
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): July 15, 2016

GROWGENERATION CORP
(Exact Name of Registrant as Specified in its Charter)

Colorado
(State or other Jurisdiction
of Incorporation)

333-207889
(Commission File Number)

46-5008129
(I.R.S. Employer
Identification No.)

503 North Main Street, Suite 740
Pueblo, Colorado 81003

(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **800-935-8420**

N/A
(Former Address of Principal Executive Offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 8 – Other Events

ITEM 8.01. Other Events.

On July 15, 2016, GrowGeneration Corp. (the “Company”) entered into a commercial lease to rent certain premises located in Canon City, Colorado, to be effective on July 15, 2016 for a term of 75 months. The premises will be used by the Company to open a new store.

On July 19, 2016, the Company entered into a commercial lease to rent certain premises located in Fairplay, Colorado, to be effective from August 1, 2016 to July 31, 2018. The premises will be used by the Company to open a new store.

Copies of the two leases are filed herewith as Exhibits 99.1 and 99.2, respectively.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Commercial Lease, dated July 16, 2016, by and between GrowGeneration Pueblo Corp. and Sierra Services Group LLC
99.2	Commercial Lease, dated July 19, 2016, by and between GrowGeneration Pueblo Corp. and Platt River Drive, LLC

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 27, 2016

GrowGeneration Corp.

By: /s/ Darren Lampert

Name: Darren Lampert

Title: **Chief Executive Officer**

Hastings Shopping Center
 1811 Fremont Dr
 Canon City, COLORADO 81212

SHOPPING CENTER LEASE

LEASE SUMMARY

- 1. Landlord: **Sierra Services Group LLC**
- 2. Tenant: **Grow Generation Pueblo Corp**
- 3. Premises: Unit E
1811 Fremont Dr
Canon City CO, 81212
- 4. Square Feet: Approximately 4,427
- 5. Lease Commencement Date: July 15, 2016
- 7. Term Commencement Date: October 15, 2016
- 7. Term: 75 Months
- 8. Base Rent:

<u>LEASE YEAR</u>	<u>MONTHLY FIXED RENT</u>
7/15/16 – 10/14/16	Abated
10/15/16 – 10/14/17	\$3,689.17
10/15/17 – 10/14/18	\$3,799.84
10/15/18 – 10/14/19	\$3,913.84
10/15/19 – 10/14/20	\$4,031.25
10/15/20 – 10/14/21	\$4,152.19
10/15/21 – 10/14/22	\$4,276.75

- 9. Security Deposit: Rent: \$3,689.17 CAM: \$1,073.55
Total Security Deposit of \$4,762.72
- 10. Occupancy Date: Same as Lease Commencement Date, which is 7/15/16

EXHIBITS:

- A. Premises
- B. Legal Description
- C. Rules and Regulations
- D. Notice of Owner's Non-responsibility for Mechanic's Liens
- E. Guaranty

Note: This Lease Summary does not in any way modify the terms of the Lease, but rather is for information purposes only. The Lease should be consulted for the specific terms of the Lease Agreement.

Lease dated as of July 14, 2016, between Sierra Services Group LLC, having an address at 15954 Jackson Creek Pkwy B-281, Monument CO 80132, as Landlord, and Grow Generation Pueblo Corp, a Colorado Limited Liability Company, having an address at 609 E. Enterprise Drive Suite 150 Pueblo West, Co 81007, as Tenant, of premises known as 1811 Fremont Dr, Unit E, Canon City Colorado 81212.

ARTICLE 1

Demised Premises and Parking Area

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises highlighted in yellow and shown on the plan annexed hereto as Exhibit A, with all the appurtenances belonging thereto (said premises and appurtenances being hereinafter called "Demised Premises" or "Premises"), which Demised Premises contain an aggregate area of approximately 4427 square feet extending to the exterior dimensions of those walls abutting the exterior of the Demised Premises, together with the right of Tenant, its agents, servants, employees, licensees, invitees and customers to use, in common with other tenants in the shopping center (hereinafter called "Hastings Shopping Center" or "Shopping Center").

ARTICLE 2

Term of Lease

A. The original term of this Lease (hereinafter the "Original Term") shall commence on the Lease Commencement Date (as hereinafter defined) and shall expire on the date Six (6) years and Three (3) months after the Lease Commencement Date ("Expiration Date"). The term "Lease Year" shall be deemed to mean each successive period of twelve (12) full months following the Rent Commencement Date; provided, however, it is expressly agreed that the sixth (6th) Lease Year shall be partial Lease Year.

B. The Lease Commencement Date shall be on July 15, 2016.

C. The "Rent Commencement Date" shall be the fifteenth day of the third (3rd) calendar month after the Commencement Date.

D. Landlord shall not be required to perform any work or provide any services to or for the Demised Premises prior to the Commencement Date and Tenant agrees to accept the Demised Premises in "as is" "where is" condition.

ARTICLE 3

Options to Extend Lease

A. Provided Tenant is not in default under this Sublease, Tenant shall have the right and option to extend the Lease Term for one (1) term of six (6) years, the extended term to begin upon the expiration of the primary Lease Term. All of the terms, provisions and covenants of this

Sublease shall apply to each extended term, except that Base Rent, as hereinafter defined, for each extended term shall be as provided in Article IV hereof. Tenant shall exercise each extension option, if at all, by delivering to Landlord written notice of its election to extend, not later than one hundred twenty (120) days prior to the expiration of the primary Lease Term or the then existing extended term, as the case may be; provided, that if Tenant does not so notify Landlord, Tenant shall not have lost, forfeited or be barred from thereafter exercising such option by written notice thereof to Landlord until ten (10) days after written notice from Landlord to Tenant of Tenant's failure to notify Landlord of Tenant's exercise of such option.

B. Options to renew will be at 3% annual increases beginning at the end of the primary lease term.

ARTICLE 4

Covenant to Pay Fixed Rent

A. Fixed Rent

Tenant's obligation to pay Fixed Rent (as hereinafter defined) shall commence on October 1, 2016 (the "Rent Commencement Date"). Tenant's obligation to pay all items of Additional Rent (as hereinafter defined) shall commence on the date hereof. Tenant agrees to pay to Landlord, during the Original Term, and if applicable, the Extended Terms, in equal monthly installments in advance without prior demand and without any set off or deduction whatsoever on the first day of each calendar month at the address of Landlord as hereinabove set forth or such other address as Landlord may designate, annual fixed rental ("Fixed Rent") as follows:

<u>LEASE YEAR</u>	<u>ANNUAL FIXED RENT</u>	<u>MONTHLY FIXED RENT</u>
7/15/16 – 10/14/16	Abated	Abated
10/15/16 – 10/14/17	\$44,270.00	\$3,689.17
10/15/17 – 10/14/18	\$45,598.10	\$3,799.84
10/15/18 – 10/14/19	\$46,966.04	\$3,913.84
10/15/19 – 10/14/20	\$48,375.02	\$4,031.25
10/15/20 – 10/14/21	\$49,826.27	\$4,152.19
10/15/21 – 10/14/22	\$51,321.06	\$4,276.75

B. First Months Rent. Tenant is required to First Months Rent and CAMS in the amount of; Rent: \$3,689.17 CAM: \$1,073.55 Total First Months Rent Deposit of \$4,762.72

C. Tenant agrees to pay pro rata share of CAM's Taxes & Insurance during "Abated" lease term.

ARTICLE 5

Use and Occupancy

A. Tenant expressly covenants, represents, warrants and agrees that it shall use and occupy the Demised Premises only for selling garden supplies and products and for no other purposes. During the Original Term the Extended Term and any further renewals of this Lease.

B. Tenant shall at all times conduct its business wholly within the Demised Premises and shall at no time conduct business through an open sidewalk window counter or display any merchandise or provide any services outside of the Demised Premises.

C. Tenant shall not suffer nor permit the Premises to be used in any manner nor anything to be done therein, which would in any way (i) make void or voidable any fire or liability insurance policy with respect to the Real Property or the Building Complex; (ii) cause damage to the Shopping Center; (iii) constitute a nuisance; (iv) impair the appearance, character or reputation of the Real Property or Building Complex; (v) discharge objectionable fumes, vapors or odors; (vi) impair or interfere with the use of any of the other areas of the Building Complex; (vii) create waste; or (viii) make any noise or set up any vibration which will disturb other tenants.

