

City of Benicia
Commerical Cannabis Retail Permit Application Proposal

Submitted by:

C O M E T A
ESTD *benicia california* 2018

September 8, 2018

PRESENTED BY
Luis Lagos of:



ADDRESS
177 Military E.
Benicia, CA 94510

(415) 272-6499

Sep 5, 2018

City of Benicia
250 East L Street
Benicia, CA 94510
Attn: Community Development Department

RE: Letter of Intent - Request for Proposals: Cannabis Retail and Microbusiness Operators

I, the undersigned, attest that I am a duly authorized representative of the cannabis business operator applicant, which is identified below:

Name of Business:	<u>Sonoma Campesino, Inc. DBA Cometa</u>
Address of Proposed Business Location:	<u>177 Military East, Benicia, CA 94510</u>
Assessor's Parcel Number:	<u>0088111080</u>
Name of Applicant:	<u>Luis Lagos</u>
Business Address of Applicant:	<u>120 H St, San Rafael, CA 94901</u>
Applicant Phone Number:	<u>415-272-6499</u>
Applicant Email Address:	<u>luis@luis-lagos.com</u>

I understand that I will be expected to receive all notices at the Business Address of the Applicant and consent to receiving notices and communications at the phone number and email address listed above.

I am interested in starting a storefront retail cannabis business operation. Further, I attest that I have secured an agreement for the Proposed Business Location listed above, for a minimum of four (4) years, and that said location is eligible for cannabis business operations per City regulations.

Please find enclosed a complete application for this cannabis business proposal, including:

- Summary Project Plan
- Preliminary Cannabis Application
- Cannabis Public Safety License Application
- One (1) payment of \$20,000 payable to the City of Benicia

If I am selected to submit for a CUP I will apply for this permit within 60 days of the receipt of the letter of authorization from the City of Benicia Community Development Department. I understand that failure to apply for the CUP within that time period automatically forfeits my opportunity to apply.

I further understand that failing to meet any of the requirements of the RFP or applicable City regulations shall lead to automatic revocation of any award letter.

Sincerely,



Preliminary Cannabis Application
(do not include this sheet of paper)



250 East L Street • Benicia, CA 94510 • (707) 746-4280 • Fax (707) 747-1637

Community Development Department Planning Division

PRELIMINARY CANNABIS APPLICATION

Administered by the Community Development Department, applicants seeking retail or microbusiness Cannabis Use Permits must submit a Preliminary Cannabis Application. Applicants must submit a vicinity map(s), and conceptual building site plans including but not limited to site plans, floor plans, roof plans, and building elevations. All applicants must complete the application that follows. The responses provided on this application will assist the review panel in evaluating Proposals for business viability and operational standards that the applicant intends to employ, and assess how they relate to building and zoning codes, City design standards, and other sections of the Benicia Municipal Code.

ACKNOWLEDGEMENTS

The applicant acknowledges that submitting this Application and associated documentation does not entitle them to a Cannabis Use Permit or a Cannabis Public Safety License, or grant them any rights or privileges to operate a cannabis business in Benicia. The applicant also acknowledges that all fees associated with this application are non-refundable, and that the Community Development Department will retain the authority to inspect and assess the business premises and property.

Entity/Applicant Name: Sonoma Campesino, Inc. DBA Cometa

Proposed Facility Address: 177 Military East, Benicia, CA 94510

Authorized Agent (print): Luis Lagos

Title: CEO

Signature: _____

Date: 9/5/2018

APPLICANT: Complete all sections. Please print legibly.

Project Address 177 Military East, Benicia, CA 94510

APN (s) 0088111080 Cross Street E 2nd Street Sq. ft./Acreage 8220

Applicant Name Sonoma Campesino DBA Cometa Company _____

Street Address 120 H St

City San Rafael State CA Zip Code 94901

Phone 415-272-6499 Email luis@luis-lagos.com

Owner's Name Luis Lagos Company _____

Owner's Street Address 120 H St

City San Rafael State CA Zip Code 94901

Phone 415-272-6499 Email luis@luis-lagos.com

Additional Contact Information

Architect Tom Wilson Architect, Inc. ; 707-747-1231 ; tw-architects.com
920 First Street, Suite 202, Benicia, CA 94510

Engineer _____

Other _____

If additional owners, please add them below.

Owner's Name Joshua Amoroso Company _____

Owner's Street Address 477 9th Ave. Suite 100

City San Mateo State CA Zip Code 94402

Phone 650-548-2686 Email amo@lockehouse.com

Owner's Name Gabriel Lagos Company Bienestar Metroplotinana

Owner's Street Address Sadi Carnot 106 Colonia San Rafael

City Mexico City (D.F.) State Mexico Zip Code 06470

Phone +52-1-55-5453-0807 Email glagos@grupourbana.mx

Owner's Name _____ Company _____

Owner's Street Address _____

City _____ State _____ Zip Code _____

Phone _____ Email _____

Owner's Name _____ Company _____

Owner's Street Address _____

City _____ State _____ Zip Code _____

Phone _____ Email _____

Proposed Project

Please complete this chart. If an item is included, or will be changed as part of the project, please elaborate.

	No	Yes	Explanation
Tenant Improvements		X	As detailed in our Project Plan, we are proposing mostly interior improvements.
Parking		X	As further detailed in our Project Plan, we have ample parking and require minimal improvements to the rear parking lot.
• New Spaces		X	As detailed in our Project Plan, all that is required for the rear parking lot is to re-level the gravel lot and paint lines.
• Removing Spaces	X		
Improvements and/or Structures in Public Right-of-Way	X		
Exterior			
• Building Modifications		X	We wil re-paint the exterior and update all exterior windows.
• Mechanical Equipment		X	As detailed in out Project Plan, we will install a carbon air filtration system. All other system are currently operational.
• Lighting		X	As detailed in our security plan, we will install exterior lighting surrounding the premises.
Masonry	X		
Land			
• Grading	X		
• Landscaping		X	As detailed in our Prject Plan, the landscaping requires minimal improvements.
• New Trees	X		
• Removing Trees	X		
Hazardous Materials	X		

Operational Plans

Please complete this chart. If an item is included, or will be changed as part of the project, please elaborate.

	No	Yes	Explanation
Number of Estimated Employees		X	As detailed in our Project Plan, we will require 8 employees for the first year.
Proposed Hours of Operations		X	As detailed in our Project Plan, we will be open from 10:00 a.m. to 8:00 p.m.
Production of Edible and/or Consumable Products	X		
Noise to be Generated On-Site	X		
Cannabis-Related Mechanical Equipment	X		
Outdoor Storage and/or Uses	X		
Use or Storage of Hazardous Materials	X		
Transportation Plans		X	Our Transportations Plans can be found in our Project Plan.
Expected Occupant/Tenant Traffic	X		If approved by the review panel, we will conduct a traffic study for the CUP approval process if needed. Given the commercial nature of the area and its high traffic already, it was not included.
Cannabis Delivery and/or Distribution		X	
Proposed Delivery and/or Distribution Hours		X	As detailed in our Project Plan, we will be open from 10:00 a.m. to 8:00 p.m.

THIS IS A PRELIMINARY CANNABIS APPLICATION FORM AND NOT A BUILDING PERMIT OR PLANNING OR ENGINEERING APPLICATION. ADDITIONAL SITE PLANS & DETAILED INFORMATION WILL BE REQUIRED WITH THE PLANNING APPLICATION AND/OR PERMIT APPLICATION.

INDEMNIFICATION:

Applicant agrees to defend, indemnify, and hold harmless the City and its officers, contractors, consultants, employees, and commission members (collectively, "City") from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation), including any appeals thereto (collectively, "proceeding") brought against the City with regard to any approvals issued in connection with the application(s) by the City, including any action taken pursuant to the California Environmental Quality Act. If Applicant is required to defend the City in connection with such proceeding, the City shall have and retain the right to approve counsel to so defend the City; and all significant decisions concerning the manner in which the defense is conducted; and any and all settlements, which approval shall not be unreasonably withheld. The City shall also have and retain the right to not participate in the defense, except that the City agrees to reasonably cooperate with Applicant in the defense of the proceeding. If the City's Attorney's Office participates in the defense, all City Attorney fees and costs shall be paid by Applicant. Further, Applicant agrees to defend, indemnify and hold harmless the City from and for all costs and fees incurred in additional investigation or study of, or for supplementing, revising, or amending, any document if made necessary by said proceeding.

CERTIFICATION:

I hereby certify that I am the applicant or designated agent named herein and that I am familiar with the rules and regulations with respect to preparing and filing this petition for discretionary action, and that the statements and answers contained herein and the information attached are in all respects true and accurate to the best of my knowledge and belief.



SIGNATURE OF APPLICANT OR AGENT: _____

Date: 8/5/2018

Applicant will receive an email confirming receipt of request form and packet and assign next available meeting date and time. This will be your meeting date unless you contact us to request a different available meeting date and time. If applicants miss a scheduled meeting, they will be required to reschedule for the next open date available. City of Benicia Community Development Department: (707) 746-4280 Cannabis@ci.benicia.ca.us

FOR INTAKE, STAFF USE ONLY

File # _____	Fee Paid _____	Receipt # _____
Date Received: _____	Received By _____	
Zoning _____		
Reviewers Needed:		
<input type="checkbox"/> Fire	<input type="checkbox"/> Building	<input type="checkbox"/> Planning
<input type="checkbox"/> Public Works	<input type="checkbox"/> Engineering	<input type="checkbox"/> Police
<input type="checkbox"/> Parks and Community Services	<input type="checkbox"/> Other _____	

Summary Project Plan

(do not include this sheet of paper)

Summary Project Plan

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PROPOSED LOCATION AND DESIGN

Location Requirements

Cometa's proposed location is located at 177 Military East in Benicia. That location is in the General Commercial zoning district and is a part of the Solano Square Shopping Center. The property was previously used as a law office and has since been sold. Benicia's Zoning Code allows commercial cannabis retailers in the General Commercial zoning district and our proposed location is an ideal spot for such operation.

The Solano Square Shopping Center is full of retail businesses including Starbucks, Rite Aid, Safeway, Baskin-Robbins, Sprankles Village Deli, Pizza Pirate, Bank of America, Nation's Giant Hamburgers, Umpqua Bank, The UPS Store, Safeway, Subway, Benicia Cleaners, and a few others. Adding an additional retailer to this location would not alter the characteristics of the neighborhood and would, in fact, match the surrounding uses:

We recognize our responsibility to protect the children in our community and ensuring they do not have access to cannabis products. We also recognize that certain stores in the Solano Square Shopping Center cater to children, including Baskin Robins, Pizza Pirate, and Nation's Giant Hamburgers, and we have a responsibility to ensure that we do not disrupt the child friendly nature of the shopping center. That is why Cometa's will be located in a stand-alone building between a store called Cigarettes 4 Less, a nail salon and a drive through, where no children would be playing. The building has its own parking lot, so it is unlikely that any children we even be walking past it. In addition, it faces Military E, a main road that no children will be walking across.

Cometa's will have no advertising outside of the store other than its name and logo, which is simply a mountain and does not suggest that it is a cannabis establishment. No cannabis will be visible from outside of the store, and no cannabis will be visible inside the store when the door is open and a customer is entering or leaving. Nobody under 21 will be permitted into the store, unless they have a medical recommendation and are over 18 years old. There will be highly effective carbon air scrubbers throughout the establishment to ensure that there will be no odor either inside or outside of the store. All products leaving the store will be in opaque, child resistant bags, and our external cameras will ensure that all customers leaving the store go straight to their vehicle and do not interact with children outside of our establishment.

As demonstrated by our site plans, our proposed build-out will ensure the exterior of our building remains in conjunction with the surrounding exterior buildings. The proposed location is also only a few blocks away from Benicia's downtown area with several shops and restaurants.

Account for buffer/setback/sensitive use requirements

Additional Setbacks/Buffers

The Benicia Municipal Code and State law impose a buffer zone for commercial cannabis activities, requiring that such activities cannot be conducted within 600 feet for schools between K and 12th grade. Our proposed location is well beyond that required buffer. The closest schools to our location are Liberty High School and Benicia Primary School, which are both over 1,000 feet from our location when measure property line to property line.

Benicia does not have a required buffer from residences and other sensitive uses. However, based on our experience in the industry, we have taken it upon ourselves to choose a location that would not be disruptive to the neighborhood. The facility is separated on three sides by the commercial uses of the shopping center, and on the fourth side by Military E, a busy road that serves as a natural buffer. All residences are well over 100 feet from the location, a standard used by several counties [see *Sonoma County Municipal Code 26-88-256(j)(1)*]. The closest sensitive use is the Benicia Public Library, which is on the other side of the heavily trafficked Military E.

Location Outreach

At Cometa, we understand the importance of working with the community in order to make a positive contribution to the neighborhood. We have been taking a proactive approach to reaching out to our neighbors. We have gone door to door to introduce ourselves and inform our neighbors that we are proposing to open up in the area. We created a list based on the feedback received from the community and have incorporated those ideas into this proposal. We are confident that we are addressing all concerns that have been raised, and will continue to work with the community throughout the lifespan of the dispensary. We plan to hold community events and meetings at our location monthly to ensure that the community knows that their concerns are being heard and addressed. We will have a minimum of one employee dedicated to community outreach, who will respond to all complaints or concerns within 24 hours, and will work to resolve any issues that arise.

Parking Requirements

Benicia's parking requirement for a retail operation, such as a cannabis retailer, is 1 off-street parking for every 200 sq. ft. for less than 5,000 sq. ft.; 1 per 250 sq. ft. over 5,000 sq. ft. Here, our proposed location is approximately 3000 sq. ft. and, therefore, requires that we have approximately 15 off-street parking spaces. As demonstrated in our site plans, we have ample space to accommodate such requirement. The property currently has 5 parking spaces in the front and a pre-existing parking lot in the rear that can support the additional 10 parking spaces. We will also have an ADA-compliant parking spot in the front for disabled customers/patients. There is plenty of overflow parking throughout the Shopping Center if required. However, as our business model does not permit loitering or using product onsite, we anticipate the average client visit will not exceed 10 minutes, and we don't anticipate any parking overflow will be needed.

Design Features

Exterior Design and Materials

Our plans are to keep the design and materials the same as they were with the prior use. Our only proposed modifications to the exterior of the building, other than security measures, are to repaint the exterior walls, update the windows, and update the exterior signage as described below.

Signage

As demonstrated by our elevations and site plans, we will have minimal signage. There will be no illuminated signage and no advertising that would interfere with the public access or walkways. All exterior signage will be limited to the windows and the one existing sign.

As you will note from our logo on this application, we will offer very discrete advertising. Currently there is an existing sign on the property that is visible as you pass the location going either way on Military East. That sign currently advertises the prior law office that occupied the proposed building. Our plan is to replace that sign with our name, Cometa, and our logo. There will be nothing in our building signage that could be construed as advertising to children. We will not post any cartoon like characters or anything else that would target children. Similar to the existing sign, all window signage will be discrete and consist of our name and our logo.

In regard to our interior signage, again, we will stick to our logo of mountains and our name, Cometa. This will prevent any potential of posting advertising or signage that may be construed as targeting children. Additionally, any new potential advertising or signage will first be approved by our attorneys to ensure it complies with all applicable rules and regulations. In addition to our name and logo, we will also post all required State and local licenses and permit. We will post our State cannabis license, local permit, State sellers permit, Prop 65 warning, fire evacuation plans, mark all exits clearly, and any other required information and/or permit.

Added/Extra Design Features

As demonstrated by our attached site plans our proposed build-out will not alter the exterior design of the existing building. Rather, our proposed build-out will focus on interior and parking improvements.

The existing parking in the front of the building does not require any improvements as it is already paved, lined, and ready for use. However, we will need to improve the parking lot in the rear of the building. The rear parking lot is currently gravel, which we will continue to maintain, but there are no lined parking spaces. We will have that parking lot lined and the gravel leveled out to ensure a clean appearance. As previously mentioned, we will maintain the gravel parking lot to ensure the lines do not become eroded and to ensure the parking remains in good condition. Attaching the rear parking lot to our front entrance is a cement pathway that travel adjacent to our building. That pathway requires some improvements as it currently has cracks and is uneven in a few locations. We will improve and maintain that pathway so customers have safe access to our entrance.

Upon entering our facility through our street facing entrance, customers will enter into our waiting area. The waiting area is separated from the remainder of the building by secured, locked doors. In the waiting room the customers can speak with the receptionist through plexiglass window who will be in an office separate from the waiting room. The receptionist office cannot be seen from the exterior. Once the customer is verified, as described in our operations plan, the receptionist will buzz in the customer.

As the customer enters the retail area they will be greeted by a products table that contains all non-cannabis or cannabis products on display. To the right of that table we will install a "scent table" that will have cannabis and cannabis products on display. Those products will be locked in a plexiglass lock box and the customers will only be able to inspect the products with the assistance and supervision of a budtender.

To the right of that table we will install our sales counter where all sales will be processed and finalized.

Past the retail area we will build a library filled with cannabis related educational information. We will also provide seating for customers in the library so they may read at their leisure. Next to the library we will have our live plant room. This room will be secured by locked doors so no customer will be able to enter without the supervision of an employee. In that room we will have live plant clones for sale.

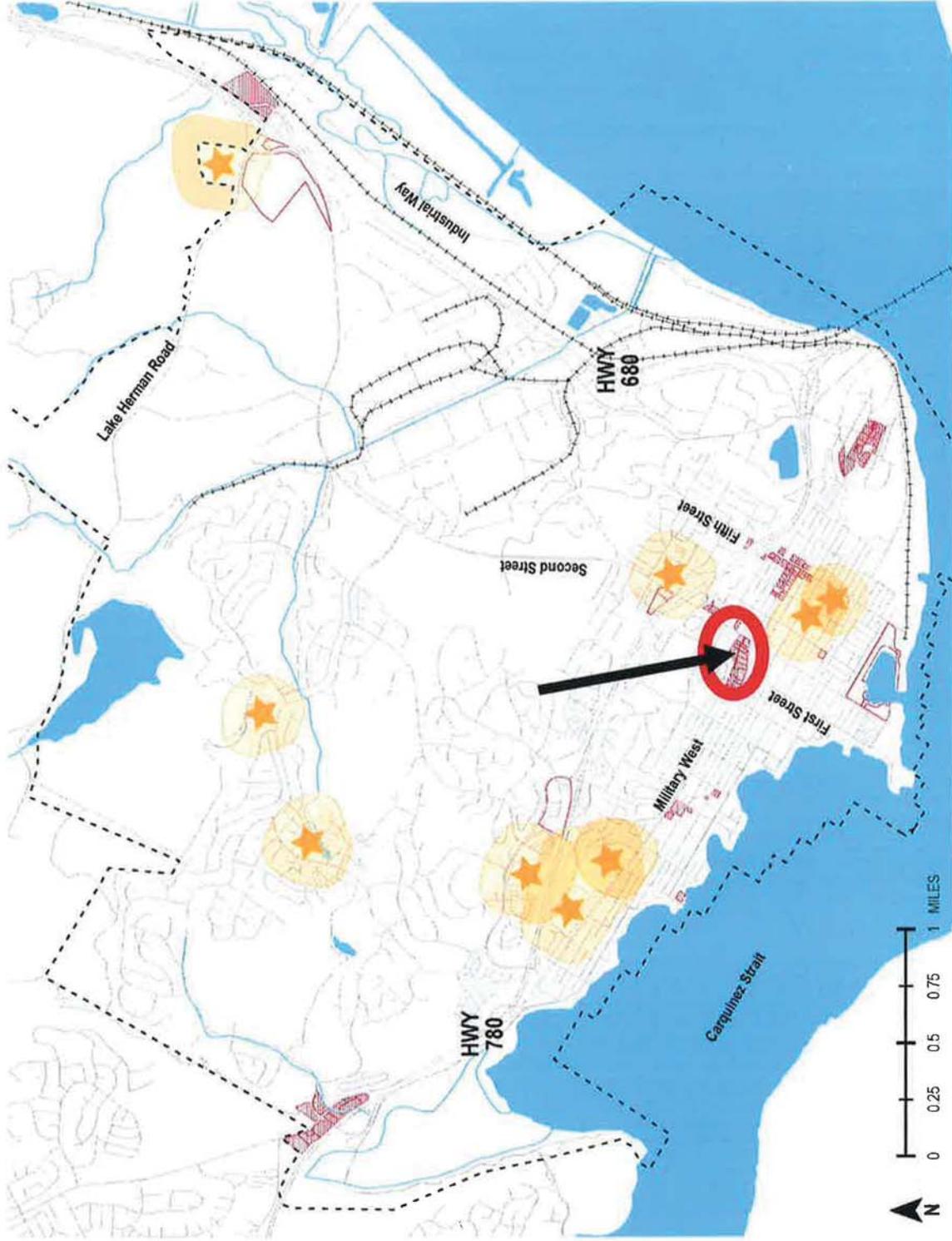
All product storage will be in the lower level of the building. Customers will not be granted access to the lower level. There is also a separate to the lower level from the exterior. That entrance is separate from the customer entrance to the retail area and no customer will be allowed to use the lower level entrance.

Cannabis Retail: Potentially Eligible Locations

- ELIGIBLE** Parcels Zoned:
- General Commercial (CG)
 - Community Commercial (CC)
 - Waterfront Commercial (CW)
- INELIGIBLE** Parcels Zoned:
- General Commercial (CG)
 - Community Commercial (CC)
 - Waterfront Commercial (CW)
- School
 600 Foot School Buffer
 City Limits

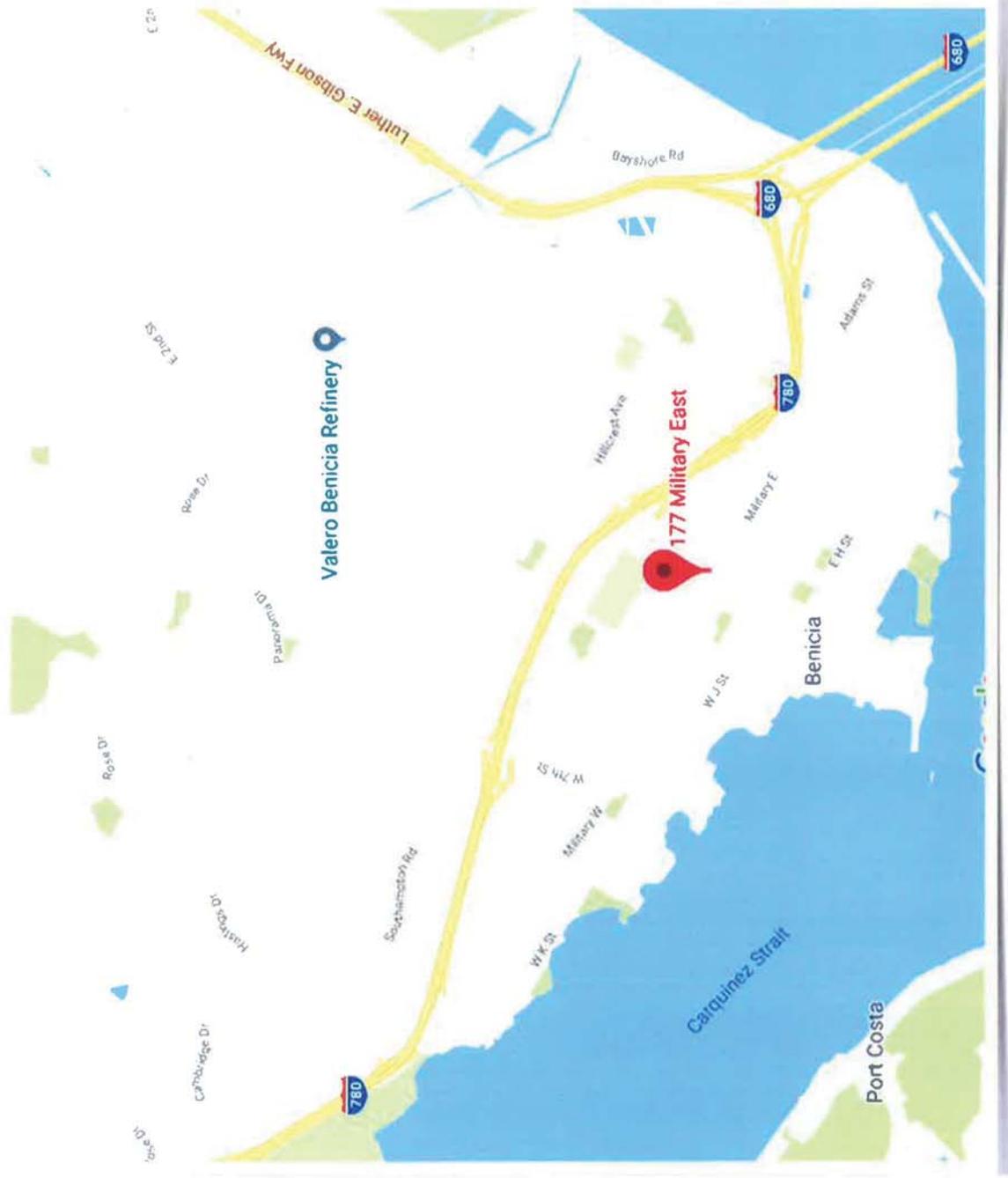
NOTES

1. If any part of a parcel is within 600 feet of a school, the entire parcel is ineligible for cannabis business operations.
 2. A parcel's inclusion on this map does not necessarily mean that the property is available, unoccupied, or that the property owner is seeking cannabis business tenants.
 3. A parcel's inclusion on this map is informational only and does not imply any endorsement of Cannabis Public Safety License or Cannabis Use Permit.
 4. Parcels have been deemed ineligible for factors such as:
 - Within 600 feet of a school
 - City owned land
 - Current Alcoholic Beverage License
 - HOA Bylaws
- For further information please visit:
<https://www.ci.benicia.ca.us/cannabis>

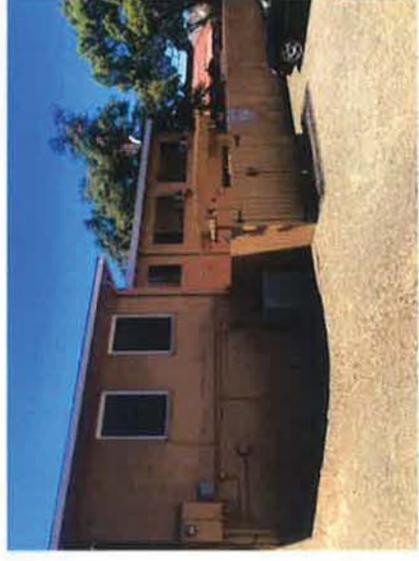
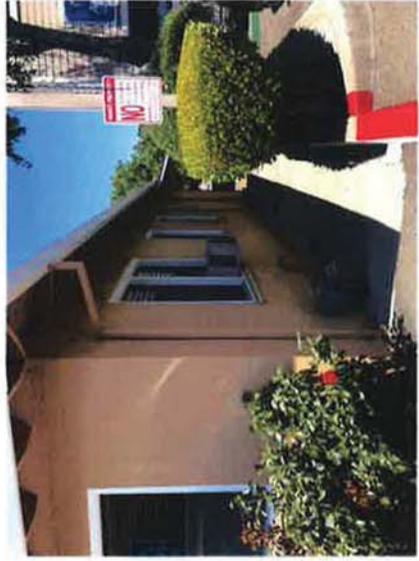


JUNE 2018





Proposed Location and Design



BUSINESS PLAN

Vision/Mission/About Cometa

Our mission at Sonoma Campesino, Inc. d.b.a. Cometa ("Cometa") is to create happiness and comfort through high quality cannabis products and excellent customer service. In fulfilling our mission, we will ensure we provide the highest quality products at the most affordable prices to allow access for a wide variety of customers and patients. We intend to become a premier retailer and commercial cannabis business whose services and products are sought out throughout California. Through our community involvement we will ensure that the community grows as our business grows. It is essential to us that we become a part of the neighborhood and see it grow with us.



With the Mission to
create happiness
and comfort through
cannabis products

In order to reach our goals, we will need to offer high quality product at an affordable price, implement a strong marketing campaign, maintain our projected margins, offer excellent customer service, and stay compliant with state and local laws and regulations.

