, the same shall be repaired with all proper speed at the expense of the Landlord during the period from the occurrence of such fire or other casualty until the completion of repairs to the Premises and, the rental due under this Lease shall be abated proportionately as the area rendered untenable shall bear to the total area of the Premises. If, however, during the term of this Lease or any renewal or extension thereof, said Premises shall be injured by fire or other casualty so that the said Premises are rendered wholly unfit for occupancy and cannot be restored within one hundred twenty days, then at the option of either Landlord or Tenant this Lease may be terminated from the date of such injury by either party giving written notice to such effect within thirty days therefrom and the rent shall terminate upon such date, and upon such termination, Tenant shall immediately surrender the Premises to Landlord who may enter and repossess the said Premises. In the event during the term of this Lease or any renewal or extension thereof, said Premises shall be injured by fire or other casualty so that the said Premises shall be rendered unfit for occupancy but can be restored within one hundred twenty days, the Landlord at Landlord's own expense shall promptly restore the Premises to its former condition and Tenant shall be excused from paying rent for and during the term it is deprived of occupancy.

22. Peaceable Possession. Landlord and Tenant, for themselves, their heirs, and assigns, hereby covenants and agrees with Tenant, its successors, and assigns, the Tenant upon paying rents and performing and observing each and every covenant and condition hereof on the part of Tenant to be performed and observed, Tenant shall peaceably and quietly hold, occupy, and enjoy said Premises during said term without any let, hindrance, nuisance, or molestation by any person whatsoever.

23. Subordination. This Lease is subject and subordinate to any mortgage or mortgages now on said Premises or that may hereafter be placed upon such Premises and that the recording of such mortgage or mortgages shall preference to and be superior in lien to this Lease irrespective of the date of the recording of this Lease, and the Tenant agrees upon request of Landlord to execute and acknowledge and deliver such instruments without cost which may be deemed necessary by Landlord to effect the subordination of this Lease. Tenant shall have the right to make lease payments towards mortgage payments and receive credit for same if Landlord fails to make mortgage payments.

24. Assignment or Subletting. Tenant may not assign or sublet all or any of the Premises for the remainder of the term of this Lease. Any attempt to sublet or assign the Premises shall constitute an immediate material breach of said Lease resulting in the termination of said Lease.

25. Condemnation. If at any time during the term of this Lease the entire Premises shall be appropriated or taken by virtue of condemnation, eminent domain, or other similar proceedings

pursuant to any law, this Lease shall terminate as of the date of such taking.

In the event of any termination of this Lease pursuant to the provisions of this Article, Landlord and Tenant shall thereupon be released from any further liability hereunder, except Tenant shall remain liable for all obligations and liabilities under this Lease, actual or contingent, which have arisen on or prior to such date of termination, including, but not by way of limitation, Tenant's liability for the payment of the Fixed Rent and Additional Rent or any alleged sums owed under this Lease.

In the event of any taking of the Premises as herein before provided, whether in whole or in part, Landlord shall receive the full amount of any award as damages or otherwise for such taking, and Tenant shall not be entitled to any part of such award or have any right to contest or appeal such award; provided, however, that Tenant shall have the right to claim and recover from the taking authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any cost or loss to Tenant in removing Tenant's merchandise, fixtures, and equipment so long as such claim shall not adversely affect the amount or payment of the award made to or to be made to Landlord or the proceedings relative thereto.

26. Notices and Consents. All notices, consents, or requested desired or required to be given hereunder shall be in writing and shall be (i) delivered in person; (ii) sent by registered or certified mail, return receipt requested, postage prepaid to the address of the parties listed below or to there such address as such party shall have designated by property notice; (iii) sent by confirmed facsimile transmission; or (iv) sent by e-mail as follows:

As to Landlord:
Joseph Rubin
400 Santa Clara Street
Vallejo, CA 94590
Facsimile:
Email:

As to Tenant:
Mission Nurseries LLC and Mitchell Davis
2306 Almond Avenue
Patterson, CA
Facsimile:
Email:

27. Release. In the event of any sale of or other transfer of title to the Premises, Landlord, and in case of any further sale or transfer, the then seller or transferor, shall be automatically released from any and all further obligation to Tenant under this Lease. Such release shall in no way affect any rights, claims, or causes of action which Landlord may have against Tenant. Additionally, such release shall in no way affect any rights, claims, or causes of action which Tenant may have

against Landlord for such acts or omissions of Landlord arising on or before the date of transfer of this Lease, regardless if such claim or lawsuit is initiated after the transfer of this Lease. Tenant shall, in the event of any such sale or other transfer of title, recognize any purchaser or transferee as the new Landlord under this Lease.