D. Tenant also is expressly prohibited from using the Premises to operate a physical exercise and fitness facility. Tenant acknowledges that Landlord has advised Tenant that violation of this prohibition would constitute a violation of exclusive rights held by another tenant at the Shopping Center, and that such other tenant has the right to enforce its exclusive rights directly against any person or entity who violates such exclusive rights.

E. Tenant also is expressly prohibited from using the Premises to operate a business engaged in selling, leasing or otherwise distributing or providing respiratory equipment and/or related respiratory services and/or other health medical equipment. Tenant acknowledges that Landlord has advised Tenant that violation of this prohibition would constitute a violation of exclusive rights held by another tenant at the Shopping Center and that such other tenant has the right to enforce its exclusive rights directly against any person or entity who violates such exclusive rights.

F. Tenant also is expressly prohibited from using the Premises to operate a locksmith, security and key-sales business. Tenant acknowledges that Landlord has advised Tenant that violation of this prohibition would constitute a violation of exclusive rights held by another tenant at the Building Complex and that such other tenant has the right to enforce its exclusive rights directly against any person or entity who violates such exclusive rights.

G. Tenant also is expressly prohibited from using the Premises to operate a business engaged in the instruction of dance, movement related to dance, spirit and pep arts, or in the formation of and participation in competitive dance companies. Tenant acknowledges that Landlord has advised Tenant that violation of this prohibition would constitute a violation of exclusive rights held by another tenant at the Shopping Center, and that such other tenant has the

right to enforce its exclusive rights directly against any person or entity who violates such exclusive rights.

H. Tenant also is expressly prohibited from using the Premises to operate a pawn shop business including check-cashing and payroll advance services. Tenant acknowledges that Landlord has advised Tenant that violation of this prohibition would constitute a violation of exclusive rights held by another tenant at the Shopping Center, and that such other tenant has the right to enforce its exclusive rights directly against any person or entity who violates such exclusive rights.

I. Tenant also is expressly prohibited from using the Premises to operate a school providing martial arts instruction. Tenant acknowledges that Landlord has advised Tenant that violation of this prohibition would constitute a violation of exclusive rights held by another tenant at the Shopping Center, and that such other tenant has the right to enforce its exclusive rights directly against any person or entity who violates such exclusive rights.

J. Tenant also is expressly prohibited from using the Premises to operate a full-service sit down restaurant larger than 2,000 square feet of seating area.

K. Landlord is expressly prohibited from leasing the premises to a tenant whose primary business is operating a Garden Supply Business or who sells supplies to the Garden supply industry. Primary Business shall mean a tenant who derives 20% or more of their gross revenue through the sale of Garden Supplies.

ARTICLE 6

No Set-Off or Deduction on Late Payments

The fixed Rent, Common Area Rent, Taxes on Real Estate and Additional Rent (as hereinafter defined) Tenant shall pay to Landlord a late charge equal to (5%) of the outstanding balance, plus any reasonable attorneys fees incurred by Landlord by reason of tenants failure to pay rent when due hereunder. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Landlord will incur by reason of the late payment by Tenant. Acceptance of such late charges by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

ARTICLE 7

Repairs

Tenant covenants and agrees that it will, during the Original Term of this Lease, and at its own cost and expense, make all nonstructural interior and exterior, repairs and/or replacements of every kind and nature necessary to keep the Demised Premises, including the

HVAC system in reasonably good order and condition, and to surrender the Demised Premises at the end of the term of this Lease, if applicable, in reasonably good condition, normal wear and tear excepted. On Tenant's failure to maintain the Demised Premises as agreed hereunder, Landlord, after giving Tenant ten (10) days notice thereof in writing, may itself make repairs, and the reasonable amounts expended by it there for are hereby declared to be Additional Rent to be paid with the installments of Fixed Rent provided for in this Lease, next becoming due. Notwithstanding anything to the contrary contained herein, Tenant agrees that if, in an emergency, it shall become necessary to make any repairs, Landlord may without notice proceed forthwith to have such repairs made at Tenant's cost and expense. Tenant agrees to pay Landlord the cost of such repairs on demand. Tenant covenants and agrees to keep the sidewalks directly in front of the Demised Premises reasonably free from ice, snow and garbage. The voluntary making by Landlord of a repair shall not be deemed a waiver by the Landlord of the obligation of the Tenant to make such general repairs. Landlord, at its sole cost and expense, shall maintain and repair all structural portions and the exterior (other than doors and windows) of the Demised Premises, the roof, all pipes, lines, sewers, mains, and leaders connected to or passing through, above, or under the Demised Premises. Landlord warrants that all HVAC, lighting, plumbing, all nonstructural interior and exterior of every kind and nature are in good working order prior to Tenant occupancy.

ARTICLE 8

Alterations

Tenant is permitted to make non-structural interior Alterations (as hereinafter defined) to the Demised Premises without Landlord's consent and without the submission of plans and specifications; provided, however, in the event any such Alteration which is non-structural in nature requires an application for a building permit to be signed by Landlord or its authorized representative, Tenant shall, in each instance, first obtain Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, in the event the named Tenant herein desires to make structural alterations to the Demised Premises, whether or not a permit is required, Tenant shall in each instance first obtain Landlord's prior written consent which consent shall not be unreasonably withheld or delayed. In the event the Lease is assigned pursuant to Article 24 and the named Tenant is no longer in possession of the Demised Premises, and the assignee desires to make structural Alterations to the Demised Premises, assignee shall in each instance first obtain Landlord's prior written consent, which shall not be unreasonably withheld or delayed.

The term "Alteration" as used in this Lease shall mean any decoration, improvement, addition, change, installation or work of, in, or to the Demised Premises, including, without limitation, any of such involving electrical, air conditioning, ventilation, heating, plumbing, ceilings, stairways, partitions, demising walls within the Demised Premises, doors, gates, vaults, radiators, enclosures, and whether or not the same are made in connection with the repair, replacement or addition to trade fixtures or similar machinery and equipment.

In connection with any Alterations, Tenant shall:

A. Take out and maintain in force (and require its Contractors and subcontractors to take out and maintain in force) Workers Compensation Insurance, and public liability insurance in the amounts mentioned in Article "10" hereof, naming Landlord as an additional insured, and deliver certificates of all such insurance to Landlord prior to the commencement of any Alteration. The policy shall require thirty (30) days written notice to Landlord prior to cancellation or modification.

B. Submit in advance for Landlord's approval, which approval shall not be unreasonably withheld or delayed, all plans and specifications to be used in connection with any structural Alteration. Any such plans and specifications shall be approved by any governmental, municipal, or other authority having jurisdiction, and Tenant shall deliver to Landlord promptly after receipt thereof, copies of such written approval of such department or governmental authority. The Landlord is prohibited from requiring the Tenant to make any changes in alterations that would increase its cost, except any changes necessary because the Tenant's plans do not comply with applicable law.

C. Perform all Alterations in a good workmanlike manner, fully completed, free of all liens and encumbrances and in accordance with all applicable laws, rules and regulations but nothing herein shall be construed to prohibit Tenant from leasing, conditionally acquiring or granting a lien in any of Tenant's equipment or fixtures. Tenant shall be responsible for the proper maintenance of all of the Alterations performed by or on behalf of Tenant in the Demised Premises.

D. During the progress of the Alterations to be done by the Tenant hereunder, said Alteration shall be subject to inspection by representatives of the Landlord who shall be permitted access and the opportunity to inspect at all reasonable times.

E. Tenant shall proceed with all Alterations promptly and shall prosecute the same to completion with reasonable diligence and continuity.

F. Tenant shall, at its sole expense, obtain all required consents, authorizations and licenses from all federal, state and/or municipal authorities having jurisdiction over any of the Alterations. All the Alterations shall be done in accordance with the plans and specifications, and the consents, authorizations and licenses obtained. All Alterations shall be performed in compliance with the provisions of law and regulations applicable thereto. Landlord shall cooperate with Tenant in the obtaining of any and all necessary permits, authorizations and governmental approvals.