Retail and Cannabis Experience

Our team has extensive experience starting and running successful businesses. Our CEO Luis Lagos currently works at a meat processing business, which is heavily regulated by the FDA. Mr. Lagos has significant experience in running retail storefronts and consumer-based businesses as well. Mr. Lagos started working at a drugstore in high school. There, he worked his way up from floor attendant to cashier, and by the end of college he was the store's regional manager. Mr. Lagos then followed his passion for cooking and opened several restaurants. His last restaurant he opened was the Shoreline Coffee Shop in Mill Valley. Mr. Lagos then began working at his current position with the meat processing plant in American Canyon. Through that work, Mr. Lagos began servicing clients in and around Benicia and quickly fell in love with the city and the opportunities it presents.

We have retained attorney Scot Candell as our legal advisor and consultant, who has specialized in the cannabis industry for the past 20+ years. Mr. Candell has committed to working with us throughout the life of our company. Mr. Candell has experience working with over 20 cannabis dispensaries in northern California, ensuring they comply with all state and local regulations.

We have recruited cannabis business consultant Todd Burner, who has also committed to being part of the Cometa team. In the commercial cannabis space, Mr. Burner has founded two cannabis

ancillary companies focused on internet technologies and markets, the Sesh App and Sech Market. He has also been an advocate for the legalization of cannabis assisting the early laws around edible cannabis roll out. Mr. Burner also founded BA Consultants who worked to open the first compliant medical cannabis operation in Rhode Island called the Thomas C. Slater Center. Mr. Burner is deeply involved in the industry and has been asked to compete in or judge several extraction competitions, including two Cannabis Secret Cup events. Mr. Burner currently works at Google in an engineering role.

Finally, we will be working with Clarence Gillett, PhD to ensure all our products are safe. Dr. Gillett is the Chief Science Officer at CB Labs, a cannabis testing facility located in Novato, CA, and has committed to working with our team through training and inspections so that our entire staff will be well educated regarding the benefits and potential side effects of different strains of cannabis. He will also make sure that staff understands the details of lab testing reports so that our staff will be able to educate our customers. Our goal is for every client to understand the complexities of cannabis so that they can choose the appropriate strain and form for their condition or recreational desire.

Daily Operations

A strong business must have strong, compliant operating procedures to ensure it runs smoothly, efficiently, and within the boundaries of law. Therefore, we have developed the following standard operating procedures to guide all employees through daily operations.

Sales Procedures

Before entering the facility, all customers will walk past our licensed and bonded security guard, who will be stationed outside of the public entrance. All customers will enter into our reception area, where their age must first be verified and, if a medical patient, they will have to be verified as a qualified patient or the designated primary caregiver of a qualified patient. As you will note on our floor plans, our waiting room will be separated from all other areas of our facility by a buzz in security door. No cannabis will be visible or accessible in the waiting area.

Customers will gain access to our retail area only after they have been verified by the receptionist. Our receptionist will be in an office separate from the waiting room and accept the customer's documents through the security window. Once verified, customers will be buzzed into the retail area.

In verifying their age, the customer must provide our receptionist with a copy of a valid government issued identification card demonstrating they are the appropriate age (at least 21 years old for recreational customers and at least 18 years old for medical patients). Regardless if the customer is new or an existing customer, all customers must present valid identification cards prior to entering. Pursuant to the Bureau of Cannabis Control's (the "Bureau") regulations, all customer identification cards must be one of the following: 1) issued by the federal, state, county, or municipal government; 2) Armed Forces identification card; or 3) valid passport.

Medical customers must also provide a copy of their marijuana identification card issued by the California Department of Public Health ("CDPH") or a copy of their doctor's recommendation. However, per Benicia Municipal Code, if the medical customer is under 21, no sale will be made unless a valid marijuana identification card issued by the CDPH is provided. Once the doctor's recommendation or CDPH issued identification card is provided to the receptionist, they will check the validity of the identification card or recommendation by entering the card number into the CDPH registry database or verifying the patient's doctor's recommendation through a third-party verification service; MMJ Doctor (<https://mmjdoctor.com/verification/>).

After presenting the required documents to verify their age and medical recommendation, if needed, all new customers will be presented with a customer intake form. In the intake form, the customers will provide us with contact information so we may send them promotions, educational materials, and be able to reach them if any products they purchase are found to be defective. All information provided will be maintained confidentially and will be not sold, distributed, or transferred to a third party. However, limited information will need to be disclosed to verify our medical patients' medical recommendation. For that verification, our intake form also includes an authorization that will allow us to obtain such information.

After a new customer/patient has been verified, the customer will be assigned a customer number through our point of sale operating system, which will allow us to maintain records of all transactions. Once the customer has been assigned a customer number, they will be allowed into the retail area. As customers enter into the retail area they will be greeted by a friendly budtender. Budtenders are there to assist customers and patients with their purchases. As further described below, all budtenders will be educated and trained on all the products we would offer and all company procedures. Customers will be able to

have all their questions answered by our trained staff prior to making a purchase.

As they enter the retail area the customers will see products under a products counter and samples available for inspection on the sent table. These samples are of select products and placed in clear jars locked in a plexiglass lockbox on top of the counter. Customers will be able to inspect the samples outside of the lockbox under the supervision, and with the assistance, of a budtender. Budtenders will not leave the customer while they are inspecting the samples outside of the lockbox or leave samples out of the lockbox after a customer has inspected them. We will also establish a separate area for medical patients that will offer additional privacy to discuss their condition, ailments, and medication.

After a customer/patient has all their questions answered they will proceed to make their selection of cannabis and/or cannabis products. The customers will provide the budtenders with their selection and the budtenders will retrieve the products from the limited-access storage area. The products will then be brought to the sales counter and the transaction will be completed. After the customer/patient completes the purchase, the products will be placed in an opaque child-proof bag and handed to the customer/patient.

All transactions will be processed and recorded through our point of sale operating system ("POS"), Cova Technologies. Our POS will allow us to ensure customers do not exceed their daily limits (8 ounces of medicinal cannabis as defined in section 11362.77 of the Health and Safety Code unless greater amount is consistent with a valid physician's recommendation for medical customers or 28.5 grams of cannabis and 8 grams of concentrated cannabis for adult-use customers) and maintain all records of sales, in addition to keeping a detailed and accurate inventory of all product.

All records of sales will consist of the following: 1) first name and employee number of the employee who processed the sale; 2) first name of the customer and their assigned customer number for the purchaser; 3) date and time of the transaction; 4) list of cannabis goods purchased, including the quantity; and 5) total amount paid for the sale, including prices paid for each cannabis good and any amount paid for taxes. Once the transaction is complete, the records of sale will be filed and maintained for seven years.

If issued a permit from Benicia, we will also conduct sales through delivery, as allowed under both local and state laws and regulations. If a customer makes an order for delivery, they will still be required to present us with a valid identification card to verify their age and, if a

medical customer, a valid CDPH issued medical identification card or doctor's medication. For new customers, these documents must be sent to us via email or fax prior to processing their order. Additionally, as indicated below, the customer will have to present the physical documents to the delivery driver prior to completing the delivery.

If new customers request their order be delivered, they will also have to complete the aforementioned intake form prior to completing an order. That form will be provided to the potential customer either via our website or via email, depending on how the customer is attempting to place their order. Once we receive the completed intake form and verified the customer's documents they will be allowed to complete their order for delivery.

We are currently in discussion with a website developer to develop a high-end website for our customers and patients to place delivery orders. In developing the website, we will ensure all customers' and patients' ages are properly verified before they would be granted access to the website.

Delivery Procedures

All deliveries will be conducted by Cometa employees who will all be 21 years of age or older. No person that is not employed by Cometa will be allowed in delivery vehicles during deliveries. Deliveries will only be made to customers' residences or business addresses on file, provided the business address is not in a building owned or leased by a public entity, or on public land. All customers will be allowed to amend their residence and/or business address only after providing Cometa with proof they occupy that address; such as a utility bill, lease, business card, etc. Additionally, there will be no drop-off to any person other than the requesting customer. All customers must present the delivery employee with a valid form of identification and doctor's recommendation, if applicable, to complete the delivery.

Before leaving our facility, our delivery employee will ensure they have their valid driver's license, a copy of our commercial cannabis retailer license, our California seller's permit, and a copy of our Benicia Cannabis Public Safety License. With all the required paperwork confirmed, the delivery employee will then obtain the delivery products and a delivery inventory ledger of all cannabis products provided to him or her. Employees will carry no more than a combined total of \$3,000 in product and cash. At no point will product or cash be in the public view while secured in the delivery vehicle. All cannabis goods will remain in the locked secured container and all cash will remain in a separate secure lockbox inside the delivery vehicle while they are driving to make

deliveries. Only cannabis goods on the inventory ledger may be kept in the delivery vehicle during deliveries. For each cannabis good in the delivery employee's possession, the delivery inventory ledger will include the type of good, the brand, the retail value, the track and trace identifier, and the weight, volume or other accurate measure of the cannabis good. After each customer delivery, the delivery inventory ledger will be updated by the employee to reflect the current inventory in possession.

Prior to leaving our facility, our delivery driver must have at least one complete order placed. After that initial order is placed and our delivery driver leaves our facility, we may then send the driver orders electronically. The driver may stay out on the delivery route as long as he or she receives a delivery request within thirty-minutes of the last delivery. If no delivery requests are sent to the delivery driver within thirty-minutes, the driver will be requested to return to our facility.

The delivery employee will maintain a log that includes all stops from the time he or she leaves our premises to the time that he or she returns, and the reason for each stop. The log will be turned in to the manager when the delivery employee returns. Delivery drivers are not allowed to make any stop other than to make deliveries, get gas, eat lunch, or any other reasonably necessary stop. If drivers are not on their way to another delivery, they must head to our facility. Those logs will then be maintained as a commercial cannabis activity record.

If our delivery driver is out making deliveries and another order for delivery is placed, we will supply the delivery driver with the delivery request receipt so they may process the order. That receipt, pursuant to state regulations, will contain the following: 1) Cometa's name and address; 2) the first name of the employee making the delivery and their employee number; 3) the first name of the employee who prepared the order and their employee number; 4) the patient's first name and their patient number we've designated; 5) the date and time the delivery was requested; 6) the delivery address; 7) a description of all cannabis goods requested; 8) the total amount paid for the delivery, including taxes and any delivery fee(s); and 9) the patient's signature upon delivery.

After receiving the delivery request receipt and prior to completing the sale, the delivery employee will place all pre-packaged products identified on the delivery request receipt in an opaque, child-proof package. The opaque package will ensure that no odors are released into the public during deliveries. Once placed in the opaque exit packaging, the delivery employee can complete the sale.

Upon arriving at the designated delivery location, the Cometa employee will ask for the customer's identification, and doctor's recommendation, if applicable, to ensure they are delivering the products to the requesting customer. No deliveries will be completed if the requesting customer does not present the employee with a valid form of identification. Once the customer's identity is confirmed, the customer will sign and be given a copy of the receipt, and the employee will complete the delivery. Our delivery employees will be able to accept credit or debit cards with our credit card reader so we can allow customers to pay with either cash or credit or debit cards.

As stated above, delivery employees will be required to return to our location if they have not received a delivery request for a thirty-minute period. Employees will also return to our location once all deliveries are complete and the employee no longer has any cannabis products in inventory.

Throughout the delivery process, all delivery drivers will be required to have a two-way, push to talk communication device in the vehicle. This device will allow the delivery driver to be in direct contact with the manager throughout delivery and vice versa. Per our employee handbook, all delivery drivers must maintain constant contact with the manager before and after each delivery.

Once the delivery vehicle is returned to our facility, they will remain locked and windows will be secured while it is not being occupied by an employee. All delivery vehicles will be tracked with a dedicated GPS tracking device placed within the vehicle which will remain active and inside the vehicle at all times during delivery. Additionally, all vehicles will have video surveillance equipment installed so that any individual who unlawfully enters the vehicle or accesses the secure cannabis or cash storage areas can be identified.

Cometa has not currently purchased any delivery vehicles. However, if issued a permit, we will seek to purchase Toyota Priuses to conduct deliveries. Once we purchase our delivery vehicles we will provide Benicia's Chief of Police and the Bureau a list of vehicles we will utilize for delivery. The vehicles will be very discrete while out for deliveries, as they will not be marked with our name or logo. Once purchased we will also modify them with a lock box in the rear for product and a lock box in the front for cash. Cometa will ensure all vehicles are properly maintained and all employees will be trained to perform vehicle checks prior to beginning their delivery routes. All vehicle checks will be recorded and all records will be maintained for seven years. If the vehicle does not pass the inspection, the employee

will notify their supervisor who will address the issue as quick as possible. No vehicle will be allowed to be used without completing the checklist and resolving any issues. In addition to the daily checklist, we will also have the vehicles undergo routine quarterly maintenance from a licensed mechanic. Cometa will retain all vehicle maintenance records for seven years.

There is a zero-tolerance policy for any employee who consumes any alcohol, cannabis, or illicit drug during a shift or while representing Cometa. If an employee is found to have consumed any of the aforementioned substances while working for Cometa, it will be grounds for immediate termination.

Cash Management

One major safety concern that all cannabis business operators have to address is cash management. Cannabis businesses are mostly run as cash businesses due to banks' unwillingness or inability to provide those businesses with bank accounts. Therefore, businesses need to implement strong cash management policies. To ensure all cash is accounted for on a daily basis and to deter any internal theft, we will run daily cash reconciliations and maintain cash logs and reconciliation records as required under the Bureau's regulations. All cash will be stored in our safe and access to the safe will be limited to managers and owners. Our cash management plan will be broken down into four elements: Separation of Duties; Accountability, Authorization, and Approval; Security of Assets; and Review and Reconciliation.

The foundation of a good cash management system is segregation of duties. We will have different employees conduct each of the following tasks: receive and deposit cash, record cash payments to receivable records, reconcile cash receipts to deposits and the general ledger, and distribution of cash for payments and payroll. We will split the POS and cash responsibilities between two managers. One will be responsible for the POS and the other will be assigned to reconciling cash in the register/safe to cash received for sales.

All employees that handle cash will be held accountable for any discrepancy in the reconciliation. Employees will have to log into their account to process a sale and no employee will share logins or conduct a sale on another employees account. Only managers will have the authority to sign for transactions, issue checks, and enter information into the accounting software.

Our cash will be secured in a safe, which will be located in a secure area that only managers and owners may access. We will clear all cash registers at the end of every day and ensure all cash is secure in the safe

prior to closing. Additionally, the cash in the safe will be reconciled every day prior to close. To ensure full accountability we will also reconcile all cash with accounting documents on a weekly basis.

Record Keeping

Pursuant to the Bureau's regulations we will maintain the following records for a minimum of seven years:

- (1) Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration under title 18, California Code of Regulations, sections 1698 and 4901;
- (2) Personnel records, including each employee's full name, social security or individual tax payer identification number, date employment begins, and date of termination of employment if applicable;
- (3) Training records including, but not limited to, the content of the training provided and the names of the employees that received the training;
- (4) Contracts with other licensees regarding commercial cannabis activity;
- (5) Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity;
- (6) Security records, except for surveillance recordings;
- (7) Records relating to the composting or destruction of cannabis goods;
- (8) Documentation for data or information entered into the track and trace system;
- (9) All other documents prepared or executed by an owner or his employees or assignees in connection with the licensed commercial cannabis business.

All the above-referenced records will be maintained in both hardcopy and electronically at the facility. We will maintain a hardcopy filing system to ensure records are easily located and our electronic filing system will be backed-up daily to minimize the risk of lost records. Records will be available to the Bureau upon request.

Staffing Personnel

When hiring, we will look for applicants that are qualified, experienced, and local. Applicants must also be honest and

customer/patient centric. Applicants must be ready to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers). We will need to fill the following positions at Cometa if issued a permit (please note that many of these positions may be shared until business growth determines otherwise):

- Operational Director
- Inventory Director
- Manager Assistant
- Budtenders (3)
- Security
- Receptionist

All employees must be at least 21 years of age and must pass a criminal background check. Cometa will maintain a copy of each employee's valid government issued identification card and a copy of their criminal background check in their file.

Once an employee is hired they will be assigned an employee number. That number will also be their file reference number and be placed on their employee identification card, along with a picture of themselves and our name. Employees will be required to have their employee identification card displayed at all times while working.

Our Products

When selecting products, we will be looking for the highest quality at the best price. We will shop diligently and compare prices and quality with competitors and our team will choose the best products for our market.

We are expecting that sales in Benicia will behave the same that the rest of California and that sales would breakdown to the following:

49% will be flowers

- Grams (G)
- Eights (3.5G)
- Quarters (7G)
- Half Ounces (14G)
- Ounces (28G)

38% will be concentrates

- Shatter (G)
- Live Resin (G)
- Sauce (G)
- Vape Cartridges (G)
- Others

10% will be edibles

- Baked Goods (120mg)
- Sugar Candy (100mg)
- Drinks (250mg)
- Others

1% will be topicals

- Baked Goods (120mg)
- Sugar Candy (100mg)
- Drinks

2% Others (live plants, etc.)

Timeline

Upon receiving approval from this panel and an approval for a Cannabis Safety License, we will then need to be issued a commercial cannabis use permit. Once we are able to begin that process we suspect that process will take an additional 3 months. As soon as we are issued the conditional use permit we anticipate that we will be able to complete construction of all our improvements within 3 months. In addition to receiving the City's use permit, we will also be required to obtain a State Commercial Cannabis License. Initially, we will seek a State temporary license, which has a relatively quick turnaround of less than a month. With that license we could begin operations so soon as construction is completed. The temporary license also would provide us with a 120-day window to submit our complete State license application.

We are proposing limited major improvements to the current building and we anticipate a quick turnaround. This will allow us to be operational shortly after receiving all required permits and licenses.

Proof of Starting Capital

As demonstrated by the attached documents and our budget, we have secured sufficient funds to cover our initial build-out and more than the first three months of operating costs. The documents provided are stock purchase agreements, along with proof of funds, demonstrating we will receive funding upon receiving approval from the City of Benicia.

Pro Forma







NEIGHBORHOOD COMPATIBILITY & PLAN

Cometa proposed location is located at 177 Military East in Benicia. That location is in the General Commercial zoning district and is a part of the Solano Square Shopping Center. The property was previously used as a law office and has since been sold. Benicia's Zoning Code allows commercial cannabis retailers in the General Commercial zoning district and our proposed location is an ideal spot for such operation.

The Solano Square Shopping Center is full of retail businesses including Starbucks, Rite Aid, Safeway, Baskin-Robbins, Sprankles Village Deli, Pizza Pirate, Bank of America, Nation's Giant Hamburgers, Umpqua Bank, The UPS Store, Safeway, Subway, Benicia Cleaners, and a few others. Adding an additional retailer to this location would not alter the characteristics of the neighborhood and would, in fact, match the surrounding uses. As demonstrated by our site plans, our proposed build-out will ensure the exterior of our building remains in conjunction with the surrounding exterior buildings.

Nuisance and Negative Impact Abatement

We recognize our responsibility to protect the children in our community and ensuring they do not have access to cannabis products. We also recognize that certain stores in the Solano Square Shopping Center cater to children, including Baskin Robins, Pizza Pirate, and Nation's Giant Hamburgers, and we have a responsibility to ensure that we do not disrupt the child friendly nature of the shopping center. That is why Cometa will be located in a stand-alone building between a store called Cigarettes 4 Less, a nail salon and a drive through, where no children would be playing. The building has its own parking lot, so it is unlikely that any children we even be walking past it. In addition, it faces Military E, a main road that no children will be walking across.

Cometa will have no advertising outside of the store other than its name and logo, which is simply a mountain and does not suggest that it is a cannabis establishment. No cannabis will be visible from outside of the store, and no cannabis will be visible inside the store when the door is open and a customer is entering or leaving. Nobody under 21 will be permitted into the store, unless they have a medical recommendation and are over 18 years old. There will be highly effective carbon air scrubbers throughout the establishment to ensure that there will be no odor either inside or outside of the store. All products leaving the store will be in opaque, child resistant bags, and our external cameras will ensure that all customers leaving the store go straight to their vehicle and do not interact with children outside of our establishment.

As demonstrated by our site plans, our proposed build-out will ensure the exterior of our building remains in conjunction with the surrounding exterior buildings. The proposed location is also only a few blocks away from Benicia's downtown area with several shops and restaurants.

In our experience, other concerns community members have expressed regard loitering, odor, or other perceived nuisances related to cannabis businesses. Cometa will prohibit any loitering in or around our facility. Per state regulations, we will have a security guard on site at all times during operational hours. That security guard will perform routine perimeter searches to ensure there is no loitering and to deter any illicit behavior around our facility, such as graffiti. In addition to the security guard, the exterior of our facility will be covered with security cameras and lighting to deter illicit behavior during non-operational hours and to allow us to assist the Benicia Police Department in apprehending any individual who vandalizes, loiters, or conduct any other illicit behavior.

As further detailed in our air quality plan, we recognize the concerns for odor control and our taking substantial steps to mitigate any potential external odors. In short, we will install a carbon filtration system, train employees on proper odor mitigation procedures, utilize odor proof exit bags, and address any odor concerns immediately.

In order to ensure Cometa's property, and the surrounding area, is clean, we will designate a manager that will be responsible for running a "Street Clean-up" team. That team will perform weekly walks of the premises' perimeter to pick up any trash or debris. This will ensure our location remains clean so that it does not promote any illicit behavior.

Community Workshop

As mentioned above, we have begun reaching out to our immediate neighbors to introduce ourselves and to hear any potential issues they may have with our proposed use. As the application process proceeds, and if we make it further in the process, we plan on holding community workshops at our proposed location.

These workshops will be held to allow the community to freely provide us with feedback and express their concerns. We want the community to be able to address us directly regarding all their concerns and complaints. These workshops will allow them to do that. In order to market the workshops, we will pass out flyers to our surrounding neighborhood, post them on community posting boards, market it on neighborhood.com, and inform people at city council meetings.

It is our hope that the workshops help us build a strong relationship with the community because they will know their concerns are being heard and that we are working to address all their concerns. We will hold these meetings twice a year, with the first being once we pass the second phase of the application process. Once our site has been approved and our team has passed their interviews we will begin to market our workshop. We want the community to be fully aware of who we are and our potential use so they know their voices have been heard in our development.

Site Plan

All required site plans are attached to this application. Note that we have also included conceptual drawings of the interior. Those drawings are merely conceptual and we will ensure that any improvements are done per City and State regulations.

Plan to Address Future Grievances

Once we begin operations, if issued a permit, unforeseen issues and/or complaints may arise. To address those complaints, we have designated Luis Lagos as the head of our community relations department. Once a complaint is received, either via phone call, email, fax, mail, or in person, it or the person will be forwarded to Mr. Lagos. He will then document the complaint and, if the individual who is making the complaint is on the phone or in person, Mr. Lagos will attempt to address the complaint while talking with the individual. If the complaint cannot be resolved at that time, Mr. Lagos will review the complaint and investigate. At the conclusion of the investigation, Mr. Lagos will take any and all action to resolve the issue that caused the complaint, document what actions were taken to resolve, and contact the individual who made the complaint, if possible.

If issued a permit, we understand that, as a commercial cannabis operator, individuals in the area may have objections to our use of the property. To get ahead of those objections, and to facilitate a conversation with our potential neighbors, we have reached out to our neighbors. We distributed a pamphlet throughout the community informing them that we were going to hold a community meeting at our facility to cover any of their questions or concerns and to meet members of the community we will serve. This form of outreach allows us to become a part of the community and develop lasting relationships with our neighbors. It is our goal to be in Benicia for a long time, and to do that we must create lasting relationships with our neighbors and community members.



COMMUNITY BENEFITS

Community Contribution

Cometa, if issued a permit, will provide Benicia with significant contributions in the form of tax revenue, support for local charities, providing locals with jobs, and creating an overall economic boost to the community.

As seen by the projection in our pro forma, if issued a permit, Benicia will receive a significant increase in their tax revenue. Benicia has yet to vote on its local cannabis tax. However, once passed, the tax would not be greater than 6% for retailers. That additional tax revenue can be used to build new parks, improve schools, increase public safety, or any other improvement the city sees fit. Regardless of where the tax money is spent, it is undoubtedly going to be used for the benefit of all Benicians.

Cometa will also support specific local charities in the form of annual donations. Initially, Cometa will donate a sizable 2.5% of its net profits to the Benicia Community Action Council ("BCAC"). The BCAC provides the following services to the community: rental assistance by managing the Season of Sharing program for Solano County; facilitate car donations for low income families; provide employment services; run a food program for emergency food supplies and hot meals to seniors; provide counseling services; maintains the "Locker Room" program that collects clothing donations from the community and distributes the useable donations; run the Homeless Assistance Program; organize the Annual Thanksgiving Dinner; maintain the Transitional Care Program; and provide other senior and youth services. As demonstrated by the list of services, the BCAC is a crucial part of the community and we would be proud to support their programs and initiatives.

As indicated in our business plan, we will need to hire additional employees to fill vacant positions if issued a permit. In filling those positions, Cometa will implement a hiring strategy that will provide Benicia residents with a hiring preference. All Benicia residents, that are qualified applicants for vacant positions, will receive a preference compared to all other qualified applicants. By hiring locals, we understand that our employees will have a better sense of community and take a greater sense of pride in providing great customer service. Local employees will also not have to commute to work and, therefore, not increase their carbon footprint. Lastly, local employees will more likely spend the money they earn at local shops, restaurants, and other local businesses. As further discussed below, we will be providing our

employees with livable wages that will provide them with disposable income to spend on those local businesses.

Local Partnerships

Cometa is dedicated to become a part of the Benicia community. One path Cometa has sought to become a member of the community is to build partnerships with local businesses. In preparing this application we have utilized a local architect, Tom Wilson, to prepare the site plans, elevations, and other design elements of our proposed project. If issued a permit, we will also source all our construction needs to local contractors, if possible.

Additionally, once we begin operations we will continue to look for additional local businesses to build further partnerships. For example, we will look to build relationships with local businesses that offer cleaning services, business support, payroll services, or any other service that may be required. We will always first look for a Benicia business to fulfill our needs before looking outside the city limits.

Patient and Customer Education

An integral part in Cometa's business will be to help educate both our medical patients and our recreational customers on the various types of cannabis and cannabis products, their various uses, their different effects and benefits, and how to safely consume.

As California ushers in the legal cannabis market and as the public support for cannabis grows, more individuals who have never tried medicinal cannabis will be willing to try cannabis as an alternative medication. Those new patients will need to be educated on safe consumption and the benefits of cannabis. At Cometa we will take pride in offering education to our patients to get rid of any preconceived connotations of cannabis and to assist them in making a fully informed decision.

First, our staff will receive education and training from Clarence Gillett, PhD., who is the Chief Science Officer of CB Labs, a cannabis testing facility in Novato, CA. Dr. Gillett will give continuing education to our entire staff so that each member of our team understands the different ways to ingest cannabis as well as the different strains of cannabis. Dr. Gillett will teach our staff the different characteristics of different strains so that they can determine what strain would be most appropriate for each client. The staff will also understand how to read and interpret Certificates of Analysis that will be provided with every product available for purchase at Cometa.

Our staff will then offer one-on-one consultations to answer any questions and to provide educational information to our clients. We will offer free educational sessions for each new patient. Our highly trained and educated staff will provide each new patient with a free fifteen-minute educational seminar prior to completing their first order. All patients will be able to have all their questions and/or concerns answered. Additionally, after the initial educational seminar, our employees will be trained to ask the patients if they have any questions and to make sure all questions and/or concerns are answered before departing. We will also supply patients with educational pamphlets and direct them to our internal library of cannabis related educational materials. Our library will offer the latest news, magazines, and books on cannabis and the cannabis industry. Dr. Gillett will be available to answer any questions that cannot be answered by our staff.

Just as more and more people are becoming receptive to use cannabis as an alternative medicine, there will also be an increase in first time recreational customers. Those new users will require education on the type of products, their respective side effects, and the process of safely consuming the products. Similar to a medical patient, all new recreational customers will be offered a one-on-one consultation with our highly qualified budtenders. During that consultation, customers will receive information on cannabis products and their side effects. Customers will also be able to have any of their questions answered and after they make their selection they will be provided with instructions on how to safely consume that product.