28. Estoppel Certificates. Landlord and Tenant shall, without charge, at any time and from time to time, within twenty (20) days after receipt of written request therefor from the other or from any lender (or prospective lender) of the other deliver, in recordable form, a duly executed and acknowledged certificate or statement to the party requesting said certificate or statement or to any other person, firm, corporation, or other entity designated by the other, certifying: (a) that this Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as modified, and stating any such modification; (b) the Commencement Date and expiration date of this Lease; (c) that Fixed Rent is paid currently without any offset or defense thereto; (d) the dates to which Fixed Rent payable hereunder by Tenant have been paid, and the amount of Fixed Rent, if any, paid in advance; (e) whether or not there is then existing any claim of default hereunder and, if so, specifying the nature thereof and of any other matters relating to the status of such Lease as shall be requested from time to time; provided that in fact, such facts are accurate and ascertainable.

29. Landlord's Representations and Warranties. Landlord represents and warrants to Tenant: (a) Landlord owns a fee simple estate in the Premises; (b) Landlord has the right to execute this Lease; (c) the execution of this Lease by Landlord does not require the approval or joinder of any other person; and (d) Landlord shall defend Tenant's right to occupy and use the Premises.

30. Enforcement Expenses. If Landlord or Tenant shall at any time be in default hereunder and if either party shall deem it necessary to engage attorneys to enforce its rights hereunder, the determination of such necessity to be in either's sole discretion, then the prevailing party in any litigation shall be reimbursed by the other party for the reasonable expenses incurred thereby, including but not limited to court costs and reasonable attorney's fees (in both the trial court and appellate courts) and all other reasonable expenses.

31. Landlord Indemnification. Landlord shall indemnify Tenant, its officers, shareholders, directors, members, beneficiaries, partners, representatives, agents, and employees, and save them harmless from and against any and all claims, actions, damages, liability, costs, and expenses, including attorneys' fees, in connection with all losses, including loss of life, personal injury and/or damage to property, arising from or out of (a) Tenant's failure to comply with any provision of this Lease; (b) any act or omission of Tenant, its agents or contractors in the Premises; (c) any Hazardous Materials installed or introduced into the Premises or the Building by Tenant.

32. Tenant Indemnification. Tenant shall indemnify Landlord, its officers, shareholders, directors, members, beneficiaries, partners, representatives, agents, and employees, and save them harmless from and against any and all claims, actions, damages, liability, costs, and expenses, including attorneys' fees, in connection with all losses, including loss of life, personal injury and/or damage to property, arising from or out of (a) Tenant's failure to comply with any provision of this Lease; (b) any act or omission of Tenant, its agents or contractors in the Premises; (c) any

Hazardous Materials installed or introduced into the Premises or the Building by Tenant.

NOW THEREFORE, the Landlord and the Tenant have hereunto set their hands in duplicate hereof the day and year first above written.

LANDLORD:

TENANT:

Joseph and Donna Rubin
Family Trust

Mission Nurseries LLC
A California Limited Liability Corporation

By _____
Joseph Rubin, Trustee

By _____
Mitchell Davis, Managing Member

Mitchell Davis, personally

Date: _____

Date: _____

ATTACHMENT G DEVELOPMENT SCHEDULE

This is a proposed development schedule, date of completion referred to below is the date of the issuance of the Certificate of Occupancy. Permittee shall develop the Project in a regular, progressive and timely manner.

Phase 1 (Existing): Mixed Light Cultivation up to 10,000 square feet license Nursery of 15,000 square feet license

Phase 1 includes 12 existing greenhouses; six of the existing greenhouses (17,280 square feet total) are utilized for the cultivation of cannabis totaling 10,000 square feet canopy; the other six existing greenhouses (20,310 square feet total) are utilized for 10,000 square feet canopy of nursery plants and 5,000 square feet of mother plant canopy.

Phase 2: Nursery of 38,550 square feet license Agreed date of completion 06/30/2020

Phase 2 will include construction of six additional greenhouses (17,400 square feet total) to be utilized for nursery plants, for a total nursery canopy of 38,550.