G. Tenant will indemnify and save Landlord, its agents or employees, harmless from and against any and all bills for labor performed and equipment, fixtures and materials furnished to Tenant and from and against any and all liens, bills or claims there for or against the Demised Premises or the building containing the same and from and against all losses, damages, costs, expenses, suits and claims whatsoever in connection with any such

Alteration, including, without limitation, any liability or charge for sales or other taxes imposed or demanded for labor or materials in connection therewith.

H. In the event that any Alteration shall cause an increase in the premiums paid by Landlord on any of its policies of insurance, Tenant shall, within ten (10) days after demand by Landlord, reimburse Landlord for the increased cost(s) of such insurance. Landlord agrees that the initial Tenant's Work and use of the Demised Premises in accordance with the use clause shall be deemed not to cause an increase in such insurance costs.

ARTICLE 9

Liens

Tenant shall not permit to be created nor to remain un discharged any lien, encumbrance or charge to be filed against the Demised Premises as a result of any materials provided to or work performed by or on behalf of Tenant including any Alterations made to the Demised Premises. If a lien, encumbrances or charge is filed, the Tenant shall, within thirty (30) days from the date of filing, cause the lien to be vacated by payment or by filing the requisite bond or commence an action to have the lien vacated and shall hold the Landlord harmless against the lienor's claim. The Tenant shall defend for its own account and for the account of the Landlord, at Tenant's expense, any action or proceeding brought to compel payment of the lienor's claim and, in the event of a final judgment in the lienor's favor, shall, without delay, satisfy the judgment and cause a satisfaction to be recorded and the lispendens, if any, vacated.

Tenant shall pay or cause to be paid all costs for work done by or on behalf of Tenant or caused to be done by or on behalf of Tenant on the Premises, and Tenant will keep the Premises, Building and Building Complex free and clear of all liens on account of such work done for or on behalf of Tenant or persons claiming by, through or under Tenant. In addition, the Tenant shall, on Landlord's behalf, post the premises pursuant to Colorado Revised Statute § 38-22-105, in the form as attached hereto as "Exhibit D" or in such other form as may be permitted by Colorado Revised Statute § 38-22-105 and provided to Tenant by Landlord. Tenant hereby agrees to indemnify, defend and save Landlord harmless of and from all liability, loss, damages, costs or expenses, including attorneys' fees, incurred in connection with any work performed for, or materials or supplies furnished to, Tenant. Should any such liens be recorded against the Premises, building or Building Complex, or should any action affecting title be commenced, Tenant shall cause such liens to be released of record within ten (10) days of notice thereof.

ARTICLE 10

Insurance

A. Tenant will provide, at its sole cost and expense, and keep in force during the term of this Lease and any Extended Term: (1) a comprehensive general liability policy of

insurance covering the Demised Premises, and the sidewalks adjacent to the Demised Premises. The minimum limits of liability of such insurance shall be \$1,000,000 for injury or death to one or more than one person and \$500,000 with respect to damage to property (the minimum limits of the comprehensive general liability policy of insurance shall in no way limit or diminish Tenant's liability hereunder); (2) plate glass (full coverage) insurance except Tenant shall have the right to self insure the plate glass; (3) sprinkler coverage for the Demised Premises if and when the Demised Premises have sprinklers; (4) insurance for damage arising from vandalism or malicious mischief; (5) property insurance providing all fixtures, property and equipment on, in or appurtenant to the Demised Premises, including all additions and improvements with insurance against loss or damage by fire with all standard extended coverage in an amount not less than 100% of the full replacement value, as set by Tenant's insurance carrier; and (6) Worker's Compensation Insurance covering all persons employed, in connection with any of Tenant's Work or other work performed by Tenant or any repair or alteration authorized by this Lease or consented to by Landlord, and all employees and agents of Tenant with respect to whom death or bodily injury claims could be asserted against Landlord or Tenant, as required by the State of Colorado.

B. In the event Tenant shall fail to deliver to Landlord the duplicate original, or a certificate, of such insurance, following written notice to Tenant, the Landlord on 5 days notice with a right to cure may cause such insurance to be issued and bills for the premiums there for shall be rendered by the Landlord to the Tenant at such times as Landlord may elect, and shall be due from, and payable by, the Tenant when rendered and the amount thereof shall be deemed to be, and paid as, Additional Rent, due with the next installment of Fixed Rent.

C. All such policies (except Worker's Compensation) shall name Tenant as insured and Landlord (and, if requested by Landlord, Landlord's Mortgagee) as additional insureds as their respective interests may be.

D. On request, Tenant shall deliver to Landlord executed copies of such policies of insurance or certificates thereof as are required hereunder and thereafter, executed copies of renewal policies or certificates thereof shall be delivered by Landlord within thirty (30) days prior to the expiration of the term of each such policy; however, if Tenant fails to deliver the insurance policies within thirty (30) days prior to the expiration of the term of each such policy it shall be delivered to Landlord after demand by Landlord within five (5) business days. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained in like manner and to like extent. All policies of insurance required hereunder must contain an endorsement that the company writing said policy will provide at least thirty (30) days notice in writing in advance of any cancellation or lapse of the effective date or any reduction in the amounts of insurance to each party insured thereby.

E. Tenant shall not violate or permit to be violated any of the conditions or provisions of any insurance policy required by this Lease, and Tenant shall so perform and satisfy the reasonable requirements of the companies writing such policies that at all times companies of good standing shall be willing to write and continue such insurance.

F. All insurance which is carried by either party hereunder, whether or not

required, shall include provisions, if obtainable, whereby the insurer agrees to waive any right of subrogation against the other party in connection with any loss or damage insured against thereby.

G. All of Tenant's insurance shall be procured from responsible insurance companies authorized to do business in Colorado, and shall be reasonably satisfactory to Landlord. All such policies shall name Landlord and Landlord's mortgagee(s), if any (if Landlord gives written notice to Tenant hereafter of the name(s) of such mortgagee(s), which notice Landlord may give from time to time in its sole and absolute discretion), as additional insures, and shall provide that the same may not be canceled or altered except upon thirty (30) days prior written notice to Landlord. Notwithstanding any other provision of this Lease, all insurance maintained by Tenant shall be primary to any insurance provided by Landlord. All commercial general liability insurance shall provide occurrences coverage, and Tenant shall provide continuous liability coverage for claims arising during this Lease. Tenant shall provide certificate(s) of such insurance to Landlord upon commencement of the initial term of this Lease and thirty (30) days prior to any renewal date thereof.

ARTICLE 11

Additional Rent

All costs and expenses which Tenant assumes or agrees to pay pursuant to this Lease (including without limitation Common Area Rent and Taxes on Real Estate shall at Landlord's election be treated as additional rent ("Additional Rent"), and, in the event of nonpayment, Landlord shall have all the rights and remedies herein provided for in the case of nonpayment of Fixed Rent. If Tenant shall default in making any payment required to be made by Tenant (other than the payment of Fixed Rent, Taxes on Real Estate, or Common Area Rent required by this Lease), or shall default in performing any term, covenant or condition of this Lease on the part of the Tenant to be performed, and after notice thereof has been given Tenant, which shall involve the expenditure of money by Tenant, Landlord, at Landlord's option, may, but shall not be obligated to, make such payment or, on behalf of Tenant, expend such sum as may be necessary to perform and fulfill such term, covenant and condition, including reasonable attorney's fees, and any and all sums so expended by Landlord, Tenant shall pay to Landlord a late charge equal to (5%) of the outstanding balance, plus any reasonable attorneys fees incurred by Landlord by reason of tenants failure to pay rent when due hereunder.

A. Landlord warrants and represents that the CAM currently being assessed is sufficient to cover all additional expenses being assessed to the Tenant. Landlord further represents that there have been no special assessments charged to the Tenants of the building during the last 5 years.

ARTICLE 12

Emergency Lighting

A. Tenant shall designate each exit from the Demised Premises with an illuminated sign.

B. Tenant shall, at its sole cost and expense, have sufficient emergency lighting to illuminate the Demised Premises and to comply with all laws, rules and regulations of governmental agencies and Landlord's and/or Tenant's insurance companies.