Addressing Community Concerns

One area of major concern that the community and City Council members continue to raise is the ability to ensure children are not unnecessarily exposed to cannabis use and cannabis products, and to ensure that no products are sold or given to underaged children. To ensure no child is sold cannabis or cannabis products at our location, we have implemented the age verification protocols mentioned above. Any employee who fails to follow the protocol is subject to immediate termination. Additionally, any customer who is found to have supplied children with cannabis or cannabis products will be precluded from purchasing any products from our facility. Our built-in quality control reviews and protocols will also help prevent children from gaining access to cannabis and/or cannabis products, and our track and trace labeling allows us to identify the purchaser of any product that ends up in the hands of a minor.

To ensure children do not gain access to cannabis or cannabis products we will implement the following policies (some of which are required by California laws and regulations): 1) all products must be packaged in a childproof container; 2) no products may leave a retailer with a customer without being placed in an opaque, childproof bag; 3) provide customers with education on how to prevent child access; 4) prohibit sales to customers who have provided children with cannabis or cannabis products (there is a statement in our Intake Form notifying new customers of such policy); 5) prevent loitering; and 6) participate in community outreach programs to help educate the youth.

Additionally, as demonstrated by our signage plan, we will have very discrete signage that will not be targeted to children. Our logo does not emulate a cartoon or otherwise target children. We will also not market to children and, per state law, will ensure that all marketing is directed to an adult audience.

Community Outreach & Engagement

In addition to providing the community with the above-mentioned benefits, Cometa will also work to become an active member of the community. Through the application process we have started to build relationships with our immediate neighbors. We went door to door to introduce ourselves and inform them of our proposed plan. During our introduction we listened to our neighbor's concerns about our proposed use and worked to address those concerns during our conversation and/or in this application.

Benicia is a great small town that has great community involvement. If issued a permit, we will work hard at becoming a part of that community. Benicia offers several community events that, if issued a permit, we would seek to volunteer at or sponsor. We look forward to volunteering at and attending events such as the Benicia Art Walk, Coastal Cleanup Day, Fall Wine Walk, Benicia Fashion Runway Weekend, Zombie Brew Crawl, Downtown Holiday Shopping Spree, Small Business Saturday, Holiday Open House & Tree Lighting, Christmas Parade, or the Crab Feed. By taking an active role in these events we will build relationships with the community members and work to rid any potential negative connotations people may have about us or our industry.

ENHANCED PRODUCT SAFETY

We at Cometa will make product safety a top priority if issued a permit. We are well aware of the concerns regarding commercial cannabis and, therefore, have developed procedures that will ensure that all the products we offer are safe and stay out of the hands of children. The following are our Inventory, Quality Check, Child Protection, Storage, and Return procedures, which will all be implemented to ensure we offer safe cannabis products.



Inventory Operations

When receiving an inventory shipment from licensed distributors, we will ensure that all cannabis goods are accompanied by a shipping manifest. Each shipping manifest must contain the following information: (1) the name, license number, and premises address of the originating licensee; (2) the licensed distributor's name, license number, and premises address; (3) our name, licensee number, and premises address as we are the licensee receiving the cannabis goods into inventory or storage; (4) the date and time of departure from the original licensed premises and approximate date and time of departure from each subsequent licensed premises, if any; (5) arrival date and estimated time of arrival at each licensed premises; (6) the driver's license number of the personnel transporting the cannabis goods, and the make, model, and license plate number of the vehicle used for transport. This information will be uploaded into our POS and to the track and trace system upon acceptance.

All shipments must be made by a licensed distributor and will be received between the hours of 10:00 am and 8:00 pm. No shipment will be received or transported through an entry that is open to the public. We will ensure that any and all access to the shipment delivery location is secure and closed to the public. Before each shipment is complete, we will inspect the products as outlined in our quality control procedures below. Products will not be accepted if they are not properly packaged and labeled pursuant to the CDPH's regulations and other applicable laws.

After the inspection is complete and all information is uploaded into our POS and the track and trace system, all inventory will be placed in our secure storage area. Our storage area will be secured by a commercial grade lock and only Cometa personnel or verified contractors and vendors will be allowed access into the storage area.

As indicated above, our POS will also maintain our inventory records. We will also upload all inventory records into the state's track

and trace system as required. Pursuant to the Bureau's regulations we will maintain inventory records with the following information: 1) description of each item; 2) accurate measurement of the quantity of each item; 3) the date and time the cannabis goods were received by us [the retailer]; 4) the sell-by or expiration date on cannabis goods, if any; 5) the name and license number of the distributor that provided the cannabis goods to the retailer; and 6) the price we [the retailer] paid for the cannabis goods, including taxes, delivery costs, and any other costs.

In order to ensure that our inventory records are accurate and up to date, and pursuant to the Bureau's regulations, inventory will be reconciled once every fourteen (14) days. Once every fourteen (14) days we will print out the electronic inventory and reconcile it with our written inventory, which will be maintained to ensure accuracy. After that reconciliation is completed, we will perform a reconciliation of our physical inventory. Our inventory manager and a third-party representative will ensure that our physical inventory matches our inventory records and those records uploaded to the state's track and trace system. The results of that reconciliation will be recorded and available to the Bureau upon request. If there is a significant discrepancy, as defined in §5034 of the Bureau's regulations, the Bureau and local law enforcement will be notified. Any theft, diversion, or loss will also be reported to the Bureau and local law enforcement.

In addition to updating our inventory records, we will ensure our trained manager updates the track and trace system every day to record any of the following activities that have occurred: (1) sale of cannabis goods; (2) receipt of cannabis goods; (3) return of cannabis goods; (4) destruction and disposal of cannabis goods; (5) any other activity as required by state authority.

For each activity mentioned above and for each item in our inventory, the following information will be recorded within our POS and the state's track and trace system: 1) name and type of cannabis goods; 2) unique identifier of the cannabis goods; 3) amount of the cannabis goods, by weight or count; 4) date and time of the activity or transaction; 5) if relevant, the name and license number of other licensees involved in the activity or transaction; 6) all information found in the shipment manifest if the cannabis goods are being transported; 7) if product is being destroyed or disposed of, we will record the name of the employee performing the destruction or disposal, the reason for destruction or disposal, and the name of the entity being used to collect and process cannabis waste; and 8) description for any adjustments made in the track and trace system, including, but not limited to,

spoilage or fouling of the cannabis goods, or any event resulting in exposure or compromise of the cannabis goods.

As a commercial cannabis retailer, we will not accept, store, or offer any alcohol or tobacco.

Quality Check Procedures

Per state regulations, all cannabis and cannabis products must be properly packaged and labeled before being sold and transported to a licensed retailer. Therefore, Cometa, as a retailer, cannot package, re-package, label, or re-label any of the products received from a licensed distributor. However, Cometa will take an active role to ensure that all products delivered are properly packaged and labeled before accepting.

Under the CDPH's cannabis regulations, all cannabis and cannabis products require packaging that meets the following requirements: 1) protects the product from contamination and does not expose the product to any toxic or harmful substance; 2) tamper-evident, which will indicate whether or not the package has been open without obvious destruction of the seal; 3) child-resistant; 4) does not imitate any package used for products typically marketed to children; 5) edible products will have opaque packaging; and 6) if it contains multiple servings of the cannabis product, the packaging will be resealable. To ensure the safety of consumers and to protect minors, Cometa will ensure all cannabis and cannabis products are placed in proper packaging and receive the proper labels prior to being sold. Any product that does not meet those requirements will not be accepted. All non-conforming products will be refused and the licensed distributor will be required to return with compliant products that meet CDPH requirements and state laws.

In addition to the packaging requirements, we will also ensure all cannabis and cannabis products have the following information on the primary panels of their labels: 1) identity of the product in text, making it the most prominent printed matter on the panel; 2) the universal symbol prescribed by the CDPH; 3) the net weight or volume of the contents of the package; and 4) the THC content and CBD content for the packaging in its entirety, expressed in milligrams per package.

All edible products will contain the words "cannabis-infused" immediately above the identity of the package in bold type and text larger than the text size for the identity of the product. For manufactured products the following information will be contained on their information panel labeling: 1) licensed manufacturer and its contact number or

website; 2) date cannabis product was manufactured; 3) this warning, "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."; 4) the words "FOR MEDICAL USE ONLY" on all products intended for medical patients only or any product with over 1,000mg of THC per package; 5) list of all product ingredients in descending order of predominance by weight or volume; 6) if an edible product that contains an ingredient, flavoring, coloring, or an incidental additive that bears or contains a major food allergen, the word "Contains," followed by a list of the applicable major food allergens; 7) if an edible product, the names of any artificial food colorings contained in the product; 8) if an edible product, the amount, in grams, of sodium, sugar, carbohydrates, and fat per serving; 9) instructions for use; 10) the product expiration date, if any; and 11) the unique identifier, and if used, the batch number. No manufactured product will be accepted from licensed distributors without the required labeling.

Though licensed manufacturers are responsible for ensuring product requirements set forth by the CDPH are adhered to, Cometa will make sure that the following specific content restrictions are met: (1) no cannabis product can contain more than 2000 mg THC per package; (2) no edible cannabis product can contain more than 100 milligrams of THC per package or 10 mg of THC per serving; and (3) no cannabis product other than tincture (as defined by §40308 of the CDPH regulations) can contain more than 0.5% alcohol by volume. If any product does not meet those specifications, it will not be accepted and the distributor cannot complete its delivery.

Similar to manufactured products, all cannabis produced by a licensed cultivator must contain the following information on their information panel labeling: 1) this warning, "GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE

MACHINERY. PLEASE USE EXTREME CAUTION."; 2) identification of the source and date of cultivation, the type of cannabis and the date of packaging; 3) the appellation of origin, if any; 4) a warning if nuts or other known allergens were used; 5) information associated with the unique identifier issued by the Department of Food and Agriculture; and 6) for medical cannabis product sold at a retailer, the statement, "FOR MEDICAL USE ONLY."

In addition to ensuring that all labeling requirements are met, we will also ensure that cannabis products do not contain information on their labels that is restricted under the CDPH's regulations. During our quality assurance checks, we will ensure that no product contains the following: 1) Content that is, or is designed to be, attractive to individuals under the age of 21, including but not limited to: cartoons, any likeness to images, characters, or phrases that are popularly used to advertise to children, any imitation of candy packaging or labeling, or the terms "candy" or "candies;" 2) Any information that is false or misleading; 3) Any health-related statement that is untrue or misleading; 4) Claims that the cannabis product was produced from cannabis grown in a California county unless all cannabis was grown in that county; or 5) The name of the California county unless all the cannabis used in the product was grown in that county.

If we find any product or products containing any of the restricted information during our review, we will not accept the shipment of products. If we find any products to contain content that is designed to target children, in addition to not accepting the products, we will provide the producer or distributor with a warning that we will discontinue to carry their brand if the content does not change. If we receive product that contains content that target children from a producer or distributor that has already received a warning, we will discontinue to carry that organization's products.

Similar to ensuring that the packaging and labeling requirements are met, licensed distributors are responsible for coordinating proper testing for all products they sell to retailers. Proper testing is paramount to the safety of our customers. Therefore, prior to accepting any cannabis or cannabis product we will ensure all products have been properly tested and that the certificate of analysis (COA) produced by a licensed lab after testing has been uploaded into the state's track and trace system. No product will be accepted if its COA had not been uploaded.

At Cometa, we take the safety of our customers very seriously. To ensure each product we sell is legal, safe, and credible we will perform a quality assurance review upon receiving product. That quality

assurance review will include the following: 1) ensure cannabis goods do not exceed maximum THC and alcohol content permissible; 2) ensure that the COA corresponds with the batch; 3) ensure the label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants; 4) ensure the packaging complies with the applicable packaging laws; 5) ensure the packaging is tamper evident; 6) ensure the weight or count of the cannabis batch comports with that in the track and trace system; and 7) ensure all events have been entered into the track and trace system. This review will be conducted by one of our managers or trained employees. Upon completing the review checklist, the employee will sign and date the checklist and the completed form will be maintained in our database. Once the review is complete, the product will be moved into our inventory of available products.

Limited-Access Storage

In addition to the above-referenced protocols to ensure product safety and compliant practices, we will have a designated secured, limited-access area for inventory storage. Access to our secured inventory area will be limited. Access to the secure storage area will only be granted to authorized individuals including, employees, outside vendors, contractors, and other individuals conducting business that requires they have access to that area. All individuals who are granted access must be at least 21 years of age and non-employees must be escorted by an employee at all times. In compliance with the Bureau's regulations, we will maintain a log of all authorized individuals who are not employees that enter the limited-access areas.

The Limited-Access Area Log will contain the following: date access was granted to the limited-access area; the time access was granted within the limited-access area; the name of the company and individual (non-employees) who were granted access to the limited-access area; a brief description of business operations needing access to the limited-access area; the name of the employee who escorted the business or individual (non-employees) into the limited-access area; and the time they exited the limited-access area will be logged. The Limited-Access Area Log will be made available to the Bureau or local authorities upon request.

Proper Storage of Cannabis Goods

Cannabis products can be susceptible to mold, drying, and other conditions that would shorten their shelf-life. In order to prevent such deterioration, Cometa has implemented several policies and

procedures to ensure that our product is maintained fresh for the longest time possible.

Before accepting any cannabis products from licensed distributors, Cometa will ensure that all products are properly packaged and sealed. Cannabis and cannabis products can quickly deteriorate if stored in a non-sealed container. In addition to keeping all cannabis and cannabis products in sealed containers, we will store all products in an area that receives little to no direct sunlight. Cometa will also ensure that the temperature of the storage area remains below 75 degrees, as mildew and mold thrive in warmer conditions. The storage area will also be kept at a low humidity to ensure the environment does not promote mildew and mold growth. All cannabis products that require refrigeration will be stored in a secure refrigerator that receives little to no direct sunlight.

Under the CDPH's regulations, some cannabis products must contain an expiration date on their package. For those cannabis products, Cometa will ensure none are sold after their expiration date.

Customer Returns & Cannabis Waste

If any manufactured products in our inventory are deemed defective we will notify the licensed manufacturer it was purchased from and request they arrange a licensed distributor pick up the defective product and exchange it with the same type of product or another cannabis product of equal value. Any defective cannabis products produced by a licensed cultivator will not be returned and will be destroyed, as required by the Bureau's regulations. Prior to being disposed of as cannabis waste, all defective products that require disposal will be removed from their packages and rendered unrecognizable and unusable by mixing it with fertilizer. The cannabis waste will then be placed in a secure cannabis waste receptacle until it is picked up by our cannabis waste hauler. We are currently negotiating a contract with a few potential cannabis waste haulers. However, we will ensure that whoever hauls the cannabis waste will provide us with a weight ticket after they dispose of the waste and all destroyed cannabis or cannabis products are recorded in the state's track and trace system.

Additionally, any product that is returned by a customer will be destroyed. We will provide all customers who return items with store credit to purchase non-defective products. All activities will be recorded in the track and trace system.

ENVIRONMENTAL BENEFITS

Cometa recognizes that it has a responsibility to the environment beyond legal and regulatory requirements. We are committed to reducing our environmental impact and continually improving our environmental performance as an integral part of our business strategy and operating methods, with regular review points. We encourage customers, suppliers, and other stakeholders to do the same.

Our CEO will be responsible for ensuring that the environmental policy is implemented. However, all employees have a responsibility in their area to ensure that the aims and objectives of the policy are met.

Cometa has developed the following green business policies and initiatives, which will be implemented if issued a permit:

We endeavor to:

- Comply with and exceed all relevant regulatory requirements;
- Continually improve and monitor environmental performance;
- Continually improve and reduce environmental impacts;
- Incorporate environmental factors into business decisions; and
- Increase employee awareness and training.

Paper:

- We will minimize the use of paper in the office;
- We will reduce packaging as much as possible;
- We will seek to buy recycled and recyclable paper products; and
- We will reuse and recycle all paper where possible.

Energy and Water

- We will seek to reduce the amount of energy used as much as possible;
- Lights and electrical equipment will be switched off when not in use;
- Heating will be adjusted with energy consumption in mind; and
- Install solar panels to run 100% of our operation.

Office Supplies

- We will evaluate if the need can be met in another way;
- We will evaluate if renting/sharing is an option before purchasing equipment;
- We will evaluate the environmental impact of any new products we intend to purchase;
- We will favor more environmentally friendly and efficient products wherever possible; and



Protecting the environment is our obligation and duty.

- We will reuse and recycle everything we are able to.

Transportation

- We will reduce the need to travel, restricting to necessity trips only;
- We will promote the use of travel alternative such as e-mail or video/phone conferencing;
- We will make additional efforts to accommodate the needs of those using public transport or bicycles; and
- We will favor "green" vehicles and maintain them rigorously to ensure ongoing efficiency.

Maintenance and Cleaning

- Cleaning materials used will be as environmentally friendly as possible;
- Materials used in office refurbishment will be as environmentally friendly as possible; and
- We will only use licensed and appropriate organizations to dispose of waste.

Monitoring and Improvement

- We will comply with and exceed all relevant regulatory requirements;
- We will continually improve and monitor environmental performance;
- We will continually improve and reduce environmental impacts;
- We will incorporate environmental factors into business decisions;
- We will increase employee awareness through training; and
- We will review this policy and any related business issues at our monthly management meetings.

Culture

- We will involve staff in the implementation of this policy, for greater commitment and improved performance;
- We will update this policy at least once annually in consultation with staff and other stakeholders where necessary;
- We will provide staff with relevant environmental training;
- We will work with suppliers, contractors, and sub-contractors to improve their environmental performance; and
- We will use local labor and materials where available to reduce CO2 and help the community.



LABOR & EMPLOYMENT

Employee Training

Prior to an employee's first shift at Cometa they will receive substantial training on our operating procedures mentioned above and extensive educational training on the products we offer. First and foremost, all owners, managers, and staff will attend the Cannabis Retail Sellers training provided by Benicia. In addition to that training, we will also have all team members undergo Cannabis Trainers' Sell-SMaRT training program. There are currently no official certificates or training methods that have been approved by the state. In fact, only one state has approved an official training program. In 2015, Colorado approved Cannabis Trainers' Sell-SMaRT program to be their state-certified cannabis vendor-training program. Cannabis Trainers' have since developed a training program for California's laws and regulations. Therefore, we will utilize their services for additional training to make all staff members experts in their field.

In addition to all staff undergoing training with Cannabis Trainers, we will have all our employees undergo the following training: 1) Cannabis Handling Training; 2) Security Training; 3) Delivery Protocol Training; 4) Inventory Protocol Training; 5) Patient Interaction/Education Training; 6) Sexual Harassment Training; 7) Discrimination Training; 8) Cannabis Waste Training; and 9) Proper Closing and Opening Procedure Training. Training will be given by the employee's direct supervising manager. Upon completion of each training the training manager will sign a completion form and place it in the employee's file. As previously mentioned, employees must complete all training sessions before their first shift.

Finally, all staff will be trained regarding legal compliance issues by attorney Scot Candell, who has been focusing on cannabis law for over 20 years. Staff will be trained regarding properties of cannabis and understanding lab testing results by Clarence Gillett, PhD., who is the Chief Science Officer of CB Labs, a cannabis testing facility in Novato, CA. By the time our staff interacts with clients, each member will be highly trained and educated, and qualified to assist our clients and answer questions they may have.

Employee Benefits

As indicated in our Business Plan, we will require minimal employees when we initially open. The state requires any cannabis business that employees 20 or more employees to enter into a labor peace agreement with a local union. Since we will not have 20 or more

employees, we will not be required to enter into a labor peace agreement. However, we will still offer our employees with a living wage, complete benefits, continuing education opportunities, and training.

We at Cometa understand that a happy staff typically performs best and provides the best customer service. One way we will keep our staff happy is to offer them a living wage that is greater than 150% of California's minimum wage. California's minimum wage is currently \$11.00/hour. Therefore, we will offer our employees \$17.00/hour as a base. In addition to keeping them happy, this wage will provide them with a disposable income to spend at local businesses.

All full-time employees will also receive full health benefits, 401(k) match contributions, and life insurance after their first year of employment. Additionally, all employees will receive maternity and parental leave, be covered by worker's compensation insurance, paid time off, and partake in a generous bonus structure.

In addition to the monetary benefits, we will offer our employees with an opportunity for continuing education. All managers will be allowed to attend one continuing education event each year. After they attend those events they will have a debrief with all staff members to discuss what was covered at the event. This will allow all employees to receive the additional education and provide them with skills in a growing industry. In addition to gaining skills through these debriefs, staff will also undergo rigorous training on all products and best business practices in the industry. This will create an educated staff, whose skills will be highly marketable if they plan to move on from Cometa. However, we hope that all staff chose to stay with us and grow within the company.

For further information regarding our employee policies, please see the attached sample employee handbook created for employees who will be conducting deliveries.



LOCAL ENTERPRISE

As demonstrated in our dedication to create local partnerships and hire local employees, we are determined to create a local business that is run by locals. In that regard, we will seek to hire management and staff that are Benicia or Solano County residents. We believe that we would be able to best serve the community by allowing members of that community take an active role in our operations. That is why we believe it is important to have locals as managers and not just employees. Local managers will be more in-tune with the community needs and be better able to assist us in serving the community.

Our CEO may not be a resident of Benicia or Solano County, but he is very familiar with the area as he has a substantial client base through his current position at a meat processing operation. He services clients throughout Solano County and within Benicia and has fallen in love with the area through that exposure. Mr. Lagos does live in San Rafael, which is in the neighboring county and, with his consistent presence in Solano County, he feels like an honorary Solano County resident.

In regard to the City's request for historical tax compliance, please see the attached tax returns from our corporation and our CEO.



QUALIFICATIONS OF OWNERS

Business Qualifications

We are a team of entrepreneurs with the goal to make a difference. We are all professionals in different areas that we all believe on the benefits of the cannabis and that is what brought us together.

Luis Lagos

Mr. Lagos is the CEO of Cometa. He was born in Boston, MA. and, as indicated above, has extensive experience in retail and consumer-based businesses. Mr. Lagos began his retail experience in high school when he was a floor attendant at a drugstore. Through hard work and determination, Mr. Lagos rose in the company and became the regional manager by the end of college. In deciding to follow his passion, Mr. Lagos then decided to follow his passion of cooking and runs a restaurant consulting and personal chef company. His latest restaurant venture was with Shoreline Coffee Shop in Mill Valley. For the past two years Mr. Lagos has been working for a meat processing plant in American Canyon. Through that work he has fallen in love with the City of Benicia while servicing customers in the City.

Gabriel Lagos

Mr. Gabriel Lagos was born in Mexico and is Luis' brother. Gabriel studied medicine in one of the top medical school in Mexico. After graduating, Gabriel began his career by opening a small clinic in the Oaxaca coast to help those in the most need. He was later invited to the Geo Foundation, where he implements a project whose purpose is to open community centers and promote reforestation throughout Mexico. Through that experience, Gabriel founded the Selva Foundation with the goal to preserve the Mexican rain forest. When Gabriel is not running the foundations, he focuses his energies on running a property management company that services approximately 150,000 properties.

Josh Amoroso

Josh is co-founder of LRG Investors, LLC, and has over 20 years of commercial real estate investment experience. Josh employs several core disciplines including the investment acquisition of core and value-add retail and multifamily assets, ground up development, corporate rollouts for emerging retailers, and urban mixed-use consultation. Josh has built a reputation of honesty and efficiency while creating returns for his partners that far exceed the industry standard. As a partner in the Bay Area's leading retail brokerage firm, Lockhouse Retail Group, Inc., Josh maintains unparalleled tenant relationships that enable his projects to

proceed with pinpoint accuracy while alleviating aspects of risk through lease execution prior to construction commencement. Josh is an avid runner, skier, and mountain biker. A graduate of the University of Oregon's School of Journalism, with a minor in Business, Josh currently resides in Hillsborough with his wife Katie, daughter Addison, and son Frankie.

History of Compliance

As described above, all our owners have significant experience in regulated industry. Our CEO, Mr. Lagos began his career in the drug store retail industry, then in the restaurant industry, and now in the heavily regulated and monitored meat processing industry. Mr. Lagos also has certificates in drug store management from Mexico, food hygiene from the US, and service food protection management from the US.

Our minor partner, Gabriel has extensive experience in the medical field, which is heavily regulated, and has founded organizations that have direct involvement with City and State governments.

Mr. Amoroso, our other partner, has 20 years of experience in commercial real estate investment. Through that experience he has worked with City governments in land development process and handles various regulations that are specific for each City and County.

Our team has demonstrated that they can succeed in heavily regulated industries and each have the experience in dealing with City government employees. We are ecstatic about the opportunity to jump into the cannabis industry and use our experience and expertise to use. We have also shown that we know how to build successful businesses from the ground up. Benicia offers a unique opportunity and we are determined to succeed.

Knowledge of State and Local Regulations

Cometa is committed to running a fully compliant and transparent cannabis retail operation. To ensure our operation remains in full compliance with state and local rules, regulations, and laws, we have taken several steps to stay informed and implement compliance protocols. The first step Cometa took to ensure compliance is retain Scot Candell and Associates, Attorneys at Law.

Mr. Candell is one of Northern California's leading attorneys specializing in the medical cannabis industry. The Law Offices of Scot Candell is one of the few law firms in the country devoted almost entirely to medical marijuana and commercial cannabis law. The scope of their representation includes teaching clients how to operate a cannabis

dispensary in full compliance with state and local law, assisting cities and counties in the process of drafting regulations for medical cannabis dispensaries, and criminal defense on both the state and federal level for clients that require that service. The firm is committed to providing the best representation available by working closely with clients, understanding their needs and special circumstances, and by applying the most resourceful and aggressive strategies and legal representation available.

As one of the region's most prominent experts on medical cannabis as it relates to regulations and laws, Scot's voice will be prominent on our advisory committee, providing sound legal advice and counsel, in addition to helping our other Board Members, officers, and staff keep abreast of local, state and federal legislation impacting our rapidly evolving industry. We are truly honored to have an individual with Scot's expertise and integrity as part of the Cometa family.

Scot graduated from the University of California at Berkeley, Boalt Hall School of Law, and received his undergraduate degree at Tufts University in Medford, MA. He is licensed to practice law in all California courts, the United States District Court for the Northern District of California, United States Court of Appeals for the 9th Circuit, and all New York State Courts.

Mr. Candell has already played a crucial part in assisting Cometa prepare its compliance protocols and prepare our team to implement the protocols and remain compliant.



AIR QUALITY PLAN

One community concern that we continue to hear is that commercial cannabis operations will emit an excess of cannabis odor into the surrounding area. Therefore, we will take affirmative steps to ensure our operation does not discharge any unwelcome odors.

Firstly, as a commercial cannabis retailer we will not be allowed to package any product and all product must arrive to our facility pre-packaged. That will alleviate a lot of potential cannabis odor emissions.

Secondly, we will ensure that all cannabis waste is processed inside our facility as to ensure no odor is emitted through the process. As indicated above, all cannabis products designated for waste will be mixed into fertilizer, which will neutralize any odor once mixed. After being mixed, the end product will be placed in a secure container that will prohibit any odors from being released.

Lastly, we will install a carbon filtration system into our HVAC system. A carbon filtration system is a well-known method to mitigate any potential odors that may be emitted from commercial cannabis operation. This system will be more than sufficient to prevent any odors exiting our building, as these types of systems are utilized for cultivation and manufacturing operations to negate any potential external odor exposure. This system will ensure that no odors are emitted into the surrounding area.



SAFETY AND SECURITY PLAN

Crime rates in Benicia are very low based on averages in Solano County, California, and the U.S. However, while violent crime has reached incredible lows, Benicia has recently been experiencing increasing numbers of property thefts. Given these latest trends, it will be important that we implement strong security procedures and cultivate strong relationships and a working dialogue with local law enforcement. As demonstrated by our attached Security Plan, we have developed thorough security procedures that are above and beyond the minimum standards.

Safety License Application
(do not include this sheet of paper)

250 East L Street • Benicia, CA 94510 • (707) 746-4280 • Fax (707) 747-1637



Police Department

CANNABIS PUBLIC SAFETY LICENSE APPLICATION

Administered by the Police Department, applicants seeking Cannabis Use Permits must obtain a Cannabis Public Safety License. Applicants must submit a comprehensive security plan, site plan, and floor plan(s) demonstrating the proposed safety and security strategies of the licensed premises. All applicants must complete the application that follows. The responses provided on this application will assist the review panel in evaluating responses as they relate to security standards that the applicant intends to employ.