C. Landlord warrants that there are sufficient electrical outlets to comply with Article 12.

ARTICLE 13

Broker

The parties warrant and represent to each other that they have consulted no broker in connection with this transaction, other than NAI Highland LLC (collectively, the "Broker"). Each party agrees to hold the other harmless for any claims made by any broker (other than the Broker) resulting from said party's actions, and all costs, expenses and liabilities incurred by such other party in connection therewith, including attorneys' fees and expenses, resulting from the breach of representations hereunder. Landlord shall pay the commission due and the Broker pursuant to the terms of a separate agreement. The provisions of this Article 13 shall survive the Expiration Date or sooner termination of this Lease.

ARTICLE 14

Taxes

A. The Tenant agrees to pay, as Additional Rent during the Original Term of this Lease, and the Extended Term its pro-rata share (as such term is hereinafter defined) of any and all "Taxes on Real Estate" (as such term is hereinafter in Paragraph "B" defined) levied or assessed on or against the Shopping Center. Tax bills shall be conclusive evidence of the amount of such taxes and shall be used for the calculation of the amounts to be paid by the Tenant. Payment of the Taxes on Real Estate shall be made by Tenant to Landlord within twenty (20) days after Landlord shall have presented Tenant with tax bills, or if the tax bills are not available, within 20 days after Landlord submits to Tenant an estimated tax bill. Notwithstanding anything to the contrary contained herein, Tenant's obligation to pay Taxes on Real Estate shall commence on the Commencement Date.

B. Tenant's proportionate share of Taxes On Real Estate shall be equal to the product obtained by multiplying Taxes on Real Estate by a fraction the numerator of which shall be the number of square feet of floor area in the Demised Premises (4427 square feet), and the denominator of which shall be the total number of square feet of floor area in the Shopping

Center as of the date of assessment (currently, 36,532 square feet). Taxes on Real Estate shall be pro-rated for any partial year during the term of this lease. Tenant's proportionate share for Taxes on Real Estate shall be 12.03%.

C. The term "Taxes on Real Estate" shall mean and shall be deemed to include all real estate taxes, assessments, county taxes, transit taxes or any other governmental charge of a similar nature whether general, special, ordinary or extraordinary, foreseen or unforeseen, of any kind or nature whatsoever (including without limitation assessments for public improvements or benefits and interest on unpaid installments thereof) which may hereafter be levied, imposed or assessed against or upon the building and/or the land upon which the Shopping Center in which the Demised Premises are located is erected. If, due to a change in the method of taxation, any franchise, income, profit, sales, rental, use and occupancy or other tax shall be substituted for or levied against the Landlord or any owner of the building and/or the land in lieu of Taxes or Real Estate hereinabove defined, upon or with respect to the building or the land, such tax shall be included in the term "Taxes on Real Estate".

D. (i) In the event Landlord shall obtain a tax refund as a result of tax reduction proceedings or other proceedings of similar nature, then Tenant shall, except to the extent Tenant is then in default of the payment of Fixed Rent, Common Area Rent, Taxes on Real Estate or Additional Rent, and after the final conclusion of all appeals or other remedies, be entitled to the net refund obtained based upon rent on account of taxes on real estate paid by Tenant which is the subject of the refund. As used herein, the term "net refund" means the refund plus interest, if any, thereon, less appraisal, engineering, expert testimony, attorney, accounting, printing and filing fees and all other reasonable costs and expenses of the proceeding incurred by Landlord.

E. In the event the Landlord obtains a tax refund, and provided Tenant is not in default of any of the terms or conditions of this Lease, Tenant shall be entitled to its proportionate share of said refund, less any expenses incurred by Landlord.

ARTICLE 15

Parking

Tenant shall have the right in common with the Landlord and other tenants in the Shopping Center, their customers and invitees to use the parking area as shown in Exhibit II and driveways adjacent to the Demised Premises. The Tenant shall not make any changes and/or alterations to the driveways now existing.

ARTICLE 16

Force Majeure

If any of the following ("force majeure") shall occur: (i) strike, lockout or labor

dispute; (ii) inability to obtain labor and materials, or reasonable substitutes therefore; (iii) acts of God, governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, insurrection, revolution, sabotage, fire or other casualty; or (iv) matters beyond the reasonable control of the parties obligated to perform, and, as a result of any such event, either party hereto shall fail to perform punctually any obligation of this Lease, except the payment of Fixed Rent, Common Area Rent, Taxes on Real Estate and Additional Rent within the period set forth in this Lease for performance, then such time for performance shall be extended for the period equal to the duration of the delay caused by such event, but such party shall punctually perform the obligations of this Lease as soon as practicable after the reason for such delay has ceased.

ARTICLE 17

Governmental Approvals and Compliance with Laws

Tenant shall obtain, at Tenant's sole cost and expense, all governmental licenses, approvals, certificates and permits required for the operation of its business at the Demised Premises. Tenant shall comply or cause compliance with all present and future laws, orders, and regulations of governmental authorities relating to Tenant's use of the Demised Premises. Landlord shall not be obligated to comply or cause compliance with any present or future laws, orders, or regulations of governmental authorities if related to, or arising out of the Tenant's use and occupancy of the Demised Premises or, the performance of Tenant's Work.

ARTICLE 18

Sign and Front Window

Tenant shall be permitted to place Tenant's own signage on the exterior facade of the Premises after obtaining Landlord's prior written approval thereof (including but not limited to the design, color, size and style thereof), which approval shall not be unreasonably withheld. All signage placed or used by Tenant shall be subject to all applicable laws, rules and regulations of governmental and/or quasi-governmental authorities. Landlord shall have the right to remove all non-permitted signs without notice to Tenant and at the expense of Tenant. Tenant shall pay for the panel and the initial installation of the signage for the pylon. Tenant shall be permitted to install an additional box for signage on the pylon sign. This additional box and any supporting fixtures associated with the sign shall remain on the pylon sign upon tenant vacating the premises. Tenant shall be permitted to temporarily utilize the box signage 3rd from the top on the pylon sign – formerly the Family Dollar sign space – until a lease is signed for the Suite A within the premises. Once lease is signed for Suite A, Grow Generations shall remove panel from pylon sign. Any changes to signage after the initial installation shall be at Tenant's sole cost and expense.

A. Tenants sign rendering is attached hereto and the Landlord hereby approves said signage.

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ARTICLE 19

Lesser Payments

No payment by the Tenant or receipt by the Landlord of a lesser amount than the Fixed Rent or Additional Rent demanded by Landlord shall be deemed other than a payment on account of the earliest Fixed Rent or Additional Rent due, nor shall any endorsement or statement on any check or on any letter accompanying any check or payment as Fixed Rent or Additional Rent be deemed an accord and satisfaction and the Landlord may accept such check or payment without prejudice to its right to recover the balance of the Fixed Rent or Additional Rent or to pursue any other remedy provided for in this Lease.

ARTICLE 20

Indemnity

Tenant, during the Original Term, any Extended Terms and any period in which Tenant occupies or uses the Demised Premises, shall indemnify and save harmless the Landlord, Landlord's agents, servants and employees and Landlord's lessor, if any, from and against any and all claims and demands whether for injuries to persons or loss of life, or damage to property, arising out of the use and occupancy of the Demised Premises or Shopping Center by Tenant, or occasioned by any act or omission of Tenant, its agents, contractors, employees, servants, lessees, concessionaires, invitees, licensees and customers, including but not limited to Tenant's obligations under Articles 55 and 60, except to the extent caused by Landlord, Landlord's agents, servants and/or for employees.

ARTICLE 21

Exculpation

If the Landlord or any successor in interest be a an individual, a joint venture, a tenancy in common, a co-partnership, an unincorporated association, or other unincorporated aggregate of individuals (all of which are referred to below, individually and collectively, as an "unincorporated Landlord") then, anything elsewhere to the contrary notwithstanding, Tenant shall look solely to the estate and property, if any, of such unincorporated Landlord in the land and building of which the Demised Premises are a part, for the satisfaction of Tenant's remedies for the collection of a judgment (or judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed and/or performed by Landlord, and no

other property or assets of such unincorporated Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies.

ARTICLE 22

Air Conditioning, Heat and Utilities

(a) Currently, the Premises and Shopping Center are not separately metered for water and sewer. Landlord will provide water and sewer to the Premises for Tenants use and occupancy (including but not limited to its use in bathrooms, and drinking fountains). The cost of water and sewer service provided by Landlord shall be paid by Tenant as Additional Rent. Notwithstanding the foregoing, Landlord shall have the right during the Term of this Lease, to have the Demised Premises sub-metered for water and sewer.

(b) The Premises are separately metered for gas and electric utility services. Tenant shall be responsible for contracting with the appropriate utility supplier for gas and electric service to the Premises. Tenant shall contract for the telephone services to the Premises. Tenant shall be responsible for obtaining janitorial, window cleaning and trash removal services inside the Premises. Tenant shall be responsible for prompt and timely payment of all fees and costs for utility services to the Premises directly with the applicable utility supplier.

(c) Tenant agrees that Landlord shall not be liable for failure to supply any services during any period when Landlord uses reasonable diligence to supply such services, or during any period Landlord is required to reduce or curtail such services. In the event of any such interruption, reduction or discontinuance of Landlord's services, Landlord shall not be liable for damages, nor shall the occurrence of any such event in any way be construed as an eviction of Tenant or cause or permit an abatement or reduction of rent, or operate to release Tenant from any obligations.

(d) Tenant at its sole cost and expense shall take good care of the Premises and keep the same free from waste, and Tenant shall pay all charges for janitorial services performed in the Premises during this Lease.

ARTICLE 23

Assignment by Landlord

Landlord may sell the Demised Premises, Shopping Center, or Landlord's interest therein or assign its interest in this Lease, or any part thereof, in the exercise of its sole discretion, and upon the written request of Landlord, Tenant shall acknowledge the consent to

any such assignment in writing. Landlord shall be entirely freed and relieved of all agreements and obligations of Landlord hereunder accruing or to be performed after the date of such sale or assignment; provided the purchaser or assignee assumes all obligations – including all existing un discharged obligations – of the Landlord, including the obligation to return the Tenant's security deposit and refund any previous rent overcharges. Additionally, upon the written request of Landlord, Tenant shall provide any information or certification (in form and substance reasonably satisfactory to Landlord) of the status of this Lease reasonably requested by Landlord and Tenant shall execute any memoranda, certificate or any other document in recordable form or otherwise as reasonably required by Landlord or to undertake any action reasonably requested by Landlord to evidence the existence of this Lease or to effectuate any such sale or assignment.

ARTICLE 24

Assignment and Subletting by Tenant

Tenant may not assign this Lease or sublet all or any portion of the Demised Premises without Landlord's consent, which consent shall not be unreasonably withheld or delayed. If Tenant sells its business through an asset sale, stock sale, merger or other transaction, Landlord's consent shall not be unreasonably withheld or delayed. In the event the Landlord consents to an assignment of this Lease, the assignee shall provide the Landlord with a guaranty reasonably acceptable to the Landlord.

In the event the Landlord consents to an assignment of this Lease, the Guaranty defined in Article 61 shall be deemed terminated and Tenant shall be released from any liability under this Lease.

ARTICLE 25

Recording

This Lease or any Memoranda thereof shall not be recorded by Tenant.

ARTICLE 26

Termination and Hold Over

(a) Whenever Tenant shall default in the payment of any installment of Fixed Rent, Additional Rent, Taxes on Real Estate or Common Area Rent, and such default shall continue for ten (10) days after Landlord shall have given to Tenant a written notice specifying such default; or

(b) Whenever Tenant shall do, or permit anything to be done, whether by action or inaction, contrary to any covenant or agreement on the part of Tenant herein contained or contrary to any of the covenants, agreements, terms or provisions of this Lease, or shall fail in the keeping of performance of any of the covenants, agreements, terms or provisions contained in this Lease which on the part or behalf of Tenant are to be kept or performed (other than those referred to in the foregoing paragraph (a) of this Article 26), and Tenant shall fail to commence to take steps and remedy the same within thirty (30) days after Landlord shall have given to Tenant a written notice specifying the same, or having so commenced shall thereafter fail to proceed diligently to remedy the same; or

(c) Whenever an involuntary petition shall be filed against Tenant under any bankruptcy or insolvency law or under the Reorganization provisions of the United States Bankruptcy Act or under the provisions of any law of like import, or a Receiver or Trustee of Tenant or of or for the property of Tenant shall be appointed without the acquiescence of Tenant, and such situation under this paragraph (c) shall continue and shall not be remedied by Tenant within thirty (30) days after the happening of any such event; or

(d) Whenever Tenant shall make an assignment of the property of Tenant for the benefit of creditors or shall file a voluntary petition under any bankruptcy or insolvency law, or whenever any court of competent jurisdiction shall approve a petition filed by Tenant under the Reorganization provisions of the United States Bankruptcy Act or under the provisions of any law of like import, or whenever a petition shall be filed by Tenant under the Arrangement provisions of the United States Bankruptcy Act or under the provisions of any law of like import, then, regardless of and notwithstanding that Landlord prior to the giving of such notice, shall have received rent or any payment, however designated, for the use of the Demised Premises from or on behalf of Tenant or from any other person and regardless of and notwithstanding the fact that the Landlord has or may have some other remedy under this Lease or by virtue hereof, or in law or in equity;

Then with respect to a Tenant's default under this Lease, Landlord or its attorneys, Hogan Lovells US LLP (or its successor by merger or otherwise), may at any time after any of such events, and the giving of such notice as may be required hereunder, give to Tenant a notice of intention to end the Term of this Lease, specifying a day not less than five (5) days thereafter and, upon the giving of such notice, this Lease and the term and estate hereby granted shall expire and terminate upon the day so specified in such notice as fully and completely and with the same force and effect as if the day so specified were the date hereinabove fixed for the expiration of the Original Term or any Extended Term of this Lease and all rights of Tenant under this Lease shall expire and terminate, but Tenant shall remain liable for damages as hereinafter provided in this Lease.

(e) Upon any such termination or expiration of this Lease, Tenant shall peaceably quit and surrender the Demised Premises, in broom clean condition, to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess itself thereof, by summary proceedings, eviction or otherwise, and may dispossess and remove Tenant and all other persons and property from the Demised Premises and may have, hold and enjoy the Demised Premises and the right to receive all rental and other income of and from the same. No

re-entry by Landlord shall be deemed an acceptance of a surrender of this Lease.

(f) Upon the termination or expiration of the term of this Lease, should the Tenant holdover and remain in possession of the Demised Premises, the Tenant shall pay as use and occupancy a sum equal to two times the monthly Fixed Rent provided for in Article 4 hereof for the last month of the Original Lease Term, together with a sum equal to all Additional Rent payable hereunder for each month or part thereof during which the Tenant remains in possession of the Demised Premises beyond the expiration of the term hereof.

ARTICLE 27

Assignment in Bankruptcy

Without limiting any of the provisions of the United States Bankruptcy Code (or any similar law hereafter enacted having the same general purpose), if Tenant files a petition (or a petition is filed against Tenant) under the United States Bankruptcy Code and Tenant is permitted to assign this Lease notwithstanding the restrictions contained in this Lease, adequate assurance of future performance by an assignee expressly permitted under such Code shall be deemed to mean the deposit of cash security in an amount equal to the sum of one (1) year's Fixed Rent plus an amount equal to the Additional Rent for the Lease Year preceding the year in which the assignment occurs, which deposit shall be held by Landlord for the balance of the Lease Term, without interest, as security for the full performance of all of Tenant's obligations under this Lease.

ARTICLE 28

Merger

Subject to the terms of this Lease all negotiations, considerations, representations and understanding between the parties are incorporated in this Lease. Landlord or Landlord's agents have made no representations or promises with respect to the Demised Premises, except as herein expressly set forth.

ARTICLE 29

Executed Counterparts of Lease

This Lease may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall

together constitute but one and the same Lease.

ARTICLE 30

No Offer

The submission of this document to Tenant for examination does not constitute an offer to lease, or a reservation of or option to lease, and becomes effective only upon execution and delivery thereof by Landlord and Tenant.