ACKNOWLEDGEMENTS

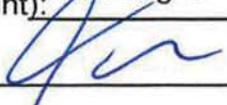
The undersigned applicant acknowledges that there are considerable risks in operating a cannabis-related business. Those risks include but are not limited to the risks of burglary, robbery, internal and external theft, diversion of cannabis by employees and customers, the risk of minors accessing cannabis products, and associated risks to employees, vendors, and the general public. The applicant hereby acknowledges that it is committed to ensuring a safe environment that mitigates as much risk as is reasonably possible. Risk mitigation strategies must include, at minimum, implementing security requirements mandated by state regulations and those conditions described in this Cannabis Public Safety License Application.

The applicant acknowledges that the Police and Fire Departments will retain the authority to audit, inspect, assess and test the security and safety strategies of the applicant's premises. The applicant acknowledges that as incidents arise, crime trends affecting the cannabis industry evolve, or enhanced security practices develop throughout the emerging cannabis industry, the Police and Fire Departments must reserve the right to impose additional conditions to further the public safety interests of the City of Benicia, as well as those of licensed operators, their employees, vendors and customers who may visit the licensed premises.

Entity/Applicant Name: Sonoma Campesino, Inc. DBA Cometa

Proposed Facility Address: 177 Military East, Benicia, CA 94510

Authorized Agent (print): Luis Lagos Title: CEO

Signature:  Date: 9/5/2018

BACKGROUND INVESTIGATIONS

All applicants, interested parties, and employees of the licensee are required to clear a background check to qualify for a Cannabis Use Permit. This includes a Live Scan Service and may also include additional investigation by the City if deemed necessary. Cannabis Use Permits will not be issued where applicants, interested parties, or employees have felony convictions, as specified in subdivision (c) of Section 667.5 of the Penal Code, and subdivision (c) of Section 1192.7 of the Penal Code, or where convictions exist that substantially relate to the qualifications, functions, or duties of the business or profession, including a felony conviction involving fraud, deceit, or embezzlement or a criminal conviction for the sale or provision of illegal controlled substances to a minor.

Entity/Applicant Name: Sonoma Campesino, Inc. DBA Cometa

Proposed Facility Address: 177 Military East, Benicia, CA 94510

Authorized Agent (print): Luis Lagos Title: CEO

Signature:  Date: 9/8/2018

SECURITY STANDARDS

The following security standards must be adopted and implemented by cannabis-related businesses operating within the City of Benicia. Applicants must initial each item under "Initials" to show their acknowledgment. Where the applicant perceives a conflict or seeks an exemption or conditional accommodation, the applicant should mark ("X") under the heading labeled "Conflict". Where the "Conflict" column is marked, the applicant must include as an attachment to this application a written response identifying each perceived conflict. In addressing the conflict, the applicant must refer to the conflict by referencing its part and section number (e.g. Part A, Item 4).

Entity/Applicant Name: Sonoma Campesino, Inc. DBA Cometa

Proposed Facility Address: 177 Military East, Benicia, CA 94510

Authorized Agent (print): Luis Lagos Title: CEO

Signature:  Date: 9/8/2018

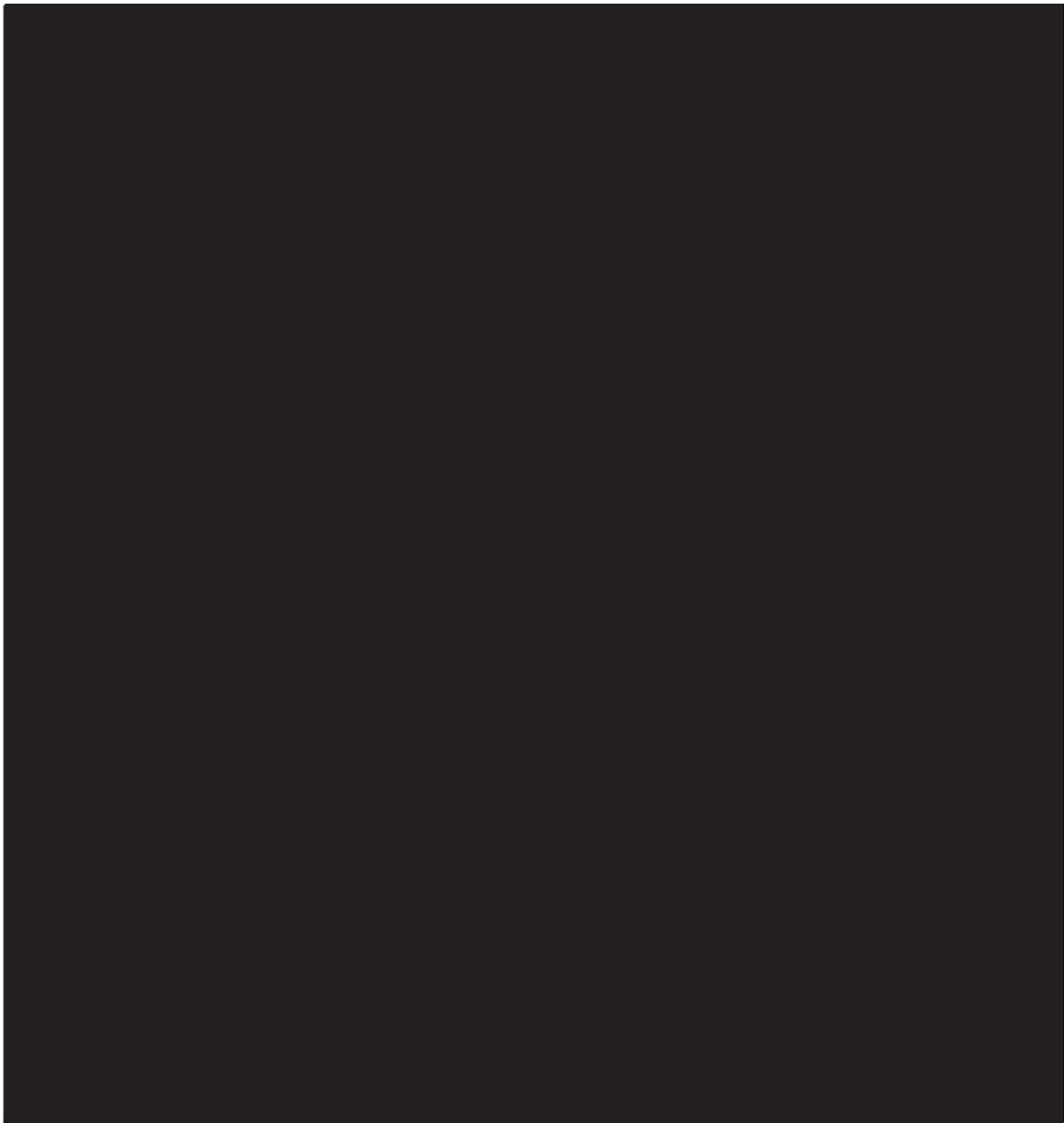
Part A	Facility Design	Initials	Conflict
1	The primary pedestrian access point (lobby) must be visible from the public thoroughfare	LL	
2	No further access beyond the lobby must be possible without passing another locked, solid core door.	LL	
3	Any trees on the premises must have canopies maintained at a height greater than 6-feet from the ground.	LL	
4	Any ground level landscaping must be limited and maintained at a height no greater than 24 inches.	LL	
5	No opportunities for concealment may exist within 10 feet of any doorway accessing the structure.	LL	
6	Any glass storefronts, metal roll-up doors or windows extending lower than 24 inches from ground level must be protected against vehicular intrusion by effective barriers subject to design review/approval.	LL	
7	Cannabis, cannabis products or graphics depicting cannabis may not be visible from outside the premises.	LL	
8	Doors accessing rooms containing cannabis must be equipped with solid core doors. If such rooms include windows, windows must be opaque to prevent visibility of cannabis or have a lower sill no lower than 6 feet from ground level. Any such windows must be equipped with intrusion resistant film and incorporate monitored glass-break detection components within the alarm infrastructure.	LL	
9	Windows, if present, must not be obscured by advertisements, product racks, or other obstructions.	LL	
10	Any solid core doors accessing the outside will be equipped with 180 degree viewing devices.	LL	
11	The premises must maintain a minimum exterior lighting standard of 1.5 foot candles across all perimeters, access points and parking spaces associated with the licensed premises. Lighting must be white LED lighting with a heat index between 2700K-4200K, a color rendering index of at least 70 and a light loss factor of at least .95.	LL	
12	Where foyers exist or awnings are installed on the structure, fixtures must be installed as necessary to provide for a minimum lighting standard of 1.5 foot candles beneath the awning or within the foyer.	LL	
13	Under Section 17.108 of the Benicia Municipal Code, external building design, architectural features, site plans, landscaping, etc. may be subject to design review.	LL	

Part B	Facility Access Control	Initials	Conflict
1	An electronic access control system will be installed to control and log access by staff members.	LL	
2	All rooms containing cannabis or currency will require an electronic access control card/fob to enter.	LL	
3	The access control system will maintain access data for no less than 90 days; records must be available to regulators upon request.	LL	
4	The electronic access control system must be supported by a battery backup system ensuring continued operability of the system for no less than 24 hours.	LL	
5	Key fobs/cards will be user-unique and will provide access only to those areas, and at those times, that the employee has a legitimate need to access.	LL	
6	All rooms containing cannabis or currency will be equipped with an automatic closing/relocking device and must be kept closed and locked at all times when not in immediate use.	LL	
7	When employees are terminated, all issued keys/fobs/cards must be accounted for. If a fob/card is missing, it must be immediately deleted from the access control system. Where a physical key is lost or not returned, all relevant cores must be changed on all relevant locks without delay.	LL	
8	A knock box containing a master key/fob for the facility must be installed adjacent to the lobby door.	LL	
9	If fencing or gates are to be installed, they must comply with local building and zoning codes.	LL	
10	Fencing or gates, if topped with security features, must comply with local building and zoning codes.	LL	
11	Electronic gate(s), if installed, must be equipped with click-to-enter technology.	LL	
12	Gate(s), if installed, must be equipped with a knock-key access system and knock-box.	LL	
13	Any physical keys associated with the premises must be stamped "Do Not Duplicate", tracked and logged.	LL	
14	Packaged cannabis products on the premises must be stored in a limited access vault or appropriately UL-rated safe.	LL	

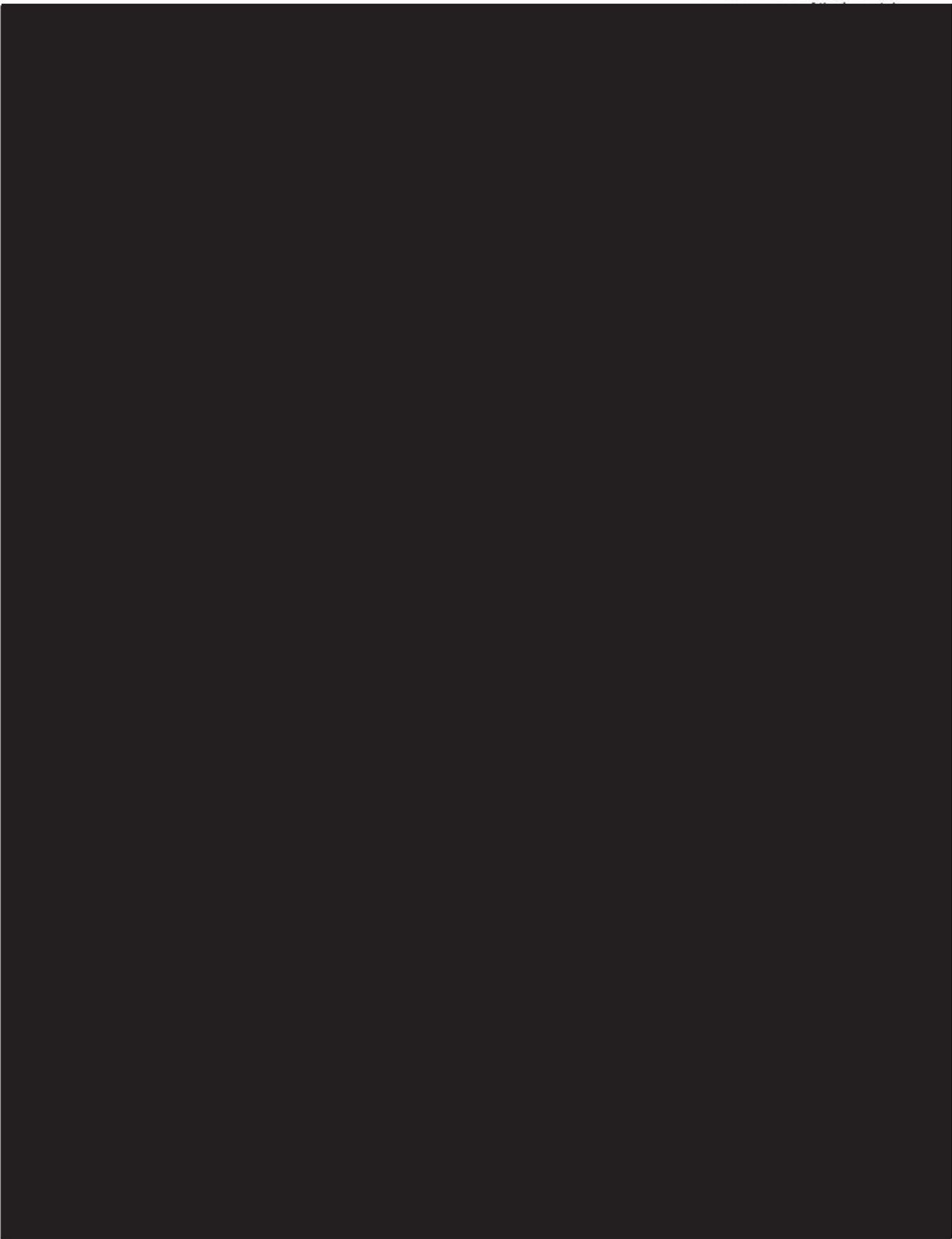
Part C	Alarm System	Initials	Conflict
1	Facility alarm installers must be licensed by the Dept. of Consumer Affairs (Alarm Company Operator, CA BPC § 7590 - 7599.80 et al).	LL	
2	Facility alarm equipment, installers and monitoring centers must be UL (Underwriter's Laboratory) listed. UL certification must be maintained in good standing at all times.	LL	
3	Any roof hatches or vents accessing the building must be equipped with contact sensors, motion detectors or other practicable electronic monitoring options.	LL	
4	All exterior doors and interior doors accessing rooms containing cannabis, currency or security infrastructure must be equipped with monitored contact points requiring doors to be closed for the system to arm. Bypassing zones must be prohibited.	LL	
5	Silent robbery alarm activators must be installed at the lobby/entrance, loading/unloading areas, product/currency storage areas and at any points of sale (where applicable).	LL	
6	Access control, surveillance and alarm systems must be equipped with battery backups or an auto-start generator capable of supporting system operations for up to 24 hours.	LL	
7	Where the alarm system malfunctions to any degree, the facility must be staffed on a 24-hour basis by a manager or a licensed security officer until such time as the alarm system is restored to full operability.	LL	
8	A minimum of one motion detector must be installed in each room of the facility, with additional detectors installed as practicable.	LL	

Part D	Surveillance System	Initials	Conflict
1	Cameras resolution rating of no less than 2 megapixels, day/night capable, equipped with auto-iris and auto-focus features.	LL	
2	Interior cameras must provide no less than 50 pixels per foot in relation to the furthest area/element intended for surveilling. Exterior cameras must provide no less than 80 pixels per foot in relation to the furthest area/element intended for surveilling.	LL	
3	TCP/IP enabled, accessible over the internet. Remote viewing access must be provided to the Chief of Police or his/her designees.	LL	
4	DVR must be stored in a limited access area of the facility to which only managerial personnel have access.	LL	
5	System must record on a consistent basis, both during and after business hours. Footage must be archived for no less than 90 days.	LL	
6	System must be capable of offloading video in standard formats requiring no proprietary software (e.g. mpeg, wmv, wav).	LL	
7	System must allow the offloading of video to standard media (e.g. DVD, USB).	LL	
8	Footage must be accurately date/time stamped. Date and time stamp must not obscure the focus area of the video.	LL	
9	A log must be maintained accounting for any persons accessing the surveillance system (unique user IDs required).	LL	
10	Cameras must be placed within 20 feet of each exterior door and must provide both interior and exterior vantage points.	LL	
11	Limited access areas (entrances, loading areas, rooms containing cannabis, currency or security system infrastructure) must maintain no less than two viewing angles, including each door.	LL	
12	Cameras must be installed in a manner that protects cameras and cabling from inadvertent or intentional disruption.	LL	
13	All doors leading to the outside will be accompanied by a video monitor displaying the outside area for pre-egress review.	LL	
14	Signage must be posted at each entrance to the parcel and structure advising of the presence of video surveillance.	LL	
15	The applicant must prohibit staff, vendors or customers (dispensaries) from wearing hats, hoods, sunglasses or other attire that may interfere with the ability to identify a person from surveillance video footage.	LL	
16	Where the surveillance system malfunctions to any degree, the facility must be staffed on a 24-hour basis by a manager or a licensed security officer until such time as the surveillance system is restored to full operability.	LL	
17	The location of the on-site surveillance server (DVR) must be identified on the provided security floor plan, and must be in a room accessible only to management personnel with access privileges to the surveillance platform's hardware, software and recordings.	LL	

Part E	Facility Policies and Security Plan Content	Initials	Conflict
1	A manager capable of accessing all rooms must be on the premises during all operating hours.	LL	
2	A manager capable of accessing surveillance footage must be on the premises during all operating hours.	LL	
3	Non-managerial employees must not be permitted to take keys, fobs or access cards off premises.	LL	
4	Non-managerial employees must not be permitted to take employer identification badges off premises.	LL	
5	The applicant must maintain a strict policy against loitering and trespassing on and about (within 100 feet of) the premises.	LL	
6	Applicants are advised that an acceptable and comprehensive burglary prevention/response plan will be required prior to licensing.	LL	
7	Applicants are advised that an acceptable and comprehensive robbery prevention/response plan will be required prior to licensing.	LL	
8	Applicants are advised that an acceptable and comprehensive plan regarding product diversion and internal theft prevention and response strategies will be required prior to licensing.	LL	
9	Applicants are advised that an acceptable and comprehensive currency security plan will be required prior to licensing.	LL	
10	Applicants are advised that an acceptable and comprehensive product loss prevention/shoplifting plan will be required prior to licensing.	LL	
11	Security plan must be developed in consultation by a third party security professional (e.g. licensed PPO, ACO, certified advanced CPTED practitioner, ASIS certified security planner, etc).	LL	
13	Security plan must be updated by the applicant as changes to security infrastructure, policies or practices arise. The plan must contain all necessary information to provide for ongoing and efficient maintenance of the security plan (e.g. vendor contacts, equipment descriptions, vendor data, maintenance records, access logs, etc.)	LL	
14	The plan must be updated with enhanced and relevant strategies within 30 days of any significant incident including but not limited to: Discovery of a significant inventory discrepancy, as defined in CCR, Title 16, Division 42, Chapter 1, Article 3, section 5034); discovery of any cannabis diversion, theft, loss, or any other criminal activity pertaining to the operations of the licensee; discovery of loss or unauthorized alteration of records related to cannabis goods, customers, or the licensee's employees or agents; or any other breach of security.	LL	
15	The security plan must be reviewed and audited annually by a third party security professional. A log of its review must be maintained within the plan and must include the identity, certifications, review date and comments from the reviewing party.	LL	
16	Within 30 days of implementing any change to the security plan, the applicant must provide to the Chief of Police or his/her designee an updated version of the security plan with the latest changes highlighted and accompanied by a letter of explanation detailing the reasons for the changes.	LL	







Part G	Fire Department Requirements	Initials	Conflict
1	A fire and life safety inspection is required prior to the start of any cannabis related operation. After fire clearance is granted, the facility is subject to unannounced inspections throughout the duration of operations.	LL	
2	A detailed scope of work related to all business activities and products utilized shall be required prior to licensing	LL	
3	Fire department requirements for Access, Egress, Fire Protection and Storage shall be included in the Site Plan.	LL	
4	Operational permits are required to be obtained to utilize, store, and handle materials; or to conduct processes that produce conditions that are hazardous to life or property. The fire department is authorized to revoke a permit when it is found that conditions of a permit are violated. Permits shall be readily visible and posted in a conspicuous location.	LL	
5	All equipment used in operations shall be listed and conform to manufactures recommendation. All non-listed equipment shall require third-party technical assistance for review and approval.	LL	
6	Fire detection, alarm systems, emergency alarm systems, gas detection systems, fire extinguishing systems and smoke and heat vents shall be maintained in an operable condition at all times. System and system components shall be replaced and repaired when defective. All fire protections systems within a building shall be maintained in accordance to their referenced standard.	LL	
7	Records within site plans; including Architecture, Mechanical, Electrical, Fire Protection, Construction permits, building operations, and equipment shall be retained on site at all times and readily accessible upon request. Documents such as Fire Department Inspection reports, Fire systems Inspection reports shall also be retained upon issuance.	LL	
8	The use of all hazardous, flammable, and combustible materials shall be handled, stored, and utilized in accordance to the 2016 California Fire Code.	LL	

FOR RETAIL APPLICANTS ONLY

Part H	Retail Requirements	Initials	Conflict
1	Must incorporate a customer entrance that incorporates a pre-screening method to pre-screen those seeking entry.	LL	
2	Must incorporate a physical barrier separating the lobby receptionist, electronic access controls and robbery alarm triggers from customers entering the premises. Ballistic protection encouraged (not mandatory).	LL	
3	Must incorporate a waiting room with staff controlled, electronic access after validating the customer's eligibility to enter at reception.	LL	
4	Must incorporate separate paths for entry and departure to/from the dispensing room from the waiting room.	LL	
5	Access from the waiting room to the dispensing area must require electronic, remotely operated "buzz-in" by a staff member.	LL	
6	If the facility design incorporates an antechamber (not required, but encouraged) between the waiting room and dispensing area, the antechamber must allow for emergency egress and be equipped with crash bars allowing for emergency egress (backtracking).	LL	
7	If product display cases are provided in the waiting area, display cases shall be intrusion resistant (e.g. polycarbonate or protected by intrusion resistant film), locked, accessible only by a manager, and only opened outside of the facility business hours. NOTE: where the waiting area incorporates windows, applicants shall ensure displays, menus or marketing materials depicting cannabis are not visible to persons outside the premises.	LL	
8	Any exits from the dispensing room other than the above described inbound and outbound doors will be situated behind counters and in areas posted as restricted access/employee only areas.	LL	
9	The dispensing room must incorporate a fixed camera focused on each point of sale. Each point of sale must be equipped with a silent robbery alarm activation button.	LL	
10	Access controls and policies must restrict the number of customers in the dispensing room, not to exceed two customers per employee.	LL	
11	The dispensing room may maintain only that amount of product and currency that is necessary for business operations as suggested by the average daily sales reflected during the previous 30 days of business operations. Excess amounts of product and currency must remain in the product vault(s) and/or safe(s) in areas limited to management.	LL	
13	Applicants are advised that an acceptable and comprehensive off-premises currency transportation plan will be required prior to licensing.	LL	
14	All owners, interested parties and employees of a cannabis retail licensee shall be required to attend Cannabis Retail Sellers training provided by the City. Training shall be completed during the next available course offering by the City following approval of the Cannabis Use Permit.	LL	

FOR DELIVERY AND/OR DISTRIBUTION APPLICANTS ONLY

Part I	Delivery & Distributor Requirements	Initials	Conflict
1	Vehicles must be owned/leased/registered to the licensee (not employee owned) and insured through a commercial auto policy meeting or exceeding California requirements.	LL	
2	Vehicles must be less than 10 year models old throughout its service life.	LL	
3	Vehicles must not be marked with graphics or text indicating the vehicle to be associated with cannabis or currency transportation.	LL	
4	Vehicles must be equipped with a real-time, web-accessible GPS tracking system. Location updates must occur at intervals of no more than one minute. Access to GPS online GPS interface must be provided to the Chief of Police or his/her designee.	LL	
5	Vehicles must be equipped with locking storage containers proprietary to storage of in-transit cannabis products.	LL	
6	Vehicles must be equipped with permanently mounted, steel drop-safes for the storage of currency in transit. Drivers must not have access to the drop safe contents.	LL	
7	Drivers must be equipped with two-way, push-to-talk communications providing for immediate communication between the driver and the licensee (dispatcher, manager or other support staff).	LL	
8	Vehicles must meet all relevant California regulations (e.g. vehicle alarm systems, secure storage).	LL	
9	Vehicles must be equipped with on-board video surveillance equipment situated to and of sufficient quality to identify persons unlawfully entering the vehicle or accessing on-board cannabis or currency.	LL	
10	Applicants are advised that prior to licensing, applicant shall remit an acceptable and comprehensive plan describing how the applicant will: (1) validate the identity of person requesting delivery of cannabis; (2) validate the legitimacy of an address to which a delivery is requested; and (3) validate that the location to which a delivery is requested is not situated upon Federally owned or leased property.	LL	
11	Applicants are advised that prior to licensing, applicant shall remit an acceptable and comprehensive plan describing how the applicant will seek to mitigate and respond to auto theft, auto burglary, robbery, involvement in a traffic collision, suspicious circumstances, and managing in-field mechanical break downs of vehicles.	LL	
12	Applicants are advised that prior to licensing, applicant shall remit an acceptable and comprehensive plan describing how the applicant will provide for the secure storage of vehicles used for the transportation of cannabis and/or currency, the secure loading and unloading of product and/or currency, and describing how the applicant will ensure access to vehicles and loading areas is maintained as exclusive to the applicant's employees.	LL	

Security Plan

(do not include this sheet of paper)

Lease Agreement

(do not include this sheet of paper)

COMMERCIAL LEASE

This Commercial Lease (this "Lease") dated September 1, 2018 by and between 177 Military East, LLC, a California Limited Liability Company ("Landlord"), and Sonoma Campesino, Inc., a California Corporation ("Tenant").

ARTICLE 1 BASIC PROVISIONS

1.1 Premises. That certain real property, including all improvements therein, and commonly known as 177 Military East, Benicia, CA 94510 ("Premises"), containing a commercial building and surrounding parking lot. The Premises, the Building, and the land upon which they are located, together with all improvements located thereon shall collectively be referred to as the "Project."

1.2 Term. Ten (10) year ("Term") commencing as of September 1, 2018 ("Commencement Date") and ending on September 1, 2028 ("Expiration Date").

1.3 Base Rent. Base rent shall be five thousand dollars (\$3,000.00) per month ("Base Rent"), for a total of thirty-sixty thousand dollars (\$36,000.00) for the year.

1.4 Payment by Tenant Upon Execution. Pursuant to the terms of Section 4.3 herein, upon execution of this Lease, Tenant shall pay (i) the Security Deposit (defined below) and (ii) first month's Base Rent.

1.5 Security Deposit. One-month Base Rent or \$3,000 ("Security Deposit").

1.6 Agreed Use. The Premises shall be used for the operations of a commercial cannabis business under California law and in compliance with Applicable Requirements (as defined below) and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 6 hereof ("Agreed Use").

1.7 Real Estate Brokers.

(a) There are no Real Estate Brokers for this transaction

ARTICLE 2 PREMISES

2.1 Letting. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, for the Term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating rental, is an approximation that the parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

2.2 Condition. Landlord shall deliver the Premises to Tenant broom clean and free of debris on the Commencement Date. Landlord represents that to its actual knowledge the existing electrical, plumbing, lighting, and heating shall be in good operating condition on the Commencement Date and that the structural elements of the roof, bearing walls and foundation of

any buildings on the Premises (the "Building") shall be free of material defects on the Commencement Date.

2.3 Compliance. Landlord warrants that to its actual knowledge the improvements on the Premises comply with state and local building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances, as well as applicable federal laws to the extent they are not inconsistent with state and local laws ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Tenant will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Tenant's use, or to any Alterations made or to be made by Tenant.

2.4 Acknowledgments. Tenant acknowledges that: (a) it has been advised by Landlord to satisfy itself with respect to the condition of the Premises (including but not limited to the information technology infrastructure, electrical, HVAC and other air-handling equipment, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Tenant's intended use, (b) Tenant has made such investigation as it deems necessary with reference to such matters, assumes all responsibility therefor as the same relate to its occupancy of the Premises, and finds the Premises and title to the Premises satisfactory for all purposes, and (c) neither Landlord nor Landlord's agents has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PREMISES IS BEING DELIVERED TO TENANT IN AS IS, WHERE IS CONDITION, AND LANDLORD IS NOT MAKING AND EXPRESSLY DENIES MAKING ANY REPRESENTATIONS OR WARRANTIES AS TO THE PHYSICAL CONDITION OF THE PREMISES, THE FUNCTIONALITY OF THE PREMISES OR THE BUILDING, OR THE HABITABILITY OF THE PREMISES OR THE SUITABILITY OF THE PREMISES GENERALLY OR FOR ANY PARTICULAR PURPOSE, AND TENANT WAIVES ANY RIGHT OR REMEDY OTHERWISE ACCRUING TO TENANT ON ACCOUNT OF THE CONDITION OR SUITABILITY OF THE PREMISES OR TITLE TO THE PREMISES, AND TENANT AGREES THAT IT TAKES THE PREMISES "AS IS" WITHOUT ANY SUCH REPRESENTATION OR WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES.

2.5 Net Lease. The obligations of Tenant hereunder shall be separate and independent covenants. This is a net lease and Rent and all other sums payable hereunder by Tenant shall be paid without notice or demand, and without setoff, counterclaim, recoupment, abatement, suspension or reduction, or defense. This Lease is the absolute and unconditional obligation of Tenant, and the obligations of Tenant under this Lease shall not be affected by any interference with Tenant's use of the premises for any reason subject only to: (i) any damage to or destruction of the Premises, as provided in Article 9 of this Lease, or (ii) any condemnation or eminent domain, as provided in Article 14 of this Lease. All costs and expenses of every kind and nature whatsoever relating to the Premises (other than of debt incurred by Landlord, and costs incurred by Landlord in financing or refinancing the Premises) and the appurtenances thereto and the use and occupancy thereof which may arise or become due and payable with respect to the period which ends on the expiration or earlier termination of the Term in accordance with the provisions hereof (whether or not the same shall become payable during the Term or thereafter) shall be paid by Tenant. Tenant shall pay all expenses related to the repair or maintenance of the Premises, and taxes (subject to Article 10 of this Lease) and insurance costs. Tenant shall not have any right to abate Rent or other sums payable hereunder by Tenant during the Term.

ARTICLE 3

TERM

3.1 Term. The Commencement Date, Expiration Date and Term of this Lease are as specified in Section 1.2 above.

3.2 Delay in Possession. Landlord agrees to use its commercially reasonable efforts to deliver possession of the Premises to Tenant by the Commencement Date. If, despite said efforts, Landlord is unable to deliver possession by such date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Tenant shall not, however, be obligated to pay Rent or perform its other obligations until Landlord delivers possession of the Premises. If possession is not delivered within 60 days after the Commencement Date, Tenant may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the parties shall be discharged from all obligations hereunder. If such written notice is not received by Landlord within said 10 day period, Tenant's right to cancel shall terminate. If possession of the Premises is not delivered within 90 days after the Commencement Date, this Lease shall terminate.

ARTICLE 4

RENT

4.1 Rent Defined. All monetary obligations of Tenant to Landlord under the terms of this Lease, and all taxes, costs, expenses and other amounts that Tenant is required to pay pursuant to this Lease to any other party, together with every fine, penalty, interest and costs which may be added for late payment thereof (except for the Security Deposit), are deemed to be rent ("Rent").

4.2 Payment. Tenant shall cause payment of Rent to be received by Landlord in lawful money of the United States, without offset or deduction, on or before the day on which it is due. Rent for any period during the term hereof which is for less than one (1) full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Landlord at its address stated herein or to such other persons or place as Landlord may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Landlord's rights to the balance of such Rent, regardless of Landlord's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Tenant to Landlord is dishonored for any reason, Tenant agrees to pay to Landlord the sum of \$25 in addition to any late charge and Landlord, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorneys' fees, second to accrued interest, then to Base Rent, insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

ARTICLE 5

SECURITY DEPOSIT

Tenant shall deposit with Landlord upon execution hereof the Security Deposit as security for Tenant's faithful performance of its obligations under this Lease. If Tenant fails to pay Rent, or otherwise Defaults under this Lease, Landlord may, in addition to all other remedies available to Landlord at law or in equity, use, apply or retain all or any portion of the Security Deposit for the payment of any amount due Landlord, for Rents which will be due in the future and/or to reimburse or compensate Landlord for any liability, cost, expense, loss or damage which Landlord may suffer or incur by reason thereof. If Landlord uses or applies all or any portion of the Security Deposit, Tenant shall within ten (10) days after written request therefor deposit monies with Landlord sufficient to restore the Security Deposit to the full amount required by this Lease. Within 90 days after the expiration or termination of this Lease, Landlord shall return that portion of the

Security Deposit not used or applied by Landlord. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Tenant under this Lease.

ARTICLE 6 USE

6.1 Use. Tenant shall use and occupy the Premises only for the Agreed Use, and for no other purpose. Tenant shall not use or permit the Premises to be used for any other purpose without Landlord's prior written consent, which may be granted or withheld in Landlord's sole discretion. Tenant shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to, neighboring properties.

6.2 Hazardous Substances; Compliance.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority or (iii) a basis for potential liability of Landlord to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Hazardous Substances shall not include cannabis or cannabis products. Tenant shall not engage in any activity in or on the Premises that constitutes a Reportable Use of Hazardous Substances. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Tenant may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier, toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any material risk of contamination or damage or expose Landlord to any liability therefor. Landlord may require such additional assurances as Landlord reasonably deems necessary in Landlord's sole and absolute judgment to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) Duty to Inform Landlord. If Tenant knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, Tenant shall immediately give written notice of such fact to Landlord, and provide Landlord with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Tenant Remediation. Tenant shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Tenant's expense, comply with Applicable Requirements and take all necessary or reasonably recommended investigatory and/or remedial action, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Tenant, or pertaining to or involving any Hazardous Substance brought onto the Premises at any time during the term of this Lease, by or for Tenant, or any third party.

(d) Tenant Indemnification. Tenant shall be solely responsible for and shall indemnify, defend, reimburse and hold Landlord, its agents, lenders and employees, if any, harmless from and against any and all loss of rents and/or damages, losses, liabilities, judgments, claims, costs, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought, spilled or released in, on, under or about the Premises by or for Tenant, or any third party (provided, that Tenant shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Tenant). Tenant's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No expiration, termination or cancellation of this Lease and no release agreement entered into by Landlord and Tenant shall release Tenant from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing at the time of such agreement.

(e) Compliance with Applicable Requirements. Tenant shall, at Tenant's sole expense, fully, diligently and in a timely manner, comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Landlord's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Commencement Date. Tenant shall, within ten (10) days after receipt of Landlord's written request, provide Landlord with copies of all permits and other documents, and other information evidencing Tenant's compliance with any Applicable Requirements specified by Landlord, and shall immediately upon receipt, notify Landlord in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Tenant or the Premises to comply with any Applicable Requirements.

(f) Inspection; Compliance. Landlord and Landlord's "Lender" (as defined in Section 17.13(a) below) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Tenant with this Lease. The cost of any such inspections shall be paid by Landlord, unless a violation of Applicable Requirements, or a Hazardous Substance condition is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Tenant shall upon request reimburse Landlord for the cost of such inspections, so long as such inspection is reasonably related to the violation or contamination.

ARTICLE 7
MAINTENANCE; REPAIRS; UTILITY INSTALLATIONS; FIXTURES AND
ALTERATIONS

7.1 Tenant's Obligations.

(a) In General. It is expressly understood and agreed that Landlord is under no obligation to provide Tenant with any services (including, without limitation, any security services). Tenant shall, at Tenant's sole expense, keep the Premises, Utility Installations and Alterations (including, without limitation, the roof, walls, footings and foundations, HVAC, mechanical and electrical equipment and systems in or serving the Premises, and structural and nonstructural components and systems of the Premises, driveways, parking areas and lots, sidewalks, roadways, landscaping, any clarifiers and utility feed to the perimeter of the Building) in good order, condition, appearance and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Tenant, whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such portion of the Premises, and whether such maintenance or repair is foreseen or unforeseen), including, but not limited to, all equipment and facilities, plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, roofs, roof drainage systems, floors, windows, doors, plate glass, landscaping, and driveways. Tenant, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices. Tenant's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) Failure to Perform. If Tenant fails to perform Tenant's obligations under this Section 7.1, Landlord may enter upon the Premises after 10 days' prior written notice to Tenant (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Tenant's behalf, and put the Premises in good order, condition and repair, and Tenant shall promptly pay to Landlord a sum equal to 115% of the cost thereof.

7.2 Landlord's Obligations. It is intended by the parties hereto that Landlord has no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Tenant. Landlord shall not be required to make any repair, replacement, maintenance or other work whatsoever, or to maintain the Premises in any way, and Tenant waives the right to make repairs, replacements or to perform maintenance or other work at the expense of Landlord, which right may be provided for in any Applicable Requirements. It is the intention of the parties that the terms of this Lease govern the respective obligations of the parties as to maintenance and repair of the Premises, and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) Definitions. The term "Utility Installations" refers to all floor and window coverings, air lines, steam lines, power panels, electrical distribution, security and fire protection systems, communication systems, information technology infrastructure, lighting fixtures, HVAC and other air-handling equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Tenant's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification or improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Tenant Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Tenant that are not yet owned by Landlord pursuant to Section 7.4(a).

(b) Consent. Tenant shall not make any Alterations or Utility Installations to the Premises without Landlord's prior written consent. Each of the parties hereto shall

perform the obligations imposed upon such party in said Exhibit at the times and in the manner therein provided. Consent shall be deemed conditioned upon Tenant's: (i) acquiring all applicable governmental permits, (ii) furnishing Landlord with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Tenant shall promptly upon completion furnish Landlord with as-built plans and specifications. For work which costs an amount equal to the greater of one month's Base Rent, Landlord may condition its consent upon Tenant providing a lien and completion bond in an amount equal to one and one-half times the estimated cost of such Alteration or Utility Installation or upon Tenant's posting an additional Security Deposit with Landlord equal to such amount, which additional Security Deposit shall be returned to Tenant upon completion of the work. Tenant must reimburse Landlord within ten days after Tenant's receipt of Landlord's invoice for Landlord's actual and reasonable costs incurred relating to any Utility Installations, Trade Fixtures or Alterations, including but not limited to all management, engineering, consulting, construction and legal fees incurred by Landlord for the review and approval of Tenant's plans and specifications or for monitoring Tenant's construction of any Utility Installations, Trade Fixtures or Alterations.

(c) Liens; Bonds. Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Tenant shall give Landlord not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Landlord shall have the right to post notices of non-responsibility. If Tenant shall contest the validity of any such lien, claim or demand, then Tenant shall, at its sole expense, defend and protect itself, Landlord and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Landlord shall require, Tenant shall furnish a surety bond in an amount equal to one and one-half times the amount of such contested lien, claim or demand, indemnifying Landlord against liability for the same. Landlord shall not be liable for any labor, services or materials furnished to Tenant or to any party holding any portion of the Premises through or under Tenant and no mechanic's liens or other liens for any labor, services or materials shall attaché to the Premises or the leasehold estate created thereby.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. Subject to Landlord's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Tenant shall be the property of Tenant, but considered a part of the Premises. Landlord may, at any time, elect in writing to be the owner of all or any specified part of the Tenant Owned Alterations and Utility Installations. Unless otherwise instructed per Section 7.4(b) hereof, all Tenant Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Landlord and be surrendered by Tenant with the Premises.

(b) Removal. By delivery to Tenant of written notice from Landlord not earlier than one hundred eighty (180) days prior to the end of the term of this Lease and not later than one hundred eighty (180) days following the end of the term of this Lease, Landlord may require that any or all Tenant Owned Alterations or Utility Installations installed by or for the benefit of Tenant after the date of this Lease be removed by the expiration or earlier termination of this Lease, or within thirty (30) days following delivery of such written notice, if given after expiration or termination of this Lease. Landlord may require the removal at any time of all or

any part of any Tenant Owned Alterations or Utility Installations made without the required consent.

(c) Surrender; Restoration. Tenant shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, normal wear and tear excepted. Tenant shall perform all restorations, replacements or renewals required to deliver the Premises and all improvements thereon or a part thereof to Landlord in good order, condition and state of repair, normal wear and tear excepted. Tenant shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Tenant Owned Alterations or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Tenant, and the removal, replacement, or remediation of any soil, material or groundwater contaminated by Tenant. Trade Fixtures shall remain the property of Tenant and shall be removed by Tenant. Any personal property of Tenant not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Tenant and may be disposed of or retained by Landlord as Landlord may desire. The failure by Tenant to timely vacate the Premises pursuant to this Section 7.4(c) without the express written consent of Landlord shall constitute a holdover under the provisions of Section 17.9 below.

7.5 Tenant's Default of Maintenance and Repair Obligations. If Tenant shall be in default of any of the provisions of this Section 7, Landlord may, after thirty (30) days' written notice to Tenant and failure of Tenant to cure during said period, but without notice in the case of an emergency, do whatever is necessary to cure such default as may be appropriate under the circumstances for the account of and at the expense of Tenant. All reasonable sums so paid by Landlord and all reasonable expenses (including without limitation reasonable attorneys' fees and costs) so incurred, together with Interest from the date of payment or the incurring of such expenses, shall constitute Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

ARTICLE 8 **INSURANCE; INDEMNITY**

8.1 Payment for Insurance. Tenant shall pay for all insurance required under Paragraph 8. Premiums for policy periods commencing prior to or extending beyond the Term shall be prorated to correspond to the Term. Payment shall be made by Tenant directly to the insurance carrier within ten (10) days following Tenant's receipt of an invoice.

8.2 Liability Insurance. Tenant shall obtain and keep in force during the term of this Lease a Commercial General Liability policy of insurance protecting Tenant and Landlord as an additional insured against claims for bodily injury, property damage and personal injury based upon, relating to, involving, or arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Tenant shall promptly provide Landlord with evidence of such insurance in the form of an endorsement to the policy. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. The insurance shall include an "Additional Insured – Managers, Landlords, of Premises" endorsement and contain the "Amendment of the Pollution Exclusion" endorsement for damage or injury caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any inter-insured exclusions as between insured persons or organizations, shall contain endorsements for cross-liability to ensure a severability of interests, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under this Lease. The limits of said insurance required by this Lease or as carried by Tenant shall not, however, limit the

liability of Tenant, nor relieve Tenant of any obligation hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any insurance carried by Landlord, whose insurance shall be considered excess insurance only and shall not insure Tenant.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Landlord shall obtain and keep in force, at Tenant's sole cost and expense, a policy or policies in the name of Landlord, with loss payable to Landlord insuring loss or damage to the Premises. The amount of such insurance shall be equal to the Replacement Cost of the Premises, as the same shall exist from time to time, but in no event more than the commercially reasonable and available insurable value thereof. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage, including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall not exclude flood coverage if the Premises are located in a flood zone, and shall exclude earthquake coverage; provided, however, nothing shall prevent Landlord from obtaining such coverage at Landlord's expense. Said policy or policies shall also contain, if available and commercially appropriate, an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises is located. Such insurance coverage shall have a deductible clause, the deductible amount shall not be less than \$5,000 per occurrence, and Tenant shall be liable for such deductible amount in the event of an Insured Loss. Tenant, at Tenant's option, by providing written notice to Landlord, shall have the right to obtain the insurance required in this section.

8.4 **Waiver of Subrogation.** Without affecting any other rights or remedies, Tenant and Landlord each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance is not invalidated thereby.

8.5 **Indemnity.** Except for Landlord's gross negligence or willful misconduct, Tenant shall indemnify, protect, defend and hold harmless the Premises, Landlord and its agents and Lenders from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises or the Project by Tenant or Tenant's agents, contractors, employees, licensees or invitees (collectively, "Tenant parties") or any act, omission or negligence of any Tenant parties. In addition to the above, Tenant agrees to indemnify, protect, defend and hold harmless the Premises, Landlord and its agents and Lenders from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with an Early Termination Cause. If any action or proceeding is brought against Landlord by reason of any of the foregoing matters, Tenant shall upon notice defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord shall reasonably cooperate with Tenant in such defense. Landlord need not have first paid any such claim in order to be defended or indemnified.

8.6 **Exemption of Landlord and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Landlord or its agents, neither Landlord nor its agents shall

be liable under any circumstances for injury or damage to the person or goods, wares, merchandise or other property of Tenant, Tenant's employees, contractors, invitees, customers, or any other person in or about the Premises, by reason of the condition of the Premises or the operation thereof or for any other reason, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, or from other sources or places. Landlord and its agents shall not be liable for any damages arising from any act or neglect of any other tenant of Landlord. Notwithstanding Landlord's negligence or breach of this Lease, Landlord shall under no circumstances be liable for injury to Tenant's business or for any loss of income or profit therefrom and Tenant waives any claim against Landlord for actual, consequential, incidental, exemplary or punitive damages. Instead, it is intended that Tenant's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Tenant is required to maintain pursuant to the provisions of this Section 8.

8.7 Failure to Provide Insurance. Tenant acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Landlord to risks and potentially cause Landlord to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Tenant does not maintain the required insurance and/or does not provide Landlord with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Tenant, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Landlord will incur by reason of Tenant's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Tenant's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Tenant of its obligation to maintain the insurance specified in this Lease.

ARTICLE 9 **DAMAGE OR DESTRUCTION**

9.1 Definitions.

(a) "Premises Partial Damage" shall mean damage or destruction to the improvements on the Premises, other than Tenant Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction.

(b) "Premises Total Destruction" shall mean damage or destruction to the Premises, other than Tenant Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Landlord shall notify Tenant within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Tenant Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Section 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Landlord at the time of the occurrence to their condition existing

immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires remediation.

9.2 Partial Damage – Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Landlord shall, at Tenant's expense, repair such damage (but not Tenant's Trade Fixtures or Tenant Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, that Tenant shall, at Landlord's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Landlord shall make any applicable insurance proceeds available to Tenant on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Landlord shall promptly contribute the shortage in proceeds (except as to the deductible which is Tenant's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Landlord shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Tenant provides Landlord with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Landlord receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received: (i) Landlord may nevertheless elect by written notice to Tenant within 10 days thereafter to make such restoration and repair as is commercially reasonable with Landlord paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) either party may elect by written notice to the other to terminate this Lease 30 days thereafter. Tenant shall not be entitled to reimbursement of any funds contributed by Tenant to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Section 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either party.

9.3 Partial Damage – Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's sole cost and expense), Landlord may either: (i) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect, or (ii) either party may terminate this Lease by giving written notice to the other party within 30 days after receipt by Landlord of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Landlord elects to terminate this Lease, Tenant shall have the right within 10 days after receipt of the termination notice to give written notice to Landlord of Tenant's commitment to pay for the repair of such damage without reimbursement from Landlord. Tenant shall provide Landlord with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Landlord shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Tenant does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage

or destruction was caused by the negligence or willful misconduct of Tenant, Landlord shall have the right to recover Landlord's damages from Tenant.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Landlord may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Tenant within 30 days after the date of occurrence of such damage.

9.6 Abatement of Rent; Tenant's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Tenant is not responsible under this Lease, the Rent payable by Tenant for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value Insurance. All other obligations of Tenant hereunder shall be performed by Tenant, and Landlord shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies. If Landlord is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Tenant may, at any time prior to the commencement of such repair or restoration, give written notice to Landlord of Tenant's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Tenant gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

(c) Waive Statutes. Landlord and Tenant agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

ARTICLE 10
REAL PROPERTY TAXES

10.1 Definition. As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary, unforeseen or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Landlord in the Premises or the Project, Landlord's right to other income therefrom, and/or Landlord's business of leasing, including, without limitation, gross rentals, taxes by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county, state or other taxing authority of a jurisdiction within which the Premises are located. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises or any other tax or assessment imposed in lieu of any other Real Property.

10.2 Payment.

(a) Payment of Taxes. In addition to Base Rent, Tenant shall pay the Real Property Taxes applicable to the Premises during the term of this Lease. Subject to Section 10.2(b), all such payments shall be made at least ten (10) days prior to any delinquency date. Landlord shall receive invoices for taxes due and upon such receipt promptly deliver such invoices or bills directly to Tenant; provided, that Landlord's failure to deliver any such bill or invoice shall not limit Tenant's obligation to pay such tax. Tenant shall promptly furnish Landlord with satisfactory evidence that such taxes have been paid. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Tenant's share of such taxes shall be prorated to cover only that portion of the tax bill applicable to the period that this Lease is in effect, and Landlord shall reimburse Tenant for any overpayment. If Tenant shall fail to pay any required Real Property Taxes, Landlord shall have the right to pay the same, and Tenant shall reimburse Landlord therefor promptly upon demand.

(b) Advance Payment. In the event Tenant incurs a late charge on any Rent payment or if required by a lender of Landlord, Landlord may, at Landlord's option, estimate the current Real Property Taxes, and require that such taxes be paid in advance to Landlord by Tenant, either: (i) in a lump sum amount equal to the installment due, at least twenty (20) days prior to the applicable delinquency date, or (ii) monthly in advance with the payment of the Base Rent. If Landlord elects to require payment monthly in advance, the monthly payment shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount collected by Landlord is insufficient to pay such Real Property Taxes when due, Tenant shall pay Landlord, upon demand, such additional sums as are necessary to pay such obligations. All moneys paid to Landlord under this Section may be intermingled with other moneys of Landlord and shall not bear interest. In the event of a Breach by Tenant in the performance of its obligations under this Lease, then any balance of funds paid to Landlord under the provisions of this Section may at the option of Landlord, be treated as an additional Security Deposit.

10.3 Joint Assessment. If the Premises are not separately assessed, Tenant's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be reasonably determined by Landlord from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 Personal Property Taxes. Tenant shall pay, prior to delinquency, all taxes assessed against and levied upon Tenant Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Tenant. When possible, Tenant shall cause such property to be assessed and billed separately from the real property of Landlord. If any of Tenant's said personal property shall be assessed with Landlord's real property, Tenant shall pay Landlord the taxes attributable to Tenant's property within ten (10) days after receipt of a written statement.

ARTICLE 11 UTILITIES

Tenant shall obtain and timely pay for all water, gas, heat, light, power, electricity, telephone and other information technology infrastructure, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Tenant must arrange and pay for connection and activation of any and all utilities and the installation of any required utility meters. Tenant must pay any fees or deposits required for any of the utilities. It is expressly

understood and agreed that Landlord shall have no liability for any provision, interruption or termination of utility services to the Premises and Tenant shall have no right to abatement of Rent or other charges hereunder nor any right to terminate this Lease in the event of any such failure to provide, interruption or termination of utility services.

ARTICLE 12 ASSIGNMENT AND SUBLETTING

12.1 Landlord's Consent Required.

(a) Tenant shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent.

(b) An assignment or subletting without consent shall, at Landlord's option, be a Default curable after notice per Section 13.1(e), or a noncurable Breach without the necessity of any notice and grace period. If Landlord elects to treat such unapproved assignment or subletting as a noncurable Breach, in addition to all other rights and remedies of Landlord herein, Landlord may either: (i) terminate this Lease, or (ii) upon thirty (30) days written notice, increase the monthly Base Rent to one hundred ten percent (110%) of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, all fixed rental adjustments scheduled during the remainder of the Term, including, but not limited to the annual increase in Base Rent pursuant to Section 1.3 herein, shall be increased to One Hundred Ten Percent (110%) of the scheduled adjusted rent.

(c) Tenant's remedy for any breach of Section 12.1 by Landlord shall be limited to compensatory damages.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Landlord's consent, any assignment or subletting shall not: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Tenant under this Lease, (ii) release Tenant of any obligations hereunder, or (iii) alter the primary liability of Tenant for the payment of Rent or for the performance of any other obligations to be performed by Tenant.

(b) Landlord may accept Rent or performance of Tenant's obligations from any person other than Tenant pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Landlord's right to exercise its remedies for Tenant's Default or Breach.

(c) Landlord's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Tenant, Landlord may proceed directly against Tenant or anyone else responsible for the performance of Tenant's obligations under this Lease, including any assignee or sublessee, without first exhausting Landlord's remedies against any other person or entity responsible therefore to Landlord, or any security held by Landlord.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Landlord's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$1,000 as consideration for Landlord's considering and processing said request. Tenant agrees to provide Landlord with such other or additional information and/or documentation as may be reasonably requested.

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Tenant during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Landlord has specifically consented to in writing.

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Tenant of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Tenant hereby assigns and transfers to Landlord all of Tenant's interest in all Rent payable on any sublease, and Landlord may collect such Rent and apply same toward Tenant's obligations under this Lease; provided, that until a Breach shall occur in the performance of Tenant's obligations, Tenant may collect said Rent. Landlord shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Tenant to perform and comply with any of Tenant's obligations to such sublessee. Tenant hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Landlord stating that a Breach exists in the performance of Tenant's obligations under this Lease, to pay to Landlord all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Landlord and shall pay all Rents to Landlord without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Tenant to the contrary.

(b) In the event of a Breach by Tenant, Landlord may, at its option, require sublessee to attorn to Landlord, in which event Landlord shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, that Landlord shall not be liable for any prepaid rents paid or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor. If Tenant does not require the sublessor to attorn to Landlord, the sublease shall be extinguished upon the termination of this Lease as a result of Tenant's breach hereunder, and the sublessee shall have no further right to occupy the Premises.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Landlord.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Landlord's prior written consent.

ARTICLE 13 **DEFAULT; BREACH; REMEDIES**

13.1 Default; Breach. A "Default" is defined as a failure by Tenant timely to comply with or perform any of the terms, covenants, conditions or rules under this Lease. A "Breach" is

defined as the occurrence of one or more of the following Defaults, and the failure of Tenant to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Section 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Tenant to make any payment of Rent or any Security Deposit required to be made by Tenant hereunder, whether to Landlord or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property. THE ACCEPTANCE BY LANDLORD OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LANDLORD'S RIGHTS, INCLUDING LANDLORD'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Tenant to allow Landlord and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Tenant, where such actions continue for a period of 5 business days following written notice to Tenant. In the event that Tenant commits waste, a nuisance or an illegal activity a second time then, the Landlord may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Tenant to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the rescission of an unauthorized assignment or sublease, or (iii) any other documentation or information which Landlord may reasonably require of Tenant under the terms of this Lease, where any such Default continues for a period of 5 business days after written notice.

(e) A Default by Tenant as to the terms, covenants, conditions or provisions of this Lease, other than those described in Section 13.1(a), (b), (c) or (d) above, where such Default continues for a period of thirty (30) days after written notice; provided, that if the nature of Tenant's Default is such that it is reasonably capable of cure but more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Tenant promptly (but in no event later than 30 days) commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; provided, however, in the event that any provision of this Section 13.1(f) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) Tenant does or permits anything that creates a lien on the Premises or the Project, and Tenant fails to discharge the lien within thirty days of its filing.

(h) If a Default occurs more than four times within any period of twelve months, then, notwithstanding that Tenant cured those prior Defaults, any further Default is a Breach of this Lease for which no notice is required or cure available.

13.2 Remedies. If Tenant fails to perform any of its affirmative duties or obligations, within 5 days after written notice (or in case of an emergency, without notice), Landlord may, at its option, perform such duty or obligation on Tenant's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Tenant shall pay to Landlord an amount equal to 115% of the costs and expenses of any such performance by Landlord promptly upon receipt of invoice therefor. In the event of a Breach, Landlord may, with or without further notice or demand, and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such Breach:

(a) Terminate Tenant's right of possession, in which case this Lease shall immediately terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant: (i) the unpaid Rent which has been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Tenant proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Tenant proves could be reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by the Tenant's failure to perform its obligations under this Lease, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, and reasonable attorneys' fees. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the prime rate of interest published in the Wall Street Journal, or a comparable publication if the prime rate is no longer available in the Wall Street Journal plus four percent. Efforts by Landlord to mitigate damages caused by Tenant's Breach of this Lease shall not waive Landlord's right to recover damages under this Article 13 or otherwise. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Landlord shall have the right to recover in such proceeding any unpaid Rent and damage as are recoverable therein, or Landlord may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period are required under Section 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Tenant under the unlawful detainer statute shall also constitute the notice required by Section 13.1. In such case, the applicable grace period required by Section 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Tenant to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Landlord to the remedies provided for in this Lease and/or by said statute.