ARTICLE 31

Severability

If any provision of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease or any part thereof to be drafted. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

ARTICLE 32

Remedies on Default

It is covenanted and agreed by Tenant that in the event of the expiration or termination of this Lease or re-entry by Landlord by summary proceedings or otherwise, by reason of default hereunder on the part of Tenant, Tenant will pay to Landlord, as damages:

(a) an aggregate amount equal to the Fixed Rent, Taxes on Real Estate and all Additional Rent, which would have been payable by Tenant for the balance of the Term had this Lease not so terminated, expired or if Landlord had not re-entered the Demised Premises by summary proceedings or otherwise, payable upon the rent days specified herein following such termination, expiration or such re-entry and until the date hereinabove set for the expiration of the full term hereby granted (including any Extended Terms, if exercised by Tenant), provided, however, that such amount shall first be discounted at the rate of 8% per annum to determine the present value of such aggregate amount. If any amount is not presently calculable (i.e. future Taxes on Real Estate), the parties agree that the then prevailing amount shall be used for purposes of such calculation.

(b) Landlord shall not be required to release the Demised Premises nor

exercise any other right granted to Landlord hereunder, nor shall Landlord be under any obligation to minimize Tenant's loss as a result of Tenant's default. If Landlord attempts to release the Demised Premises, Landlord shall be the sole judge as to whether or not a proposed tenant is suitable and acceptable. Landlord shall not be liable for failure to release the Demised Premises.

ARTICLE 33

Subordination and Non Disturbance

This Lease and all rights of Tenant hereunder are subject and subordinate (i) to any mortgage or deed of trust, blanket or otherwise (hereinafter "Permanent Mortgage"), which does now or may hereafter affect the Demised Premises, Common Areas or Shopping Center (and which may also affect other property) and (ii) to any and all increases, renewals, modifications, consolidations, replacements and extensions of any such Permanent Mortgage.

ARTICLE 34

Security Deposit

Tenant has deposited with Landlord the sum of \$4,762.52 (1 month rent, CAM's Taxes and Insurance) as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this Lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this Lease, including, but not limited to, the payment of Fixed Rent, Taxes on Rent Real Estate, Common Area Rent and Additional Rent, Landlord may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of the sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants and conditions of this Lease, including, but not limited to, any damages or deficiency in the re-letting of the Demised Premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord. In the event Landlord shall use and apply any such security as heretofore provided, Tenant shall within ten (10) days of demand by Landlord deposit with Landlord an amount equal to the amount so used and applied, such sums to be held as security hereunder. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the security shall be returned to Tenant after the date fixed as the end of the Lease and after delivery of entire possession of the Demised Premises to Landlord. In the event of a sale of all or a portion of the Shopping Center, of which the Demised Premises form a part, Landlord shall have the right to transfer the security to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look to the new Landlord solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Landlord nor its successors or assigns shall be

bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

ARTICLE 35

Condemnation

(a) If the entire Demised Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, or conveyance shall be made in lieu thereof, this Lease shall terminate and expire as of the date of such taking, and the parties shall thereupon be released from any further liability hereunder.

(b) In the event that any part of the Demised Premises shall be condemned or taken by eminent domain for any public or quasi-public purpose, then this Lease shall be and remain unaffected by such condemnation or taking, except that the Fixed Rent and Additional Rent allocable to the part so taken shall be apportioned as of the date of taking, provided, however, that Tenant may elect to cancel this Lease in the event that (i) more than thirty (30%) percent of the Demised Premises should be so condemned or taken, or (ii) the parking accommodations are reduced in and for the Shopping Center below 2.75 automobile spaces per 1,000 square feet of retail space or (iii) in the event of any taking which results in the change of any street so as to permanently prevent or substantially interfere with free access to the Demised Premises or Shopping Center or (iv) Tenant determines that the Demised Premises is no longer of sufficient size for Tenant's use provided such notice of election is given by Tenant no later than forty-five (45) days after the date when title shall vest in the condemning authority. Upon such partial taking and this Lease continuing in force as to any part of the Demised Premises, the Fixed Rent and Additional Rent shall be diminished by an amount representing the part of the Fixed Rent and Additional Rent properly applicable to the portion or portions of the Demised Premises which may be so condemned or taken. If as a result of the partial taking (and this Lease continuing in force as to the part of the Demised Premises not so taken), any part of the Demised Premises not taken is damaged, Landlord agrees with reasonable promptness to commence the alteration necessary to restore the damaged portion to the condition existing immediately prior to the taking, and prosecute the same with reasonable diligence to its completion but nothing contained herein shall require Landlord to provide, install or repair any of Tenant's property, trade fixtures or items which Landlord is not obligated to provide or maintain under this Lease. The cost of Landlord's obligation as provided in this Article 35 shall be limited to the net proceeds of the condemnation award actually received by Landlord.

(c) Tenant shall have no claim for the value of the unexpired term of this Lease and hereby assigns to Landlord Tenant's entire interest in any award given in connection with this Lease and/or the Demised Premises. Nothing herein provided shall preclude Tenant from appearing, claiming, proving and receiving, in any condemnation proceeding with respect to the Demised Premises, Tenant's moving expenses, the value of Tenant's alterations, installments and improvements which do not become part of the Demised Premises or property of Landlord, for damages for interruption of business in the Demised Premises, or for loss of good will provided such claim does not otherwise diminish any award to which Landlord is entitled.

(d) Until said unaffected portion is restored, Tenant shall be entitled to a proportionate abatement of Fixed Rent and Additional Rent for that portion of the Demised Premises which is being restored and is not usable until the completion of the restoration or until the said portion of the Demised Premises is used by Tenant for Tenant's retail purposes, whichever occurs sooner. Said unaffected portion shall be restored within a reasonable time but not more than nine (9) months after the receipt of the condemnation award. Should Landlord fail to complete the restoration within the said nine (9) months, Tenant may elect to cancel this Lease and the term hereby granted in the manner and with the same results as set forth in the next two sentences of this paragraph (d). In the event of a taking of at least fifty percent (50%) of the Demised Premises, or in the event of a taking of at least fifty percent (50%) of the Shopping Center (other than the Demised Premises) during the last two (2) years of the then existent term, then, and in either such event, either Landlord or Tenant may elect to cancel this Lease and term hereby granted, provided such party shall, within thirty (30) days after such taking, give notice to that effect, and upon the giving of such notice, the Fixed Rent and Additional Rent shall be apportioned and paid to the date of expiration of the term specified and this Lease and the term hereby granted shall cease, expire and come to an end upon the expiration of said thirty (30) days specified in said notice; provided however, that if, prior to the expiration of thirty (30) days following the taking, Tenant exercises such options to extend the period of the Lease as are available as of the date of the taking as will result in there remaining thereafter at least ten (10) years to the term of this Lease, then this Lease shall remain in full force and effect notwithstanding that notice of termination may have been given by Landlord prior to the exercise of the option, and Landlord shall be obligated to restore as hereinabove provided. If either party shall so elect to end this Lease and the term hereby granted, Landlord need not restore any part of the Demised Premises.

(e) If the temporary use or occupancy of all or any part of the Demised Premises shall be so taken, the Term shall not be reduced or affected in any way; however, Tenant's obligations to pay Fixed Rent, Percentage Rent, Common Area Rent and Additional Rent shall abate proportionately for the period of the taking. If the temporary period of taking shall extend beyond the expiration of the term of this Lease, the portion of the award representing compensation for the use and occupancy of the Demised Premises shall be apportioned between Landlord and Tenant as of said expiration date of said term and Landlord shall receive that portion of the award which represents reimbursement for the cost or restoration of the Demised Premises.

ARTICLE 36

Shoring and Rights of Entry by Landlord and Others

A. In the event that an excavation shall be made for building or other purposes upon land adjacent to the Demised Premises, or shall be contemplated to be made, Tenant shall afford to the person or persons causing or authorizing to cause such excavation, license to enter upon the Demised Premises for the purpose of doing such alteration as shall be reasonably necessary to preserve the wall or walls, structure or structures of the adjoining building and/or the building of which the Demised Premises forms a part from injury or damage

and/or to support the same by proper foundations without any claim for damages or indemnity against Landlord, diminution or abatement of rent, provided such entry does not substantially interfere with the Tenant's business activities. Tenant shall not waive its right to sue any third party if such shoring, etc., is not done properly or damages the Tenant's property.

B. The Tenant agrees to permit and allow the Landlord, as well as the public utilities or other suppliers, furnishing services to the Demised Premises or supplying facilities thereto, artisans and mechanics, their servants, agents and employees, to enter upon the Demised Premises during the Tenant's regular business hours, or in the event of an emergency at any other hours, for the purpose of using a reasonable portion of the same for the erection, maintenance and servicing of meters, conduits, traps, pipes, switch boxes and switches, valves, etc., which may be necessary or required for the proper operation of the Demised Premises or of any building to be erected thereon by the Landlord and for the safety and convenience of the Tenant, and the Landlord shall be permitted to make any reasonable change and/or modification of the location, replacement, addition, repair or substitution of such facilities, utilities, etc.