(b) Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant has abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment or a receiver to protect the Landlord's interests shall not constitute a termination of the Tenant's right to possession.

(c) Pursue the remedy of specific performance and/or injunctive relief.

(d) Change or alter the locks at the Premises and otherwise lock Tenant out of the Premises.

(e) Pursue any other remedy now or hereafter available in equity under the laws or judicial decisions of the state wherein the Premises are located.

(f) The expiration or termination of this Lease and/or the termination of Tenant's right to possession shall not relieve Tenant from liability under any indemnity provisions of this Lease as to matters occurring or accruing prior to the expiration or earlier termination of this Lease.

(g) The acceptance by Landlord of any payments from Tenant after the expiration or earlier termination of this Lease shall not preclude Landlord from commencing and prosecuting a holdover or summary eviction.

(h) If Tenant shall hold over or remain in possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease, then Tenant shall be subject to summary proceeding for eviction and liable for all damages related thereto. All damages of Landlord by reason of such holding over by Tenant may be the subject of a separate action and need not be asserted by Landlord in any summary proceedings against Tenant.

13.3 Late Charges. Tenant hereby acknowledges that late payment by Tenant of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Landlord by any Lender. Accordingly, if any Rent shall not be received by Landlord (or received by any other third party that Tenant is directed to pay, as provide herein), within five (5) days after such amount shall be due, then, without any requirement for notice to Tenant, Tenant shall pay to Landlord a one-time late charge equal to the greater of \$250 or five percent (5%) of each such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) installments of Base Rent in any 12 month period, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Landlord's option, become due and payable quarterly in advance.

13.4 Interest. Any monetary payment due Landlord hereunder, other than late charges, not received by Landlord, when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the thirty-first (31st) day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be equal to ten percent (10%) per annum, but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Section 13.3.

13.5 Early Termination. Without affecting any other rights or remedies under this Lease, Owner shall have the right upon Owner's sole election, upon five days prior written notice to Tenant or, if sooner, upon the effective date of any court order, to terminate this Lease in the event any of these causes (each, an "Early Termination Cause") arise:

(a) The seizure, or threatened seizure, by any governmental authority seeking forfeiture of the Premises, or any portion of the Premises, whether or not the court proceeding has actually commenced;

(b) The entry of judgment (whether final or not) that has the effect (whether by restraining order, injunction, declaration, or otherwise) of establishing the Tenant's use of the Premises as a public or private nuisance;

(c) The commencement of an action under any federal, state, or local law (ordinance) or regulation seeking remediation of the Premises or any portion of the Premises as a result of a violation by the Tenant of any mandate pertaining to environmental sensitivity or commission of waste, irrespective of Tenant's intent and course of action following its commencement;

(d) A final, appealable judgment having the effect of establishing that Tenant's operation violates Owner's contractual obligations (i) pursuant to any private covenants of record restricting the Premises, (ii) good faith and fair dealing to any third party, or (iii) pursuant to its obligations under its mortgage agreement with Landlord's bank;

(e) An event that (i) requires closure of any portion of the Premises for more than 120 consecutive days for remediation of materially adverse circumstances created by Tenant's use of the Premises, or for more than 180 nonconsecutive calendar days within a 360 consecutive day period, or (ii) causes Owner's insurance carrier to cancel all coverage on the building housing the Premises (the "Building") unless the Tenant procures coverage for the entire Building within five calendar days thereafter, and commences and thereafter pays all related premium costs.

ARTICLE 14 **CONDEMNATION**

If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by the Building, is taken by Condemnation, Tenant may, at Tenant's option, to be exercised in writing within 10 days after Landlord shall have given Tenant written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, that Tenant shall be entitled to any compensation paid by the condemnor for Tenant's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Article 14. All Alterations and Utility Installations made to the Premises by Tenant, for purposes of Condemnation only, shall be considered the property of the Tenant and Tenant shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Landlord shall repair any damage to the Premises caused by such Condemnation.

ARTICLE 15 **MISCELLANEOUS**

15.1 Definition of Landlord. The term "Landlord" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises. In the event of a transfer of Landlord's title or interest in the Premises or this Lease, the prior Landlord shall fully be released from and relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Landlord. Subject to the foregoing, the obligations and/or

covenants in this Lease to be performed by the Landlord shall be binding only upon the Landlord as hereinabove defined.

15.2 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

15.3 Day. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

15.4 Limitation on Liability. The obligations of Landlord under this Lease shall not constitute personal obligations of Landlord or its affiliates, individual partners, directors, officers or shareholders. Tenant shall look to the Premises, and to no other assets of Landlord, for the satisfaction of any liability of Landlord with respect to this Lease, and shall not seek recourse against the individual partners of Landlord or its individual partners, directors, officers or shareholders, or any of their personal assets for such satisfaction.

15.5 Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the parties under this Lease.

15.6 No Prior or Other Agreements. This Lease constitutes the entire agreement between Landlord and Tenant with respect to the lease of the Premises and supersedes any and all other prior written or oral agreements or understandings with respect to this transaction. Except as expressly set forth in this Lease, no representations, inducements, understanding or anything of any nature whatsoever, made, stated or represented by Landlord or anyone acting on Landlord's behalf, either orally or in writing have induced Tenant to enter into this Lease, and Tenant acknowledges, represents and warrants that Tenant has entered into this Lease under and by virtue of Tenant's own independent investigation.

15.7 Notices.

(a) Notice Requirements. All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Section 17.7. The addresses noted adjacent to a party's signature on this Lease shall be that party's address for delivery or mailing of notices. Either party may by written notice to the other specify a different address for notice. A copy of all notices to Landlord shall be concurrently transmitted to such party or parties at such addresses as Landlord may from time to time hereafter designate in writing.

(b) Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given forty-eight (48) hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt, provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

15.8 Waivers. No waiver by Landlord of the Default or Breach of any term, covenant or condition hereof by Tenant, shall be deemed a waiver of any other term, covenant or condition

hereof, or of any subsequent Default or Breach by Tenant of the same or of any other term, covenant or condition hereof. Landlord's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to, or approval of, any subsequent or similar act by Tenant, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Landlord shall not be a waiver of any Default or Breach by Tenant. Any payment by Tenant may be accepted by Landlord on account of moneys or damages due Landlord, notwithstanding any qualifying statements or conditions made by Tenant in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Landlord at or before the time of deposit of such payment. THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

15.9 No Right to Holdover. Tenant has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Tenant holds over, then such holdover shall be deemed a "Tenancy at Sufferance" (with Tenant waiving, to the fullest extent permitted by applicable law, any required statutory notices to vacate the Premises) and the Base Rent shall be increased to one hundred fifty percent (150%) of the Base Rent applicable during the month immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Landlord to any holding over by Tenant.

15.10 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

15.11 Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Tenant are both covenants and conditions. It is expressly understood and agreed that Tenant's obligation to pay Rent and other charges due hereunder is an independent covenant. In construing this Lease, all headings and titles are for the convenience of the parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

15.12 Binding Effect; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State of California. Any litigation between the parties hereto concerning this Lease shall be initiated only in the county of Lake County, California.

15.13 Subordination; Attornment; Non-Disturbance.

(a) Subordination. This Lease shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof, subject to Tenant's receipt of a non-disturbance agreement in Lender's standard form. Tenant agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Landlord under this Lease. Any Lender may elect to have this Lease superior to the lien of its Security Device by giving written notice thereof to Tenant, whereupon this Lease shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

(b) Attornment. In the event that Landlord transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Tenant shall attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Tenant and such new owner, and (ii) Landlord shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Landlord's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Tenant might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

(c) Self-Executing. The agreements contained in this Section 17.13 shall be effective without the execution of any further documents; provided, however, that, upon written request from Landlord or a Lender in connection with a sale, financing or refinancing of the Premises, Tenant and Landlord shall execute such further writings as may be reasonably required to separately document any subordination or attornment agreement provided for herein.

(d) Modifications Required by Lender. If any Lender requires a modification of this Lease that will not increase Tenant's cost or expense or materially or adversely change Tenant's rights and obligations, this Lease shall be so modified and Tenant shall execute whatever documents are required and deliver them to Landlord within ten (10) business days after the request.

15.14 Attorney's Fees. If any party brings an action or proceeding involving the Premises to enforce the terms hereof or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to recover its reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Landlord shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach. In addition, if, as a result of any action or request of Tenant, Landlord consults or retains attorneys, Tenant must reimburse Landlord for its attorneys' fee within ten days following Tenant's receipt of Landlord's invoice for those attorneys' fees.

15.15 Landlord's Access; Showing Premises; Repairs. Landlord and Landlord's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times for the purpose of: (i) showing the same to prospective purchasers, lenders, or lessees; (ii) making such alterations, repairs, improvements or additions to the Premises as Landlord may deem necessary, so long as they do not interfere with Tenant's business or use of the Premises; or, (iii) any other reason as Landlord shall deem necessary. All such activities shall be without abatement of rent or liability to Tenant. Landlord may at any time place on the Premises any ordinary "For Sale" signs and Landlord may during the last nine (9) months of the term hereof place on the Premises any ordinary "For Lease" signs.

15.16 Termination; Merger. Unless specifically stated otherwise in writing by Landlord, the voluntary or other surrender of this Lease by Tenant, the mutual termination or cancellation

hereof, or a termination hereof by Landlord for Breach by Tenant, shall automatically terminate any sublease or lesser estate in the Premises; provided, that Landlord may elect to continue any one or all existing subtenancies. Landlord's failure within ten (10) days following any such event to elect to the contrary by written notice to the holder of any such lesser interest shall constitute Landlord's election to have such event constitute the termination of such interest. No payment of money by Tenant to Landlord after this Lease has expired or terminated will reinstate or extend the Term or make ineffective any notice given to Tenant prior to Tenant's payment. If after Landlord has filed and served a lawsuit against Tenant or after a final judgment granting Landlord possession of the Premises, Landlord may receive any sums due under this Lease and the payment will not make ineffective any notice, or in any manner affect any pending lawsuit or previously obtained judgment.

15.17 Consents. Except as otherwise provided herein, wherever in this Lease the consent of a party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Landlord's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers', attorneys and other consultants' fees) incurred in the consideration of, or response to, a request by Tenant for any Landlord consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Tenant upon receipt of an invoice and supporting documentation therefor. Landlord's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Tenant of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Landlord at the time of such consent. In the event that either party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within ten (10) business days following such request.

15.18 Quiet Possession. Subject to payment by Tenant of the Rent and performance of all of the covenants, conditions and provisions on Tenant's part to be observed and performed under this Lease, Tenant shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

15.19 Security Measures. Tenant hereby acknowledges that the Rent payable to Landlord hereunder does not include the cost of guard service or other security measures, and that Landlord shall have no obligation whatsoever to provide same. Tenant assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.

15.20 Reservations. Landlord reserves to itself the right, from time to time, to grant, without the consent or joinder of Tenant, such easements, rights and dedications that Landlord deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Tenant. Tenant agrees to sign any documents reasonably requested by Landlord to effectuate any such easement rights, dedication, map or restrictions.

15.21 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

15.22 Offer. Preparation of this Lease by either party or its agent and submission of same to the other party shall not be deemed an offer to lease to the other party. This Lease is not intended to be binding until executed and delivered by all parties hereto.

15.23 Amendments. This Lease may be modified only in writing, signed by the parties in interest at the time of the modification. As long as they do not materially change Tenant's obligations hereunder, Tenant agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

15.24 Waiver of Trial By Jury. Tenant hereby waives, to the fullest extent permitted by applicable law, the right to a trial by jury in any action brought by Landlord against Tenant in connection with this Lease.

LANDLORD AND TENANT HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LANDLORD AND TENANT WITH RESPECT TO THE PREMISES.

IN WITNESS WHEREOF, the parties have executed this Commercial Lease as of the date first written above.

LANDLORD:
177 East Military, LLC

Dated: 9/5/2018
Signature: 
By: Luis Lagos
Title: Manager

TENANT:
Sonoma Campesino, Inc.

Dated: 9/5/2018
Signature: 
By: Luis Lagos
Title: CEO

Tax Compliance

(do not include this sheet of paper)



Secretary of State
Articles of Incorporation of a
General Stock Corporation

ARTS-GS

IMPORTANT — Read instructions before completing this form.

Filing Fee - \$100.00

Copy Fees - First page \$1.00; each attachment page \$0.50;
Certification Fee - \$5.00

Note: Corporations may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

FILED *mc*
 Secretary of State
 State of California *SH*

JUN 09 2017

2 CCS
 This Space For Office Use Only

1. Corporate Name (Go to www.sos.ca.gov/business/be/name-availability for general corporate name requirements and restrictions.)

The name of the corporation is Sonoma Campesino, Inc.

2. Business Addresses (Enter the complete business addresses.)

a. Initial Street Address of Corporation - Do not list a P.O. Box 120 H Street	City (no abbreviations) San Rafael	State CA	Zip Code 94901
b. Initial Mailing Address of Corporation, if different than item 2a	City (no abbreviations)	State	Zip Code

Item 3a and 3b: If naming an individual, the agent must reside in California and items 3a and 3b must be completed with the agent's name and complete California street address.

3. Agent for Service of Process

Item 3c: If naming a California Registered Corporate Agent, a current agent registration certificate must be on file with the California Secretary of State and item 3c must be completed (leave item 3a-3b blank).

a. California Agent's First Name (if agent is not a corporation) Scot	Middle Name	Last Name Candell	Suffix
b. Street Address (if agent is not a corporation) - Do not list a P.O. Box 4040 Civic Center Dr. Ste. 219	City (no abbreviations) San Rafael	State CA	Zip Code 94903
c. California Registered Corporate Agent's Name (if agent is a corporation) - Do not complete item 3a or 3b			

4. Shares (Enter the number of shares the corporation is authorized to issue. Do not leave blank or enter zero (0).)

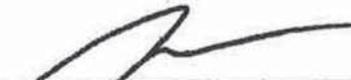
This corporation is authorized to issue only one class of shares of stock.

The total number of shares which this corporation is authorized to issue is 1500

5. Purpose Statement (Do not alter the Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

6. Read and Sign Below (This form must be signed by each incorporator. See instructions for signature requirements.)



 Signature

Scot Candell

 Type or Print Name



I hereby certify that the foregoing transcript of 1 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

JUN 12 2017

SH

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State



State of California Secretary of State

S

Statement of Information

(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FN36799

FILED

In the office of the Secretary of State
of the State of California

JUN-19 2017

1. CORPORATE NAME

SONOMA CAMPESINO, INC.

2. CALIFORNIA CORPORATE NUMBER

C4032514

This Space for Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 17.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
120 H ST, SAN RAFAEL, CA 94901			
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
120 H ST, SAN RAFAEL, CA 94901			
6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
LUIS LAGOS	120 H ST, SAN RAFAEL, CA 94901			
8. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
LUIS LAGOS	120 H ST, SAN RAFAEL, CA 94901			
9. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY	STATE	ZIP CODE
LUIS LAGOS	120 H ST, SAN RAFAEL, CA 94901			

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME	ADDRESS	CITY	STATE	ZIP CODE
LUIS LAGOS	120 H ST, SAN RAFAEL, CA 94901			
11. NAME	ADDRESS	CITY	STATE	ZIP CODE
12. NAME	ADDRESS	CITY	STATE	ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS	CITY	STATE	ZIP CODE
LUIS LAGOS			
15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE	ZIP CODE
120 H ST, SAN RAFAEL, CA 94901			

Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
HEALTH

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

06/19/2017 J F PREPARER
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE



**State of California
Secretary of State**

S

Statement of Information

(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FV66592

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of the State of California

APR-02 2018

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04/02/2018 LUIS DANIEL LAGOS MR

DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE

CALIFORNIA STATE BOARD OF EQUALIZATION

SELLER'S PERMIT



ACCOUNT NUMBER

06/21/2017 SR JH 103-109264

SONOMA CAMPESINO, INC.
120 H ST
SAN RAFAEL, CA 94901-1725

NOTICE TO PERMITTEE:
You are required to obey all Federal and State laws that regulate or control your business. This permit does not allow you to do otherwise.

IS HEREBY AUTHORIZED PURSUANT TO **SALES AND USE TAX LAW** TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION. THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address

**For general tax questions, please call our Customer Service Center at 1-800-400-7115 (TTY:711).
For information on your rights, contact the Taxpayers' Rights Advocate office at 1-888-324-2798 or 1-916-324-2798.**

BOE-442-R REV. 16 (11-14)

A MESSAGE TO OUR NEW PERMIT HOLDER

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our website at www.boe.ca.gov
- Visiting a field office
- Attending a Basic Sales and Use Tax Law class offered at one of our field offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Customer Service Center at 1-800-400-7115 (TTY:711)

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. You also have the responsibility of not misusing resale certificates. While the sales tax is imposed upon the retailer,

- You have the right to seek reimbursement of the tax from your customer
- You are responsible for filing and paying your sales and use tax returns timely
- You have the right to be treated in a fair and equitable manner by the employees of the California State Board of Equalization (BOE)
- You are responsible for following the regulations set forth by the BOE

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a BOE representative when requested. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a BOE office, or giving it to a BOE representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the BOE, please contact the Taxpayers' Rights Advocate office for help by calling toll-free, 1-888-324-2798 or 1-916-324-2798. Their fax number is 1-916-323-3319.

Please post this permit at the address for which it was issued and at a location visible to your customers.

CALIFORNIA STATE BOARD OF EQUALIZATION
Sales and Use Tax Department



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

SONOMA CAMPESINO
120 H ST
SAN RAFAEL, CA 94901

Date of this notice: 06-19-2017

Employer Identification Number:
82-1905641

Form: SS-4

Number of this notice: CP 575 A

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER





Employee Handbook

(do not include this sheet of paper)

Cometa's
Employee Handbook

C O M E T A
ESTD *benicia california* 2018

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Welcome

Whether you have just joined our staff or have been at Cometa for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We at Cometa consider employees our most valuable resource. We are providing you with this handbook as your guide to our employer/employee relationship. For those who are new, welcome to Cometa and we look forward to building our relationship.

Purpose of the Handbook

This Employee Handbook (Handbook) serves as a guideline to company policies and benefits in order to enhance understanding and to help assure uniformity and consistency. This Handbook generally presents the terms and conditions of employment and covers All Employees working directly for and on the payroll of Cometa.

This Handbook is not a contract of employment; however, all employees are responsible for following all the policies and terms presented herein.

This Handbook gives you general information about the compliance portion of our employment policies and benefits, and certain other general information. It does not, and is not, intended to cover all matters in complete detail. Changing conditions may bring revisions to these policies and benefits, just as they have played a part in forming them. Of course, it is our philosophy to develop policies cooperatively whenever practical; however, only the President of the company has the authority to add to, modify, waive or delete any policy, benefit, or rule. The exception to this is the at-will employment relationship which can only be signed in writing by you and the President of the company specifically for that purpose.

Should there be any conflicts between this Handbook and the terms and conditions of applicable benefit plans (e.g., insurance policy or contract, etc.), the actual text of the plan or policy will govern.

The material in this Handbook supersedes all previous handbooks, policies, and procedures.

Ultimately, it is management's responsibility to lead Cometa for the benefit of everyone concerned. Thus, company management retains all management rights to operate the business according to its best judgment.

Acknowledgment that you are familiar with the Handbook's contents and voluntarily agree to these terms is a condition of employment. Should you ever have any questions regarding any aspect of this Handbook, please do not hesitate to ask the Operations Director, Sommer Gillis.

Employee Interaction

Open Door Policy

All of us at Cometa are interested in you as a person and are pleased to assist you in any way we can. We welcome your suggestions. Our sincere conviction is that the best and most rewarding system results from an open and direct relationship and communication between colleagues.

In our spirit of willingness to listen and our practice of fair dealing, Cometa believes in an open-door policy. In order to have open communication, there must be mutual trust. You are encouraged to see the Operations Director with questions or problems relating to your job or feelings of well-being. If you are not comfortable going to the Operations Director, you should see the President. It is your responsibility to bring your concerns to a management person who can do something about them. Our assistance may involve getting the aid of other staff or outside resource persons.

We consider it a high priority to be available to all employees whenever possible in order to successfully maintain this open-door policy. We view honest and direct communication within the organization as critical to productivity and satisfaction on the job. If you have a problem or comment, tell it to someone who can do something about it.

Every reasonable effort will be made to provide you with a safe, comfortable, and healthy place in which to work.

Communication with the Press or Media

There may be a time when the Press contacts you with questions relating to the company. Any such calls must be referred to the General Manager or any available Director without comment.

Acceptance of Gratuities

Due to the nature of our business, our clients, and vendors sometimes offer us gifts. Employees are not allowed to buy, sell, trade, give or receive free of charge any item from a prospective client, existing client, or vendor, etc. without permission in advance from the Operations Director.

To avoid a conflict of interest, you are also required to request permission from the Operations Director in advance if you are interested in contracting with one of the company's vendors.

Under no conditions may you provide a client with a reduction in costs in exchange for a gratuity.

Professional Conduct and Dress

You represent Cometa in all of your business dealings. You are expected to maintain an atmosphere of professionalism in the workplace and while on company business. This includes not making profane, obscene, or discriminatory statements.

All employees should use good judgment with regard to dress and appearance. Cometa's personal appearance policy is enforced to ensure a safe and sanitary workplace for all employees. Employees should dress in a manner that is consistent with the place and type of work they are performing that day. Employees should also observe high standards of personal hygiene.

The following examples are considered appropriate workplace attire, but it is not an exhaustive list: an approved Cometa T-Shirt, slacks, Khaki pants, and/or knee length skirts. Examples of prohibited dress include, but not limited to, slacks or jeans with holes, open toed shoes, vulgar T-Shirts, or any clothing that displays vulgar words or pictures. Clothing which has slogans or writing which is offensive is not allowed, nor is clothing which is "suggestive".

Because some individuals may be sensitive to such things as perfumes, colognes and lotions, we ask that if these are used they are used in moderation.

Generally, employees should maintain a clean and neat appearance and should refrain from wearing stained, wrinkled, frayed, torn, cut, or revealing clothing in the workplace. Employees who wear inappropriate attire to work may be sent home to change their clothing.

Cometa understands that in certain situations the organization may need to make exceptions to this policy based on an employee's religion or disability. Therefore, Cometa will make every effort to provide reasonable accommodation if such need arises, unless doing so would cause an undue hardship on Cometa.

Employees with any questions regarding this policy or what is appropriate workplace attire should direct their questions to their supervisor or the Operations Director.

Employees who entertain clients at dinners or participate in company-sponsored functions where alcohol is served should always maintain professional conduct and exercise care in deciding what and how much to drink. The company advises all employees attending such events to make transportation arrangements that obviate the need to drive (e.g. call a cab). Please refer to the
Drugs and Alcohol policy in this Handbook.

Outside Employment

If you are considering taking a job in addition to your work with Cometa, we ask that you give serious consideration to the affect this may have on your physical and mental well-being. There may be times when overtime or a change in scheduled hours is required in order to accomplish a project on a timely basis, and the company cannot make performance or scheduling exceptions to accommodate your outside work.

Any outside work cannot conflict with company workload or confidentiality. During your working time, you are responsible for focusing all of your energies on Cometa business. At no time may an employee work for a competitor while employed by the company.

Confidential and Proprietary Information

Confidentiality regarding all information related to the workplace is to be observed at all times. All trade secrets, confidential information, and business records that come into an employee's possession, or that an employee prepares, are the property of the company. Confidential information includes, but is not limited to, information concerning the company's finances, plans, procedures, etc. and other similar confidential matters the use or disclosure of which could seriously damage the business of the company. Similarly, financial and other information about patients and customers is privileged and to be held in confidence. Employees have a personal, professional, and legal responsibility to safeguard any and all such information to prevent its being directly or indirectly, used, divulged, published or otherwise revealed with anyone outside the company, unless authorized pursuant to the legitimate business transactions of the company.

Because of the work we do, it is especially important to maintain confidentiality regarding our patients and clients. Cometa employees agree to maintain the confidentiality of any confidential information, including Protected Health Information that they may encounter, view or have access to while providing services to our patients. Employees shall also comply with all applicable laws and regulations, including HIPAA and the HITECH Act, to the extent applicable, in meeting their employment obligations.

Employees who violate this policy will be subject to disciplinary action up to and including termination, even if they do not actually benefit from the disclosed information.

Definitions

"At-Will" Employment

Nothing in this Handbook guarantees employment for any specific length of time. Employment is at the mutual and continuing consent of the employee and the company. Accordingly, either the employee or the company can terminate the employment relationship "at will", with or without cause or notice. Nothing in this Handbook or in any document or statement limits the right of either party to terminate employment at will; with or without notice or cause. Nothing in this Handbook, or any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

Regular Full-Time Employee

A "regular full-time employee" is defined as an employee who is regularly scheduled for 37.5 or more hours per week. Regular full-time employees are entitled to benefits, provided they meet the specific eligibility requirements for each benefit.

Regular Part-Time Employee

A "regular part-time employee" is defined as an employee who is hired to work on a regular basis for less than 37.5 hours per week. Part-time employees are generally not entitled to company-sponsored benefits except sick time accrual and consideration for leaves of absence.

Temporary Employee

A "temporary employee" is defined as an employee who is hired for work on a temporary, seasonal or replacement basis. An employee will not automatically change from temporary to regular status merely by working in excess of the period originally expected and designated. An employee will change from temporary to regular status only if advised of such a change in writing, by the company. Such notification will indicate the effective date on which an employee attained or will attain a regular status. Temporary employees are not generally eligible for any company-sponsored benefits except accrued sick time.

Non-Exempt Employee

"Non-exempt employees" include all employees who are assigned a majority of duties which are classified as non-exempt by the overtime provisions of the Federal Fair Labor Standards Act or any applicable state laws. Employees in this category are therefore entitled to premium pay for work in excess of forty (40) hours in a workweek or eight (8) hours in a workday in accordance with state and federal laws.

Exempt Employee

This category includes all employees who qualify as exempt from the requirements of the Federal Fair Labor Standards Act and/or any other applicable laws. Such employees include, but are not limited to, those who qualify as exempt executive, administrative, or professional employees, or as outside salespersons.

Immediate Family

An employee's immediate family is defined as any person in the status of parent, sibling, grandparent, spouse/domestic partner, child (natural, stepchild, children of a domestic partner or adopted) or grandchild.

Domestic Partner

A domestic partner is an individual with whom the employee shares a domestic partnership as defined in California Family Code section 297. A domestic partnership exists when both the employee and the domestic partner: (i) are of the same sex, unless one is at least 62 years old and eligible for Social Security; (ii) are over the age of 18, (iii) have a common residence, (iv) are not related by blood; and (v) have filed a Declaration of Domestic Partnership with the California Secretary of State.

Introductory Period

All new employees work on an introductory basis for the first 60 calendar days. This Introductory Period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. At the end of the first 60 calendar days of employment the employee will receive a performance review from the President or Operations Director. The company does not guarantee employment for any specific length of time, and nothing alters the at-will status of any employee during or after the Introductory Period.

Employee Orientation

Each new employee is generally scheduled for an orientation program in order to receive an introduction to the company, its history, its operations, its policies, and a review of employee benefits. In addition, employees will in most cases receive orientation on their departmental procedures and will be asked to complete new-hire paperwork.

At orientation, each employee will be scheduled for our intensive training with Cannabis Trainers' Sell-SMaRT program.

Pay Policy and Procedures

Employment Records

Upon acceptance of employment at the company you will be asked to complete a number of new-hire forms, including a tax withholding form W-4, a Form I-9, and other necessary documents. You will be asked to show a specific item(s) verifying your identity and authorization to work in the United States when you fill out your Form I-9 in compliance with the Immigration Reform and Control Act of 1986.