C. In the event of any shoring and/or excavation, Landlord agrees to use reasonable efforts so as not to substantially interfere with Tenant's day-to-day business operations.

D. The Landlord currently has no plans to perform any shoring and/or excavation at the premises

ARTICLE 37

Common Area Rent

(a) Common Areas of the Shopping Center shall include, but not be limited to, any and all parking areas, roads, streets, drives, tunnels, passageways, sidewalks, landscaped areas, open and enclosed malls, ramps, walkways arcades, entrances and exits shown on Exhibit "A" to this Lease. Notwithstanding anything to the contrary contained herein, Tenant agrees that it will not unreasonably withhold its consent to changes on Exhibit "A".

(b) Landlord may designate a portion of the Common Areas as an employee parking area for the parking of automobiles by employees of the tenants and occupants of the Shopping Center. Landlord shall use reasonable efforts to enforce the parking of such employees' automobiles in said designated area and to prevent their parking in areas intended for automobile parking by customers of the tenants and occupants of the Shopping Center.

(c) Except as may be otherwise provided in this Lease the Common Areas shall be used solely for the respective purposes intended and for no other purpose and solely by the Tenant and other tenants and occupants of the Shopping Center, their customers, licensees, employees and all others having business with them and by no other parties.

(d) Tenant, its customers, employees, invitees and all those having business

with Tenant, shall have the right, in common with the other tenants and occupants of the Shopping Center and their respective customers, employees and invitees and all those having business with such other tenants and occupants, to use the Common Areas of the Shopping Center for parking and for ingress and egress from the Demised Premises and/or the Shopping Center and for all other respective purposes intended.

(e) Throughout the Term of this Lease and all Extension Periods hereof Landlord shall keep and maintain the Common Areas in reasonably good condition and repair, including, but not limited to, repairs, replacements, restriping, repaving, adequate drainage and free of snow, ice, water, rubbish, and other obstructions and in a neat, clean, orderly and sanitary condition.

(f) The term "Tenant's Common Area Rent" or "Common Area Rent" shall mean, for any period, the product of (i) the actual cost and expense for the maintenance and operation of the Common Areas and other charges as set forth herein plus ten (10%) percent of the amount thereof as an administrative expense (hereinafter called "Common Area Costs") for such period and (ii) the fraction, the numerator of which shall be the number of square feet of the Demised Premises at the end of such period, and the denominator of which shall be the total number of square feet of ground floor of all of the buildings in the Shopping Center (including the Demised Premises) at the end of such period. The Common Area Costs shall include, without limitation, 5% Property Management fee on base rents, the costs and expenses of maintaining the Common Areas, including without limitation the costs of striping or repaving the parking lots, maintaining the Shopping Center pylon signs, lighting, landscaping, snow plowing, labor and related payroll taxes, for persons performing services at the Common Areas, supplies, repairs to the parking surface and cleaning, rent insurance, sanitary control, removal of rubbish, garbage and other refuse, security/ fire alarm monitoring, machinery, equipment, vehicles and supplies used in the operation and maintenance of the Common Areas; costs and expenses in connection with maintaining federal, state or local governmental ambient air and environmental standards; replacement of paving, curbs and walkways, fountains, if any, cost of personnel to implement all of the aforementioned (including, fringe benefits and workers compensation insurance covering personnel); other similar direct costs of the type incurred in the operation of comparable properties to cover Landlord's administrative and overhead costs, including management costs and expenses. In addition thereto, Common Area Costs shall include costs incurred by Landlord in painting exterior walls of buildings in the Shopping Center and the premium paid by Landlord for liability insurance on the Shopping Center. The Common Area Costs shall be proportionately allocated to any partial lease year, without duplication, all in accordance with generally accepted accounting principles. The costs of capital improvements and structural repairs and replacements made in or to the Building Complex or the cost of any machinery or equipment installed in the Building Complex in order to conform to changes, subsequent to the Commencement Date, in any applicable laws of any authority having jurisdiction over the Building Complex; the costs of any capital improvements and structural repairs and replacements designed primarily to reduce Common Area Costs; and a reasonable annual reserve for all other capital improvements and structural repairs and replacements; provided, however, that the cost of each such capital improvement, structural repair and replacements and the cost of such machinery or equipment shall be amortized over their useful life as Landlord shall reasonably determine, with interest at the rate of three percent (3 %) above

the prime rate announced from time to time by 5Star Bank in Colorado Springs, Colorado.

(g) Throughout the original Term of this Lease and any Extension Periods thereof, Tenant agrees to pay to Landlord as its contribution to Common Area Costs, the Tenant's Common Area Rent for the full lease year or partial lease year covered thereby. As used herein, the term "full lease year" shall mean a period of twelve (12) consecutive calendar months and to the extent that any lease year be more or less than said period then any charges there for shall, as the case may be, be proportionately adjusted on a per diem basis to cover the period which such lease year, as is more or less than said twelve (12) month period, does in fact encompass.

(h) Tenant shall pay to Landlord upon demand, but not more than once a month, Tenant's share of the Common Area Rent which shall be based on a calendar year. Tenant's payments shall be based upon Landlord's estimate subject to readjustment as hereinafter provided in paragraph (i) of this Article. Tenant's current proportionate share for calculating Tenant's Common Area Rent shall be 12.03%, which is based on 36,532 square feet.

(i) As soon as practicable following the end of any calendar year, Landlord shall furnish Tenant with a statement, showing the total Common Area Rent for the calendar year just expired, the amount of Tenant's share of such Common Area Rent and payments made by Tenant during such calendar year under paragraph (h) of this Article. If Tenant's share of such Common Area Rent for such calendar year shall exceed Tenant's payments as shown on such statement, then Tenant shall within thirty (30) days pay the difference to the Landlord. If the statement indicates an overpayment by the Tenant, then Tenant shall be entitled to offset such excess against payments becoming due under paragraph (h) of this Article.

(j) Landlord warrants and represents that the CAM currently being assessed has been and is sufficient to cover all common area rent being assessed to the Tenant.

ARTICLE 38

Landlord's Representation

A. Landlord represents and warrants to Tenant that Landlord (i) is the business owner of the Shopping Center; (ii) that the party executing this Lease on behalf of the Landlord has the authority to do so.

ARTICLE 39

Notices

Any notice, communication or demand which under the terms of this Lease or under any statute must or may be given or made by Landlord to Tenant or by Tenant to Landlord shall be in writing, and shall be delivered by hand or sent prepaid by telex, cable or telecopier, or

sent, postage prepaid by registered, certified or express mail, or reputable overnight courier service, and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three (3) days after mailing (one [1] business day in case of express mail or overnight courier service) as follows:

TO LANDLORD: Sierra Services Group LLC
15954 Jackson Creek Pkwy, Suite B-281
Monument, CO 80132

WITH A COPY TO TENENT: Grow Generation Pueblo Corp.
609 E. Enterprise Drive, Suite 150
Pueblo West, Colorado 81007
darren@GrowGeneration.com

WITH A COPY THEREOF TO: Hogan Lovells US LLP
Suite 1300
Two North Cascade Ave.
Colorado Springs CO 80903

ARTICLE 40

Destruction, Fire and Other Casualty

A. If the Demised Premises or any part thereof be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Landlord and this Lease shall continue in force and effect except as hereinafter set forth. If all or any part of the Shopping Center, including, but not limited to the Demised Premises is damaged or destroyed by fire or other cause, Landlord, except as set forth herein, shall commence promptly, and with reasonable dispatch continue to restore same to substantially the same condition as existed immediately preceding the damage or destruction. Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that Landlord shall not be obligated to commence such repair or restoration until insurance proceeds are received by Landlord and Landlord's obligation hereunder shall be limited to the insurance proceeds actually received by Landlord. If the Demised Premises is damaged or destroyed in whole or in part by fire or other cause, and if this Lease be not terminated as provided in this Article, then the Fixed Rent, all Additional Rent and Tenant's other charges payable under this Lease shall be abated pro rata for the period from the date of such damage or destruction until restoration of the Demised Premises, to the extent that the Demised Premises is rendered untenantable by such damage or destruction. If such damage or destruction is of such an extent that in Landlord's reasonable judgment it shall be required to fully close the Demised Premises for business to the public, then the foregoing costs shall be abated in full until such restoration be completed. If such damage or destruction shall occur to portions of the Shopping Center other than the Demised Premises, and shall be of such a nature as to materially obstruct, or materially interfere with, (in whole or in part) the operation of

Tenant's business in the Demised Premises, then there shall be an equitable abatement of Fixed Rent and the other charges payable by Tenant to Landlord hereunder until such damage is repaired or destroyed portions restored.