Accurate human resource records are extremely important to Cometa. It is your responsibility to keep the company informed of your desired withholding status, current address, telephone number, legal name, dependent status, insurance status, and persons to notify in case of emergency. Falsification of any employment or company records may subject an employee to termination.

Personnel Files

Cometa is responsible for maintaining in a confidential manner all personnel records. You are welcome to review your own personnel file. If you wish to see your file, contact the Operations Director to arrange a mutually convenient time. You may also make copies of any documents in your file which you have signed.

Payroll Schedule

Cometa operates on a bi-weekly pay schedule. Paydays are every other Friday for work performed through the previous Friday. Overtime worked by non-exempt employees may appear on the following paycheck.

Payroll Errors

Any errors in your pay should be reported to the Operations Director immediately. Whether an error causes underpayment or overpayment, you are expected to advise the Operations Director to ensure the error is corrected as promptly as possible.

Time Records

Non-exempt employees are responsible for recording the time they arrive for work, when they leave for the meal break, when they return from the meal break and when they leave at the end of the day. Time records must be approved by the employee's supervisor and submitted to the Operations Manager by the Wednesday before payroll. Hours for the last Thursday and Friday of the pay period will need to be estimated, and any corrections will be made on the following paycheck.

Exempt employees are required to document any full days missed and the reason for the absence.

Falsification of time records may result in discipline up to and including termination from employment.

Deductions

Cometa is required by law to deduct from your paycheck income taxes, Social Security and Medicare taxes, State Disability Insurance, Paid Family Leave contributions, and any other deduction(s) required by state or federal statutes. Additionally, if you are eligible for any employee benefits, which require you to make contributions, we make it easy for you by offering payroll deductions, for which you will be asked to sign a deduction authorization.

Expenses

Employees will be reimbursed for reasonable and pre-authorized expenses incurred while conducting company business. Expense reports must be submitted for approval in accordance with company policy and submitted with all appropriate documentation.

Employees who are required to use their car on company business will be reimbursed for mileage at up to the IRS-approved rate. Any employee driving on company business must have a valid California driver's license and at least the minimum amount of insurance required by the state. Proof of insurance may be required annually.

Schedule of Hours

Work Hours

Your fellow employees depend on you to be on time for work and to perform your duties responsibly. Our regular business hours are from 8:00 am until 10:00 pm, Monday through Sunday. Our business, however, requires a variety of hours and your schedule will be determined by you and the Operations Director.

Meal and Rest Periods

For health and safety reasons, it is important that all employees take periodic breaks. Meal and Rest Periods should be scheduled around your work flow and in a way which will insure that your position and duties will be covered during these times.

The lunch period is generally one hour and is unpaid time. All non-exempt employees are required to take a lunch break, which should be enjoyed away from their work area.

Rest periods are provided in compliance with all applicable state and federal regulations. Cometa requires, and it is the employees' responsibility to take, a 10-minute break for every four hours, or major portion thereof, worked. Rest periods should be staggered so that there is not a break in the workflow. Any non-exempt employee who feels he or she is unable to take a break due to work restrictions is responsible for bringing that to the attention of his or her immediate supervisor so coverage arrangements may be made.

A reasonable amount of break time will be provided to accommodate an employee desiring to express breast milk for her infant child. In addition, reasonable efforts will be made to provide the employee with the use of a room or other location where this can be done in private.

Overtime

In order to fulfill Cometa's commitment of excellence to its patients, it is necessary to work overtime on certain occasions. When business requirements or other needs cannot be met during regular working hours, employees are expected to pitch in and work overtime.

All overtime must be pre-authorized by the Operations Director. Please work with the Operations Director concerning any unusual circumstances or requirements so that consistent, top quality service can be maintained.

Overtime compensation is paid to non-exempt employees at the rate established by state and federal law. Overtime is computed on the basis of a non-exempt employee's actual hours worked in a workweek. Paid hours that are not worked (e.g., holidays, Vacation/Sick Leave) do not qualify as hours worked for overtime purposes.

Attendance Program

To maintain a safe and productive work environment Cometa expects employees to be reliable and to be punctual in reporting for scheduled work. The company recognizes in rare instances employees may have to be absent or late for work. If you are going to be late or absent from work for any reason, you are expected to contact your immediate supervisor **directly**. You should contact your supervisor prior to the beginning of your scheduled starting time whenever possible so we can make the necessary arrangements to cover your responsibilities. Please keep in touch with your supervisor on each day of continued absence unless agreed otherwise by your supervisor.

If you are unable to reach your supervisor, you may text him or her but must confirm receipt by your supervisor as well as leave a phone number where you can be reached.

Excessive absences and/or tardiness may lead to discipline up to and including termination. Failure to communicate with the company when absent for three (3) consecutive workdays will be considered job abandonment.

Performance Reviews

It is the belief of Cometa that regular employee performance reviews are important for the successful development of our employees as well as our business. Thus, the company will strive to review your performance on a regular and on-going basis.

Generally, performance reviews will be conducted by the President or the Operations Director around January of each year for as long as you remain employed by Cometa. These reviews are designed to be a two-way review regarding your performance on the job, to examine the progress made since the last review, and to establish goals for the next review. A satisfactory performance review does not guarantee any specific salary increase nor does it constitute a promise of continued employment.

Your active participation in this process will help ensure a fair and equitable review and provide feedback to management for improvements in the workplace.

Holidays

Cometa recognizes the following annual holidays:

- New Year's Day
- Martin Luther King Jr. Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day or Rosh Hashanah (as chosen by employee)
- Thanksgiving Day
- Christmas Day

If a holiday falls on a Saturday or Sunday, the holiday may be recognized on the preceding Friday or following Monday.

Regular full-time employees become eligible for holiday pay upon date of hire. Part-time and temporary employees are not eligible for holiday pay. If a full-time employee is required to work on a holiday, he or she will be given another day off within two weeks of the actual holiday.

To receive holiday pay, you must work the last regular workday preceding the holiday and the first regular workday following the holiday unless excused by the company. A doctor's certificate may be required to verify your illness.

When holidays fall during your Vacation/Sick Leave, you will receive holiday pay and the day will not be charged as a Vacation/Sick Leave day provided you otherwise meet the eligibility requirements. In the event that the holiday falls during an employee's leave of absence, the employee will not be eligible for holiday pay.

Vacations

Cometa recognizes the importance of time off for rest and relaxation. In order to provide rest and time away from work, Cometa encourages all employees to use their accrued vacation time. Vacation pay is based on your regular schedule of hours at your regular rate of pay at the time the vacation is taken.

Accrual of Vacation

For all regular full-time employees, vacation time is accrued in accordance with the table below. No vacation time benefits are accrued while the employee is on a leave of absence.

Vacation Accrual Schedule			
Length of Service	Monthly Accrual (days)	Estimated Annual Accrual (days)	Maximum Accrual (days)
1 - 12 months	0.42	5	7.5
13 - 120 months	0.83	10	15
120 – 240 months	1.25	15	22.5
240 months or more	1.67	20	30

Once you have accumulated the maximum benefit, you are not eligible to accrue additional vacation time until accrued but unused vacation time is taken.

Scheduling Vacation

Advance approval of at least two months is necessary for all vacations. Accrued vacation time cannot be taken until after completion of 3 month(s) of service. You must complete a vacation request form and have it signed by the Operations Director prior to the beginning of your requested vacation, preferably as early as possible. We will try to arrange vacation schedules to fit each individual's preferences; however, final scheduling consideration must include operational needs of the company. In the event of two employees requesting the same time off, preference will be given to the employee whose request is received first.

Carry Over

Cometa encourages all employees to take their earned vacation time each year. However, if you do not use your entire vacation time in the year after it is accrued, the remaining balance is carried over, up to the maximum accrual. Because the company feels that time away from work is important for all employees, we do not offer pay in lieu of vacation days.

Any available vacation accrued through the final date of employment will be paid to an employee upon termination of employment.

Sick Leave

Beginning on date of hire, each employee will begin accruing one hour of paid leave for every 30 hours worked up to a cap of six days (48 hours). Exempt employees will earn based on a 40-hour workweek unless they have a regular workweek scheduled at less than 40-hours a week. Sick leave is earned only on hours worked and not during paid time off such as vacation.

Employees are eligible to be paid any accrued sick time for qualified absences after 90 days of employment.

You may use sick leave for yourself or a family member for preventive care or care of an existing health condition or for specified purposes if they are a victim of domestic violence, sexual assault or stalking. Family members include your parent, child, spouse, registered domestic partner, grandparent, grandchild and sibling. Preventive care would include annual physicals or flu shots. Sick leave may also be used to find or enroll your child in daycare or school. Sick leave may not be used for vacation or any reason other than those listed above. Sick leave may not be added on to any paid holiday or vacation time.

Employees are required to take a minimum of two hours of sick leave at a time.

As common courtesy and in order to maintain efficiency, you must personally contact the Operations Director to advise of your inability to report for work prior to your regularly scheduled starting time on each day that you are out. If you know in advance of a pending absence (e.g., a scheduled surgical procedure), you are asked to notify the Operations Director immediately to allow as much time as possible to make scheduling arrangements. If the need is foreseeable, (like a doctor or dental appointment) please give a minimum of 48 hours' notice, so that we may consider our business needs. If the need is unforeseeable you must let us know as soon as possible. If it is not possible to provide written notice, oral notice should be given to the Operations Manager so the time missed can be properly recorded.

Following 24 hours of sick time off in a calendar year, you may need to provide a doctor's note.

Accrued but unused sick time is not paid out at the time of termination.

Pay Schedule for Sick Leave

Sick leave pay shall be computed at your regular straight-time hourly rate only for days on which you would otherwise have been scheduled to work and will commence on the first scheduled work day of absence.

Once sick leave benefits are exhausted, accrued but unused vacation benefits may with the Operations Director's approval be utilized to integrate with other benefits in order to maintain uninterrupted compensation.

Volunteer Time Off Policy

The company offers Volunteer Time Off (VTO) to allow employees to support activities that enhance and serve the community in which we live and work. Following six months of employment, all regular employees are eligible to participate in this program. Fulltime employees will be paid for up to 10 hours and part time employees up to 5 hours of time per calendar year to work with an approved **501(c)3** charitable organization in accordance with the company's giving and volunteering guidelines.

More detailed information is available from the Operations Director.

Leaves of Absence

It is company policy to consider granting leaves of absence to eligible employees who must be away from their jobs for reasons of civic duty or due to circumstances beyond their control. Such leaves are generally unpaid by the company. Employees on an unpaid leave of absence for any reason will not accrue Vacation/Sick Leave, nor be eligible for holiday pay. The company follows all applicable state and federal leave laws. Please contact the Operations Director to confirm your specific eligibility and pay status for any leave of absence that may become necessary.

Leave Request Procedure

If you need a leave of absence for any reason, you must submit the request for leave in writing to the Operations Director. Under emergency circumstances, you may request a leave verbally from the Operations Director.

Any request for leave should be submitted at the earliest possible date and must contain the following information:

- The type of leave requested;
- The dates the desired leave would begin and end;
- Any other pertinent information, including appropriate medical verification if applicable

Management will review the request in light of this policy and the Operations Director's recommendation and will inform the employee of its decision to grant or deny the leave.

If at any time during the leave of absence your reason for requesting the leave no longer exists, you must notify the Operations Director who will determine your date of return.

If you fail to return to work on the date specified for expiration of the leave, we will consider you to have abandoned your employment with the company without notice.

Return to Work

The Company will attempt to reinstate employees who return from an authorized leave of absence, but it cannot guarantee reinstatement in all cases. During your leave, the company may temporarily fill your position. However, in cases of hardship and/or business necessity, the company may need to fill your position on a regular basis.

Modified Work

Cometa has a temporary modified work program. When a treating medical practitioner releases an employee with temporary restrictions, the company will evaluate the

restrictions and make reasonable efforts to modify the employee's position in accordance with the medical release or to return the employee to a position he or she can perform and for which he or she is otherwise qualified. If the employee is returned to a different position, the employee will be paid the appropriate rate for the work performed

Pregnancy Disability Leave and Accommodation

In addition to the provisions set forth herein which cover other disabilities, the following policy applies to pregnancy disability or pregnancy-related disability and shall not be used for child rearing and/or adoptions. These provisions supersede the more general medical disabilities provisions where there is a conflict.

Pregnancy disability leaves are granted if any employee is "disabled" due to pregnancy, childbirth, or a related medical condition. (The extent and limitations of the disability, and any accommodations needed, should be based on the written advice of a physician or other licensed health care practitioner.)

The maximum pregnancy disability leave of absence shall not exceed four (4) months for each pregnancy. Pregnancy disability leave does not need to be taken in one continuous period of time. The decision regarding when to notify the company and to begin pregnancy disability leave will be determined by the specific medical circumstances of each case and the employee's licensed health care practitioner; however, the employee should give the company the maximum notice possible of the date the leave will commence, the estimated duration of the leave, and the estimated date of return.

Previously earned, unused sick leave may be used in connection with the pregnancy disability leave. In addition, the employee may choose to be paid any earned, unused vacation benefits during the leave. After sick leave and elected vacation benefits have been applied, the remainder of the leave shall be unpaid by the company.

In order to return to work, the employee must notify the company, as far in advance as possible, of her written medical release to return to work. For pregnancy disability leaves lasting four months or less, the company will endeavor to return the employee to her original job on the date her leave ends. If the original job is unavailable, the employee will be returned to a substantially similar job, unless the job has ceased to exist due to legitimate business reasons.

In addition, an employee who is affected by pregnancy or a related medical condition is eligible for reasonable accommodation, including transfer to an available position or duties that are less strenuous or hazardous. The employee must provide the company with a certification from her health care provider stating the nature of the accommodation or transfer requested, that the accommodation or transfer is medically advisable, and the period during which the accommodation/transfer is needed

Jury and Witness Duty Leave

It is company policy to enable you to fulfill your civic obligations. If you are called to for jury duty, you should notify the Operations Director immediately. Exempt staff will be paid their

regular salary while on jury duty unless they perform no work during the workweek, in which case the time will be unpaid. Exempt employees are expected, as much as possible given the requirements of their jury duty, to continue handling the most critical aspects of their position unless directed otherwise by the company.

The jury summons should be given to the Operations Director as soon as possible so that arrangements can be made to accommodate your absence. You are expected to report for work on those days or parts of days when excused from jury duty or when jury duty does not conflict with your work schedule.

Non-exempt, temporary, part-time and contract employees will receive time off for jury duty without pay.

Medical Leave of Absence

If you are unable to work temporarily due to a medical condition other than pregnancy, childbirth and related medical condition you will, upon request and appropriate medical verification, be granted a leave of absence without pay. The maximum time off is two (2) months in a rolling 12-month period. This is unpaid time though employees may use any accrued vacation benefits and may be eligible for State Disability benefits.

The time limit does not apply to work-related injuries and illnesses.

If you required time off for medical reasons you must notify the Operations Director in writing of the need for such a leave as soon as you learn that you are, or will become, temporarily disabled and unable to work due to a medical condition. Such notice must specify the date the leave begins, and the estimated date for return. You will also be expected to provide initially and from time to time proof of disability in the form of a doctor's statement. You also must provide a doctor's release upon return to work.

When you return to work at the end of a medical leave of absence, every effort will be made to return you to your former position, or to as nearly as possible a comparable position. You will be credited for all service prior to the commencement of your disability. Due to business needs, the organization cannot guarantee the availability of an appropriate position at the time you are ready to return to work.

If you fail to report to work at the end of your medical leave, you will be deemed to have voluntarily resigned.

Personal Leave of Absence

If you are a Regular Employee who has been employed with the company for at least twelve (12) months, you may be eligible for a Personal Leave of Absence of up to one (1) month. The purpose of a Personal Leave of Absence is to provide an employee time off from work to attend to compelling personal matters. Personal Leaves of Absence are unpaid and are extended to an employee only in the company's discretion and with the expectation that the employee will return to work at the expiration of the period of leave. A Personal Leave of Absence must be requested in writing and submitted for approval to the Operations

Director in advance of the leave period. Any accrued vacation must be taken as part of the personal leave.

Bereavement Leave

If you experience a death in your Immediate Family, Cometa will normally grant a leave of absence of up to 3 paid working days to regular full-time employees (see Definitions section)

Other Leaves

In addition to the leaves described above, there are several other unpaid leaves offered by the company. These are briefly described below. For more information about any of these leaves, including information about eligibility requirements and maximum duration, please see the Operations Director.

1. Military leave is available to any employee who enters active duty or serves in active reserves of the armed forces of the United States.
2. Victims of crimes may receive unpaid leave to attend judicial proceedings related to a crime if the employee is a victim of the crime, an immediate family member of the victim, the domestic partner of the victim or the child of the domestic partner of the victim.
3. Civil Air Patrol leave is provided to employees who are volunteer members of the California wing of the civilian auxiliary of the U.S. Air Force Civil Air Patrol and are responding to an emergency operation mission.
4. Witness Duty leave is provided whenever you are subpoenaed or ordered to serve as a witness in a court proceeding.
5. Domestic Violence and Sexual Assault Victims leave is granted to employees who are victims of domestic violence or sexual assault and need time off for legal proceedings.
6. Volunteer Civil Service leave allows employees who are volunteer firefighters and other emergency personnel to take time off for certain purposes.
7. School Appearance leave is provided to an employee who is required to appear at his or her child's school in connection with disciplinary action by the school.
8. Up to two (2) hours of paid time off to employees who, because of their work schedule, are unable to vote in a national, state, or local election outside of their work hours.

Harassment, Discrimination & Retaliation Prevention Policy

Cometa is an equal opportunity employer. We, as a company, are committed to providing a work environment free of harassment, discrimination, retaliation and disrespectful or other unprofessional conduct based on sex (including pregnancy, childbirth, breastfeeding or related medical conditions), race, religious creed (including religious dress and grooming practices), color, gender (including gender identity and gender expression), national origin (including language use restrictions and possession of a driver's license issued under Vehicle Code section 12801.9), ancestry, physical or mental disability

(including HIV and AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, registered domestic partner status, age (40 and over), sexual orientation, military and veteran status, denial of Family and Medical Care Leave, or any other basis protected by federal, state or local law or ordinance or regulation. It also prohibits discrimination, harassment, disrespectful or unprofessional conduct based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. Cometa prohibits co-workers, third parties, supervisors, and managers from engaging in unlawful behavior under the Fair Employment and Housing Act.

In addition, Cometa prohibits retaliation against individuals who raise good faith complaints of discrimination or harassment or who participate in workplace investigations.

Harassment Prevention

Cometa is committed to providing a work environment free of harassment. It is against the law and strictly against company policy for any employee or non-employee to harass a Company employee or applicant. This includes harassment, disrespectful or unprofessional conduct by any employee of the Company, including supervisors, managers and co-workers. The Company's anti-harassment policy also applies to vendors, clients, independent contractors, unpaid interns, volunteers, persons providing services pursuant to a contract and other persons with whom you come into contact while working.

Prohibited harassment, disrespectful or unprofessional conduct includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, comments, posts or messages;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race or any other protected basis;
- Threats and demands to submit to sexual requests or sexual advances as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors;
- Retaliation for reporting or threatening to report harassment; and
- Communication via electronic media of any type that includes any conduct that is prohibited by state and/or federal law or by company policy.

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. For example, hostile acts toward an employee because of his/her gender

can amount to sexual harassment, regardless of whether the treatment is motivated by sexual desire.

Prohibited harassment is not just sexual harassment but harassment based on any protected category.

Non-Discrimination

Cometa is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in our operations. The Company prohibits unlawful discrimination against any job applicant, employee or unpaid intern by any employee of the Company, including supervisors and coworkers.

Pay discrimination between employees of the opposite sex performing substantially similar work, as defined by the California Fair Pay Act and federal law, is prohibited. Pay differentials may be valid in certain situations defined by law. Employees will not be retaliated against for inquiring about or discussing wages. However, the Company is not obligated to disclose the wages of other employees.

Reasonable Accommodation

Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

The company will provide reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardships would result. Any employee or applicant needing an accommodation should contact Management and request such an accommodation. To comply with applicable laws ensuring equal employment opportunities to qualified individuals with disabilities, the company will undertake an interactive process to attempt to provide reasonable accommodation to individuals with a known physical or mental disability if such accommodation would not impose an undue hardship on the Company and would enable the individual to apply or perform the essential functions of the position in question. Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact his or her supervisor and request such an accommodation. The individual with the disability should specify in writing what accommodation he or she needs to perform the job. If the accommodation is reasonable and will not impose an undue hardship, the Company will make accommodation. The company may also propose an alternative accommodation(s).

Cometa will not retaliate against you for requesting a reasonable accommodation and will not knowingly tolerate or permit retaliation by management, employees or co-workers.

Complaint Process

If you believe that you have been the subject of harassment, discrimination, retaliation or other prohibited conduct, bring your complaint to the Operations Director as soon as

possible after the incident. If you are not comfortable discussing it with the Operations Director, you should speak with the President. Please provide all known details of the incident or incidents, names of individuals involved and names of any witnesses. It would be best to communicate your complaint in writing, but this is not mandatory.

The company encourages all individuals to report any incidents of harassment, discrimination, retaliation or other prohibited conduct forbidden by this policy immediately so that complaints can be quickly and fairly resolved.

The company feels strongly that harassment will not be tolerated, and we believe that our internal system for addressing it is the most effective method for resolution. However, if the company's internal procedures do not resolve the problem, or you are reluctant to use the internal process, you also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment, discrimination and retaliation in employment. If you think you have been harassed or discriminated against or that you have been retaliated against for resisting, complaining or participating in an investigation, you may file a complaint with the appropriate agency. The nearest office can be found by visiting the agency websites at www.dfeh.ca.gov and www.eeoc.gov.

Supervisors must refer all complaints involving harassment, discrimination, retaliation or other prohibited conduct immediately to a member of Senior Management so we can try to resolve the complaint.

When Cometa receives allegations of misconduct, it will immediately undertake a fair, timely, thorough and objective investigation of the allegations in accordance with all legal requirements. Cometa will reach reasonable conclusions based on the evidence collected.

Cometa will maintain confidentiality to the extent possible. However, we cannot promise complete confidentiality. The employer's duty to investigate and take corrective action may require the disclosure of information to individuals with a need to know.

Complaints will be:

- Responded to in a timely manner
- Kept confidential to the extent possible
- Investigated impartially by qualified personnel in a timely manner
- Documented and tracked for reasonable progress
- Given appropriate options for remedial action and resolution
- Closed in a timely manner

If Cometa determines that harassment, discrimination, retaliation or other prohibited conduct has occurred, appropriate and effective corrective and remedial action will be taken in accordance with the circumstances involved. Cometa also will take appropriate action to deter future misconduct.

Any employee determined by Cometa to be responsible for harassment, discrimination, retaliation or other prohibited conduct will be subject to appropriate disciplinary action, up

to, and including termination. Employees should also know that if they engage in unlawful harassment, they can be held personally liable for the misconduct.

Anti-Retaliation

The company will not retaliate against you for filing a good faith complaint or participating in any workplace investigation and will not tolerate or permit retaliation by management, employees or co-workers.

Third-Party Discrimination/Harassment

Cometa wants to ensure that we maintain a professional environment in which anyone doing business with the company is free from illegal discrimination or harassment. Therefore, the following procedures have been established for resolution of non-employees' complaints of discrimination and/or harassment.

Procedure

1. Filing of Complaint

Employees who receive a complaint from a third party (non-employee) of harassment or discrimination by any employee, manager, or supervisor of the company must file a written report with the Operations Director as soon as possible after receiving the complaint. The written report should set forth in detail the contents of the non-employee's complaint.

2. Investigation

The Operations Director (or designee) will conduct an appropriate investigation, including meeting separately with the employee who received the complaint, the complainant, and with others who are either named in the complaint or who may have knowledge of the facts set forth in the complaint. Cometa will attempt to treat all such reports of harassment or discrimination, and the investigation of such reports, with as much confidentiality as practicable while conducting an appropriate investigation.

Drugs and Alcohol

Employees are Cometa's most valuable resource and their health and safety therefore are serious concerns. Cometa is committed to maintaining a safe and healthy work environment in which the employee is free from drugs and alcohol. Cometa will not tolerate any drug or alcohol use that imperils the health and well-being of its employees or interferes with the work of the company.

From time to time you may be at a business function where alcohol is served. At such events,

if you decide to drink you are expected to do so in moderation. In addition, any employee who is under the influence as a result of consuming alcohol at such an event is prohibited from driving, and is responsible for obtaining safe, alternate transportation.

Please understand that if Cometa has reasonable suspicion to believe that employees are under the influence of drugs or alcohol which adversely affects or could adversely affect job performance, it reserves the right to require employees to submit to a drug or alcohol test. Failure to cooperate or violation of this policy can result in disciplinary action, up to and including termination.

Searches

Cometa is concerned about maintaining security, protecting its property, and protecting employee property. The use or possession of prohibited substances on company property is not permitted. Misuse of company information and/or property is also strictly forbidden.

Employees should have no expectation of privacy at work. All workstations, offices, company premises and property, persons, vehicles, and other personal effects on company property are subject to search without notice and upon demand. This also applies to company property including laptops, PDA's, etc., even if files, folders, or documents are password protected by the employee. No information stored on company property may be considered private. A request for an employee to submit to a search does not imply an accusation of wrongdoing. Refusal to cooperate with a search request may result in disciplinary action up to and including termination.

Possession of prohibited substances, weapons, explosives, or other inappropriate paraphernalia is strictly prohibited and shall result in disciplinary action up to and including termination and/or physical removal from company property.

Personal Use of Company Property

Without the express prior authorization of management, use of company equipment is limited to company business.

Personal use and/or removal of company property requires prior authorization of management. This includes, but is not limited to, such things as: computers, telephones, postage meters, etc.

Housekeeping

Please make an effort to keep your work area neat. Many of our work areas are visible to all who walk through our office. Also, please do your share to keep common areas tidy, i.e., the kitchen, reception area, etc. Unnecessary clutter piled around the office may leave an unfavorable impression with clients who visit us.

Security

Everyone shares the responsibility of maintaining a secure working environment. To this end, Cometa requires the cooperation of all employees in administering this policy. Of course, theft or unauthorized possession of the property of the company or its employees, clients, and visitors is prohibited.

Employees are encouraged to take reasonable precautions in protecting their personal property and the property of the company. Secured areas should always be used to store wallets, purses, etc. Unfamiliar individuals should be reported immediately. At the end of each day, employees should store valuable small items in a locked place. Any loss of property or suspicious event should be reported immediately. Close all files at the end of the day and lock all lockable drawers and cabinets.

Through administration of this policy and cooperating fully with law enforcement agencies, Cometa will attempt to create a secure working environment for our employees. However, the company is not responsible for reimbursing, replacing, or repairing any employee's personal property that is stolen, lost, or damaged.

Personal Phone Calls

We receive a high volume of phone calls from clients. To handle these calls promptly, we must avoid tying up the business lines with personal calls. Please ask your family and friends not to call you at work unless it is an emergency. Likewise, please limit your outgoing personal calls on company equipment to emergency situations, and do not utilize company equipment for personal long-distance calls.

Suggestions

We want your ideas to make Cometa a better place to work. Any suggestions that you may have to improve the operations, eliminate waste, prevent accidents, and/or promote better working conditions will be appreciated. We encourage you to give suggestions to the Operations Director and we will implement your suggestions based on appropriateness and business constraints in the company's discretion.

Electronic Communication/Media

Cometa uses various forms of information systems and electronic communication/media including, but not limited to, computers (personal and/or lap-top), e-mail, telephones, voicemail, fax machines, and online information services. These systems are the property of the company and are intended for business use only.

Employees may install only company approved software in company computer systems, which may not include downloadable software commonly available on the internet such as

"Instant Messenger", "Real Player", "Flash", and other similar applications. All electronic communications, all software and all hardware, remain the sole property of Cometa and are to be used to conduct company business. All information created by any employee using any means of electronic communications is the property of the company and remains the property of the company.

Cometa reserves the right, without notice to the employee and/or in the employee's absence, to access and review electronic files, messages, mail, etc., and to monitor the use of electronic communications as is necessary to ensure that there is no misuse or violation of company policy or any law.

While information systems, Internet communication, electronic mail, and voicemail may use passwords for company security, they are not intended for personal privacy. An assumption must be made by each Employee that any and all messages may be read or heard by someone other than the intended or designated recipient. Any passwords relating to business communications must be provided to the Operations Director. Cometa will override all personal passwords if it becomes necessary to do so for any reason. Therefore, you should not use these systems for confidential personal communications.

Any communication, electronic or otherwise, may not contain content that may be reasonably considered offensive or disruptive to any employee or client. Offensive content includes, but is not limited to, sexual comments or images, racial slurs, or anything that may be construed as harassment or disparagement on the basis of his or her race, color, age, sex, religion, national origin, mental or physical disability, ancestry, marital status, family status, political belief, sexual orientation, gender identity, medical condition, veteran status, or other protected status.

Electronic communication/media may not be used for any purpose, which is illegal, against the company policy, or not in the best interest of Cometa.

Employees are not permitted to access files, messages, or any documents or correspondence created by or intended for other employees or third parties, unless directed to do so by company management. Although employees may have passwords that restrict access to their voicemail and computers, this does not limit the company's ability to access any files, messages, documents or correspondence stored on or deleted from the electronic communication/media systems.

Access to the Internet, including but not limited to the use of e-mail and the web, is available for business purposes only. Any information about the company and/or its business that will appear in the electronic media requires approval by the Operations Director before the information is released.

Questions about access to our electronic communications and the use of it, or issues relating to data security, should be directed to the Operations Director.

Workplace Violence Policy

It is the intent of Cometa to provide a safe workplace for employees and to provide a comfortable and secure atmosphere for clients and others with whom we do business. Cometa has zero tolerance for violent acts or threats of violence. Cometa expects all employees to conduct themselves in a non-threatening, non-abusive manner at all times.

Employees within the Company share the responsibility of identifying and alleviating threatening or violent behavior. Any employee who is subjected to or threatened with violence, or who is aware of another individual who has been subjected to or threatened with violence, should immediately report this information to the Operations Director. Employees must assume that any threat is serious. If you as an individual feel threatened and need protection, do not hesitate to call 911. Do not put yourself in danger.

Protecting Personal Information

The company is concerned and committed to protecting confidential information. This concern extends to personal information about employees and clients. To that end, Cometa requires all employees to take steps to ensure their personal information and that of other employees and patients (e.g. social security number, banking information and medical data) is properly stored, and when no longer needed, disposed of properly so that information cannot practicably be read or reconstructed.

Cellular/Wireless Telephones

Company-owned or leased cellular/wireless phones and phone numbers may be issued to employees for purpose of conducting business at the sole discretion of Cometa. Any overage, long distance, roaming, or other charges for personal calls will be the responsibility of the employee, except in the case of an emergency. The company reserves the right to audit phone records to ensure proper use.

Employees who are required to use their personal cell phones to conduct business may be entitled to reimbursement over their basic plan, if approved by the Operations Director. All requests for reimbursement are to be submitted with regular expense reimbursements requests, and in accordance with standard company procedure.

Use of Personal Cell Phones or PDAs at Work

Employees using personal cell phones or PDAs at work are expected to exercise the same discretion as when using company phones or email system. As excessive personal calls and emails are disturbing and distracting to others, and adversely impact the employee's productivity, employees should keep personal phone calls and emails to a minimum. Employees should be sure to make friends and family aware of this policy.

Cometa has no responsibility or liability for personal cell phones or PDAs brought to work. It is the responsibility of the employee to see that his or her personal cell phone or PDA is adequately protected against loss or damage.

Driving on Company Business

Some positions within the company must be able to drive during the workday to various organization-related meetings. Those employees who are in one of these positions must have a valid, current driver's license as well as at least the minimum level of auto insurance required by state law.

Because safely operating a motor vehicle requires a driver's total attention, Cometa prohibits the use of hand-held cell phones while driving on company business and encourages the practice of safely pulling off the road before conducting company business. While it is important to be available for telephone calls, the company values employee safety and supports safe driving practices. Even with hands-free devices, any cell phone call taken or made while driving should be very brief. If a cell phone call taken or made while driving is more than a brief message, you should safely pull off the road before conducting business. Under no circumstances may you text while driving.

If an employee is charged with a traffic violation resulting from the use of a cell phone or PDA while driving, the employee will have sole responsibility for all costs and other liabilities resulting from such violation.

Employees who operate vehicular equipment as part of their job with the company are responsible for maintaining a safe personal driving record both on and off the job. Any employee who receives an infraction on his or her driving record, and who is required to drive as part of his or her job must immediately inform the company of the infraction. In most cases, monetary liabilities, incurred during the course of business, due to an employee's negligence (i.e. parking tickets) will be the sole responsibility of the employee.

An employee who must drive as part of his/her job with the company and who loses his or her driving privilege, for any reason, may be subject to discipline up to and including discharge. Further, if any employee who operates a vehicle for the company creates a safety hazard which comes to the company's attention or is sufficient to cause the company's liability insurance carrier to increase premiums, then the employee may be subject to disciplinary action, up to and including termination.

Smoking

For health and safety considerations, the company does not allow smoking on its premises, except in designated areas during breaks and meals only. Smoking is prohibited within 1000 feet of the facility.

Employment Verification

All requests for employment related information and references should be directed to the Operations Director so that control may be maintained on the dissemination of information. Employees should not provide "off-the-record" references or written recommendations.

Social Networking Policy

Employees are not allowed to use company-owned equipment, including computers, company licensed software, or other electronic equipment or facilities on company time to conduct personal blogging activities. In addition, they may not use the company logo or trademark on their personal blogs or networks or post photographs of other employees, clients, or vendors on personal posts without their consent. Employees may not link from a personal blog or social network to the company's internal or external websites.

Bloggers are responsible for their commentary on blogs and social networks. Bloggers can be held personally liable for commenting that is slanderous, obscene, defamatory, or libelous by any offended party. Cometa's confidentiality and proprietary information policies apply to all social networking.

If you have any questions regarding the proper use of social networking/blogging, please contact the Operations Director.

Termination Procedures

Paid Time Off Benefits

All unused, earned vacation will be paid to you through the effective date of termination.

Return of Company Property/Equipment

You are expected to return all company property at the time of termination, including such things as cell phones, keys, files, and credit cards.

Any employee who is issued any company property (e.g. laptop, cell phone and/or phone number) is expected to return the phone and all related equipment, in good working order and repair, upon termination of employment with the company. The company reserves the right to seek the cost of a replacement phone or laptop in the event a phone is not returned, or is returned, but not in acceptable condition.

Notice

If you decide to leave Cometa providing some notice will ensure that we will have your final check and paperwork ready for you on your last day.

DELIVERY

Check In/ Check Out

Upon arriving to your shift or returning from a delivery, each driver must check in with their manager. Once given your orders and the delivery inventory the driver must sign out the inventory on his/her personal sign out sheet. The driver must then call each premade order and give them a delivery time window. Typically, a 15-minute window to insure on time arrival. Example: Your first order you call and tell them you will arrive between 10-25 mins next order between 25-40 mins and so on. Then when leaving after signing out all orders and inventory the driver must again check with the manager to check out. This insures proper communication with the manager and he/she can track orders approximate delivery time frame.

Interaction with Law Enforcement

Encounters with Law Enforcement is an issue we will inevitably have to deal with at some point in time. If you are abiding by our rules his will be a breeze. Let's review your etiquette and driving protocol. First and most important **ALWAYS** keep the products in the secure area of the vehicle. Each driver should have their own personal driver kit containing our state license, seller's permit, Benicia permit, and our attorney's number. Do NOT EVER travel with paraphernalia of any kind. If caught it grounds for immediate termination and random car checks are performed by any management. Maintaining Car insurance is an absolute must.

If pulled over it is typically for a traffic violation so remain calm and deal with the situation. Not all officers are up to date with the current laws and the situation could go good or bad depending on many variables. If the officer questions you regarding your inventory, present the officer with the driver kit and inform them you are an employee of Cometa who is a licensed retailer. If the cop persists on questions regarding the cannabis, refer them to the attorney.

DO NOT ANSWER ANY FURTHER QUESTIONS. REFER THE OFFICER TO THE LAWYER'S NUMBER IN THE KIT. INSTRUCT "MY ATTORNEY WILL ANSWER ANY QUESTIONS YOU HAVE SIR/MA'AM

Absence Policy

If a driver needs days off it is first that driver's responsibility to find a cover. If he/she cannot the driver supervisor can help out. If there is still no cover found and the driver leaves the driver will be replaced unless it can be proven that it is a true emergency. Going to EDC, concerts, Coachella, or other places do not constitute an emergency. So be honest, be responsible and handle your shifts.

Delivery Protocol

All drivers must follow a simple procedure to allow a uniform experience for our members:

- Route your deliveries first by time ordered and if needed by geographical location. Put in the order you are going to deliver
- Call each order upon receiving them and give an ETA (estimated time of arrival). This is an estimate but should be a realistic timeframe never be too optimistic. Better to be 10 mins early than 10 mins late. During this call ask if there are any issues with you just coming to the door. If meeting out away from their home ask about what car they drive and color and/or let them know who to look for by telling them your make, model, and color of your vehicle.
- After contact is made drive to location.
- Upon arrival confirm the customer's identity and age by requesting their valid government issued identification card and doctor's recommendation, if needed.
- Accept payment either cash or credit card. Make sure to **ALWAYS** keep plenty of change on hand. It is your responsibility to make change as needed for your orders. Using the credit card app is to be done as trained by your trainer.
- Minor conversation is polite staying more than a couple of minutes is excessive find the middle ground.

When to Cancel Orders

- When a customer doesn't answer the phone or door **AND**
- When you have given adequate time to respond approximately 10 mins after arrival to delivery destination **AND**
- When you have checked with office/dispatch to be sure the member has not called in with any changes. **AND**
- Call/or text the member and leave a final message stating you have waited 10 mins and you must move on to other deliveries and to call the office to reschedule your delivery. If the order is canceled it is at the discretion of the driver to return if the member calls back after you have left the premises. Typically, it is a must to return if you are still close but each issue is to be determined as a case by case. If the driver is at fault the delivery will not be paid so be certain you do everything possible to complete the delivery

Safety Protocol

While traveling with inventory it is a must that all inventory remains in the secure storage unit inside the vehicle. No product should be taken outside the storage until you have arrived at the delivery location and are about to complete the delivery. Discussing an order with anyone other than the customer is strictly prohibited. Payment can **ONLY** be received from the customer and this includes credit and debit cards. Payment must be from a verified member of our collective. You must call the office to verify because you cannot know if we have a copy of their current recommendation or if their recommendation is valid.

Contact with Dispatch

While out on deliveries you will encounter issues that do not work out as planned. Sometimes it is a clerical error or sometimes it's the customer is just not where they are supposed to be. This is when you call dispatch to determine if a note was missed or if the member is just MIA. Often times the member doesn't recognize the number or there is something we can do to fix the problems that arise in the field. Just call dispatch, working together will give our customers the best customer service possible. Constant communication with dispatch is a necessity.

How to Contact Customers

Customers should always be communicated with in a professional and courteous manner. Customers should be called with an ETA (Estimated Time of Arrival). If any problems or delays occur communication with the customer is a great way to keep them happy by keeping them informed. This shows we are taking their time as being important to us. Even when the customer is rude we should always be polite and professional. Often issues arise and they have legitimate complaints. Justify their point of view and do your best to diffuse the situation. If it is more than you can handle pass it on to either another driver or manager. NEVER just hang up on customers because you cannot handle the situation. Dispatch or office management should be informed of the problem and notified of the details of the encounter.

**Acknowledgment of Receipt of Cometa's Employee Handbook
Dated September 10, 2018**

I hereby acknowledge that I have received a copy of the Cometa Employee Handbook dated February 1, 2018 and agree to abide by all of the policies and procedures contained in the Employee Handbook. I agree that it is important to understand and follow the policies and procedures discussed in the Handbook and understand its contents, and I agree to do so and to ask the Operations Director any questions I have regarding it.

I further understand and agree that this Employee Handbook is provided to me for information and reference. I acknowledge that the Handbook is not an employment contract or a promise of employment for any specific period of time.

I understand that my employment at Cometa is at-will and that it has no specified duration and either I or the company may terminate such employment relationship at-will whenever either of us desires to do so, without prior notice, and with or without cause. I also understand that while the company maintains and revises both written and other personnel policies to adapt to changes in business conditions, its policy of at-will employment is not affected by any such other personnel policies or programs as may be in effect or modified from time to time. The voluntary at-will nature of our employment relationship may not be changed except by a separate written agreement specifically entered into for such purpose and signed by both me and the President of the company.

My signature below affirms that I understand this agreement about at-will employment and it is the only agreement between me and Cometa and the complete agreement between us, about the length of my employment and when it may be terminated. It replaces all previous agreements, understandings, and promises about my employment with Cometa. This agreement constitutes the entire agreement between me and the company with respect to our employment relationship and that there are no other agreements between the company and myself in respect to such subject matter except in conformity with the terms described above.

Employee's Signature

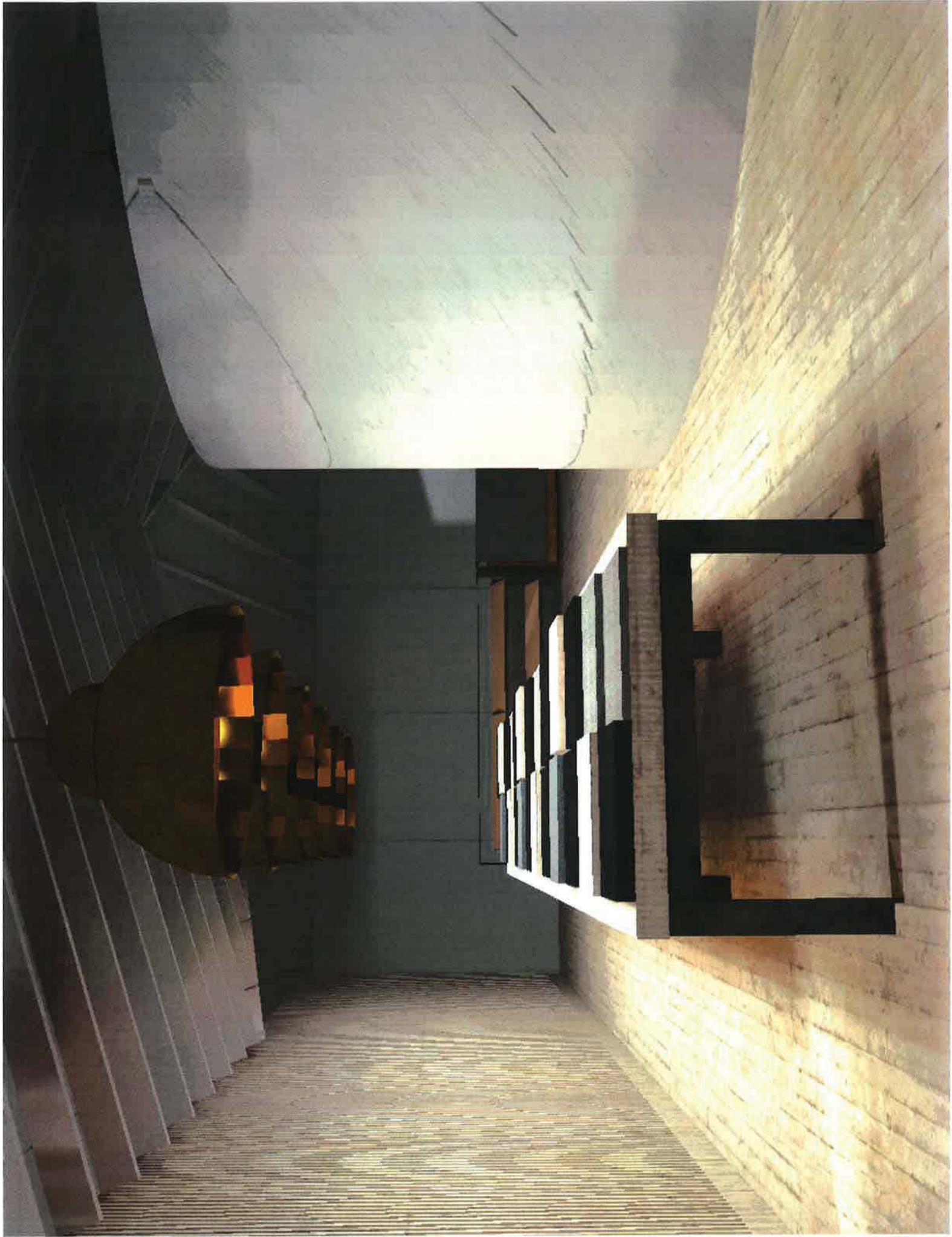
Date

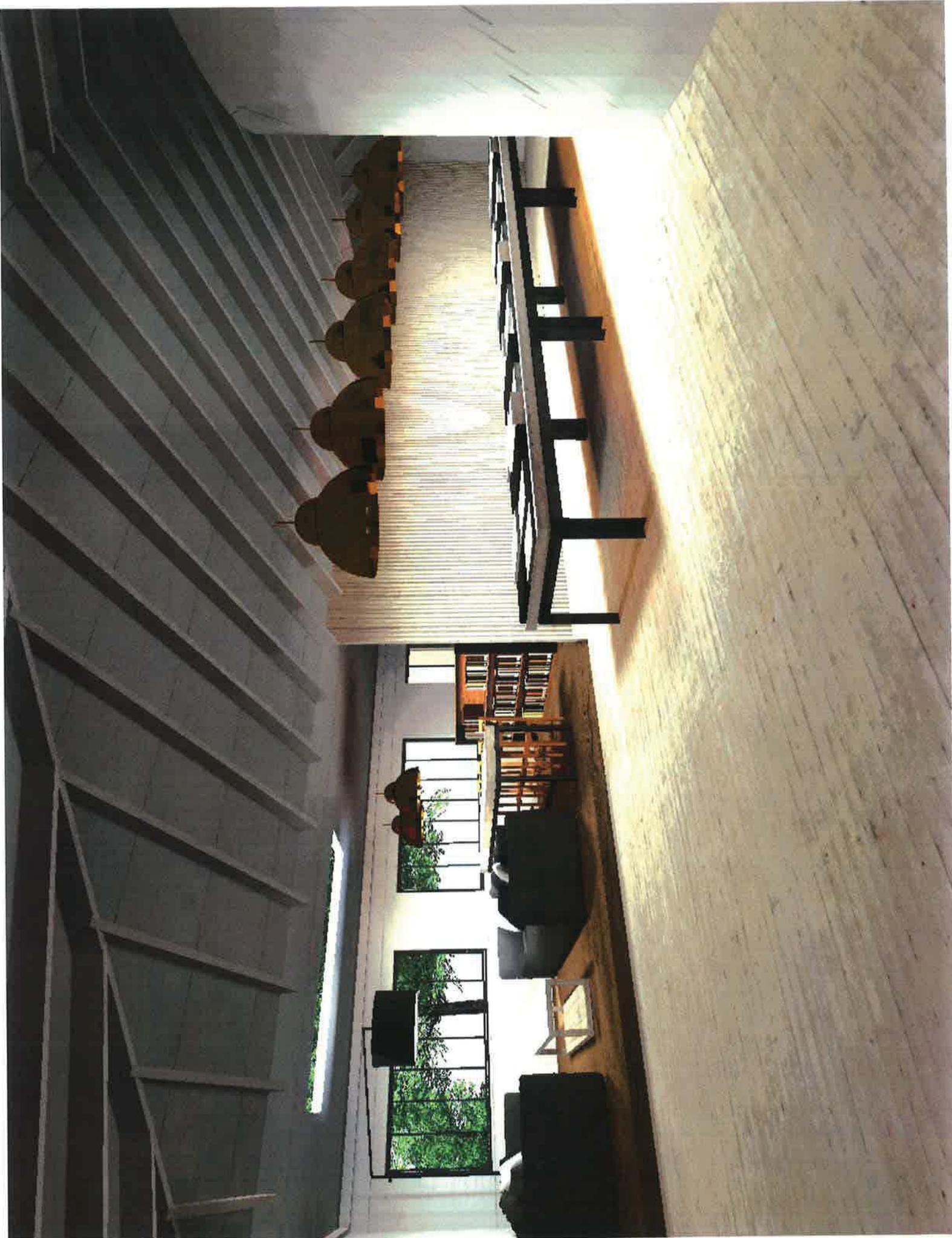
Employee's Name (Typed or Printed)

Interior Concepts

(do not include this sheet of paper)



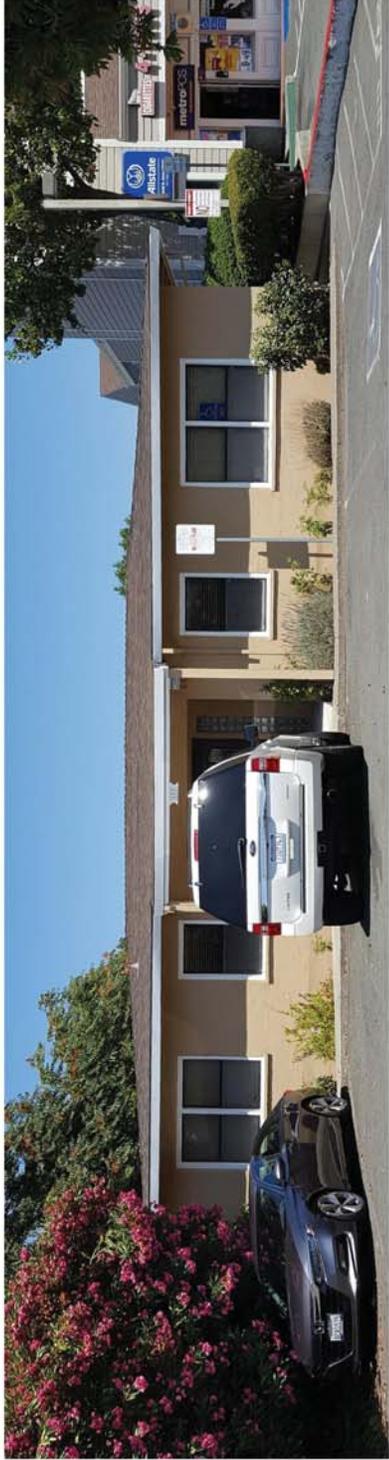






Site Plans

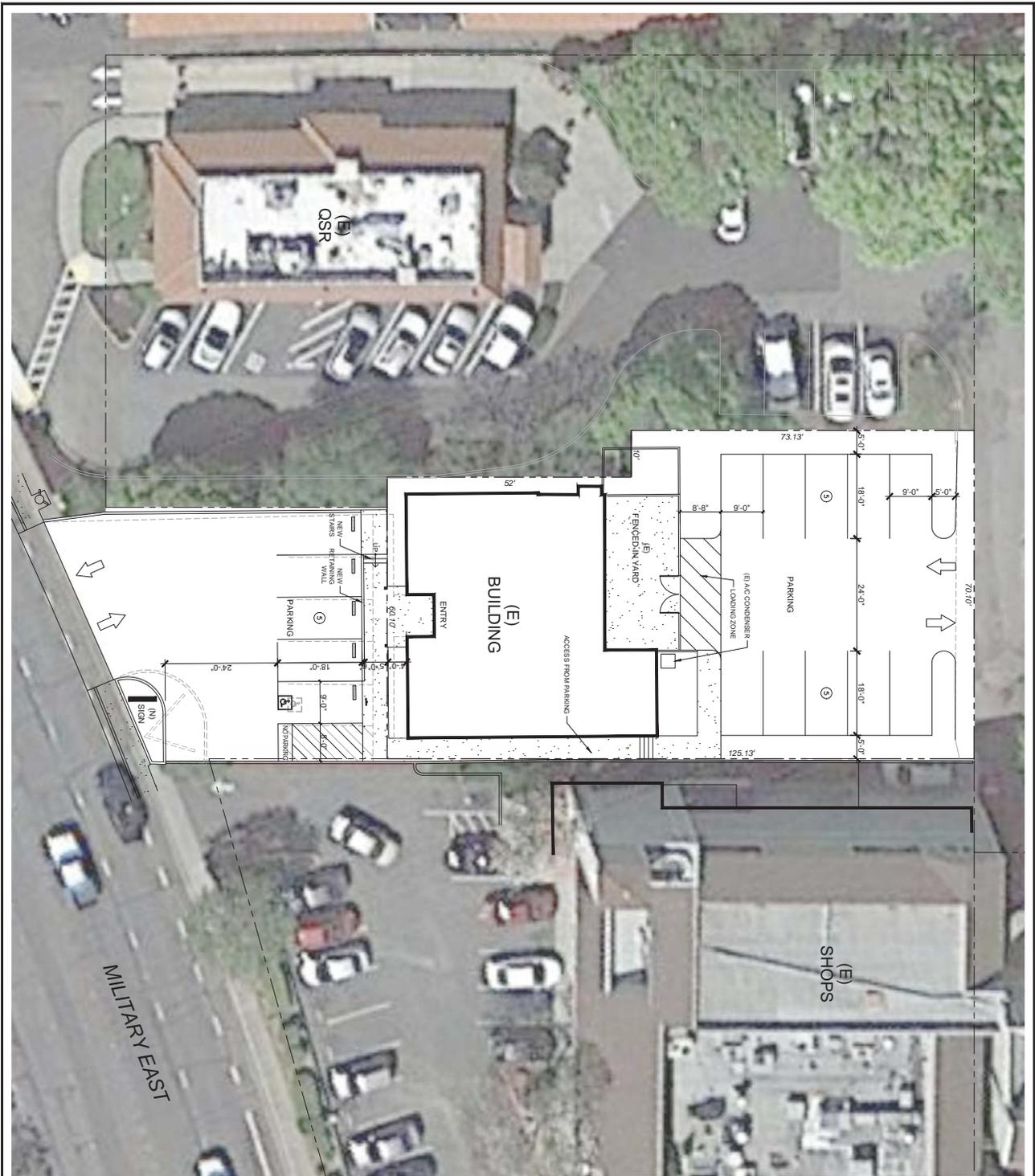
(do not include this sheet of paper)



EXISTING FRONT ELEVATION



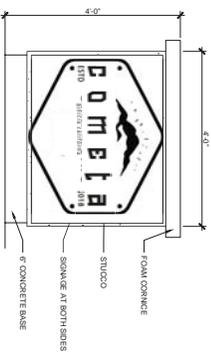
PROPOSED FRONT ELEVATION
SCALE: 1/4" = 1'-0"



SITE DATA

APN: 0088-111-080
 ZONING: OG (GENERAL COMMERCIAL)
 SITE AREA: 8,220 S.F. (0.19 AC.)
 (E) BUILDING AREA: 2,329 S.F.
 ENTRY LEVEL: 2,629 S.F.
 BASEMENT: 4,627 S.F.
 TOTAL BUILDING AREA: 9,585 S.F.
 PARKING PROVIDED: 15 SPACES
 STANDARD (9'X18')
 TOTAL PARKING PROVIDED: 15 SPACES
 PARKING REQUIRED:
 RETAIL AT 1,200 S.F. (2.298 S.F.) 11.5 SPACES
 OFFICE AT 1,250 S.F. (4.658 S.F.) 1.83 SPACES
 STORAGE AT 1,200 S.F. (1,817 S.F.) 0.91 SPACES
 TOTAL PARKING REQUIRED: 14 SPACES

MONUMENT SIGN



TENANT IMPROVEMENTS
 177 MILITARY EAST STREET
 BENICIA, CA 94510



SITE PLAN
 SCALE: 1" = 10'-0"

JOB NO.: LOK04

X - 5

SITE PLAN

DATE: 08-27-2018
 REV. NO. REV. DATE



TOM WILSON ARCHITECT, INC.
 607 Park Street, Suite 202
 Benicia, CA 94510
 Tel: (707) 474-2231
 www.twa-architects.com



TOM WILSON ARCHITECT, INC.
 500 The Street, Suite 202
 Torrance, CA 90503
 WWW.TMA-ARCHITECT.COM

CANNABIS DISPENSARY
 177 MILITARY EAST STREET
 BENICIA, CA 94510

DATE: 09-05-2018

REV. NO. REV. DATE

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600' VICINITY
 MAP



City of Benicia - Parks
 & Community Services

600' VICINITY MAP
 SCALE: N.T.S.

X - 8

JOB NO.: LCK04