B. In the event that Landlord shall not complete its repair or restoration work to the Demised Premises and/or Shopping Center, within twelve (12) months after such casualty, then Tenant or Landlord shall have the right to terminate this Lease. Tenant or Landlord shall make its election to terminate this Lease by giving notice to the other within thirty (30) days after the expiration of the twelfth month. Tenant's failure to timely notify the Landlord of its intent to terminate this Lease shall operate to extend the Landlord's time in which to restore the Demised Premises or Shopping Center for an additional six (6) months from the expiration of the twelfth month subject to the exercise by Tenant of a further right to terminate this Lease if Landlord shall not complete its repair or restoration work within such additional six (6) month period.

C. Notwithstanding anything to the contrary in this Lease contained, if the Demised Premises are damaged or destroyed during the last twenty-four (24) calendar months of the then existent term of this Lease to an extent equal to at least seventy five (75%) percent of their full insurable value, then either Landlord or Tenant may terminate this Lease as of the date of the occurrence of such damage or destruction by notice to the other party within thirty (30) days after the occurrence of such damage or destruction.

D. Tenant covenants and agrees to re-open at the Demised Premises as soon as practicable after notice from Landlord that the Demised Premises are ready for re-occupancy.

ARTICLE 41

Plate Glass

Tenant agrees that it will replace any plate glass broken or damaged upon the Demised Premises at its own cost and expense, excepting that it shall not be obligated to replace any plate glass broken or damaged by Landlord under the Lease or due to default of Landlord under this Lease or the negligence of Landlord, its agents, servants or employees in which event Landlord shall replace the same.

ARTICLE 42

Intentionally Omitted.

ARTICLE 43

Extermination

A. Promptly upon the execution hereof and during the entire term of this

Lease, the Tenant agrees, at its sole cost and expense, to contract for and provide reasonable exterminating services in the Demised Premises for rodent and pest control and to maintain the same as are reasonably required. In the event of the failure of the Tenant to continue to maintain such exterminating services, the Landlord may provide the same and charge the full cost thereof to the Tenant as additional rent which shall be payable in accordance with the provisions hereof.

B. Tenant, at its own cost and expense, shall install and maintain adequate facilities, traps and equipment required for the trapping of all greasy substances and waste products so as to prevent the same from clogging or otherwise interfering with waste outlets and drains and to prevent any interference with the proper operation of plumbing lines and sewerage and waste disposal system of the building of which the Demised Premises are a part.

C. Landlord warrants and represents that the premises do not currently have a Pest or Rodent issue.

ARTICLE 44

Governing Law

The Lease shall be governed by, and construed and enforced in all respects in accordance with, the laws of the State of Colorado.

LANDLORD AND TENANT AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS LEASE AND/OR IN CONNECTION WITH ANY GUARANTY EXECUTED IN CONNECTION HERewith SHALL BE BROUGHT, TRIED AND LITIGATED ONLY IN THE COLORADO STATE COURTS LOCATED IN THE COUNTY OF FREMONT, COLORADO. EACH PARTY WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS ARTICLE 44. EACH PARTY HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

ARTICLE 45

Rights Reserved to Landlord.

Landlord shall have the following rights without liability to tenant:

- (a) to install and maintain signs on the exterior of the building;
- (b) to do or permit to be done any work in or about the exterior of the building or any

adjacent or nearby building, land, street or alley; and ; Landlord represents that any such work will not interfere with Tenants right to peacefully and quietly enjoy the premises

- (c) to grant to anyone the exclusive right to conduct any business or render any service in the building, provided such exclusive right (i) does not violate the exclusive right granted to Tenant under Article 5(A) and (ii) shall not operate to exclude tenant from the use expressly permitted by this lease.

ARTICLE 46

Survival of Tenant's Obligations

Any obligation of Tenant which by its nature or under the circumstances can only be, or by the provisions of this Lease, may be performed after the expiration or earlier termination of this Lease, and any liability for a payment which shall have accrued to or with respect to any period ending prior to or at the time of such expiration or termination, unless expressly otherwise provided in this Lease, shall survive the expiration or earlier termination of this Lease.

ARTICLE 47

Estoppel Certificates

Upon the reasonable request of either party, at any time or from time to time, Landlord and Tenant agree to execute, acknowledge and deliver to the other, within twenty (20) days after request, a written instrument, duly executed and acknowledged, (a) certifying that this Lease has not been modified and is in full force and effect or, if there has been a modification of this Lease, that this Lease is in full force and effect as modified, stating such modifications, (b) specifying the dates to which the Fixed Rent and Additional Rent have been paid, (c) stating whether or not, to the knowledge of the party executing such instrument, the other party is in default, stating the nature of such default, and (d) whether or not there are then existing any setoffs or defenses against the enforcement of any of the obligations hereunder upon the part of the Landlord or Tenant, as the case may be, to be performed or complied with (and, if so, specifying the same).

ARTICLE 48

Quiet Enjoyment

Landlord covenants and agrees that Tenant, upon performance of all of its obligations under this Lease, shall peaceably and quietly hold and enjoy the Demised Premises and shall have the rights to the Common Areas of the Shopping Center as provided for herein,

throughout the Original Term and all Extended Terms.

ARTICLE 49

Mortgagee Modifications

If, in connection with obtaining financing for the Demised Premises or Shopping Center or any refinancing or substitute, new or additional financing, a lender or the holder of a superior mortgage shall request reasonable modifications of this Lease, Tenant shall promptly consent to such modifications, provided such modifications do not materially increase the obligations of Tenant under this Lease or affect the leasehold interest of Tenant created by this Lease.

ARTICLE 50

Trade Fixtures and Equipment

Tenant may install in the Demised Premises, at its sole cost and expense, such trade fixtures and equipment as Tenant deems desirable and all of said items shall remain Tenant's property and Tenant may remove and/or replace said fixtures and equipment in the Demised Premises at any time and from time to time during the lease term or any extension period thereof or within ten (10) days after the expiration or the termination of the Lease or any extension period thereof, provided such removal does not adversely affect the structural portions of the Demised Premises.

Tenant at its expense shall immediately repair any damage occasioned by the removal of its fixtures, equipment, personal property, signs and contents, and upon expiration or earlier termination of this Lease, shall leave the Demised Premises in a neat and clean condition, free of debris, normal wear and tear excepted.

Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation in the Demised Premises as well as upon its trade fixtures, merchandise and other personal property in, or upon the Demised Premises. If any such items of property are assessed with property of Landlord, then such assessment shall be equitably divided between Landlord and Tenant to the end that Tenant shall pay only its equitable portion of such assessment.

ARTICLE 51

Access to Premises

Tenant shall permit Landlord to enter upon the Demised Premises, at all reasonable times, during customary business hours of Tenant, but only so long as Landlord shall not unreasonably interfere with the conduct of Tenant's business, or, in the case of a bona fide emergency, at any time:

(a) to make repairs, changes, replacements, and restorations to the Demised Premises as required or permitted under this Lease and to exhibit same to prospective purchasers and mortgagees of the Demised Premises or Shopping Center, and

(b) during the six (6) month period preceding the Expiration Date, to exhibit the Demised Premises to prospective Tenants.

ARTICLE 52

Attorneys' Fees

In the event that any time during the term of this Lease, either party shall institute any action or proceeding against the other party relating to the provisions of this Lease, or any default hereunder, the losing party agrees to reimburse the prevailing party for the reasonable expenses of attorney's fees and paralegal fees and disbursements incurred therein. Such reimbursement shall include all legal expenses incurred prior to trial, at trial and at all levels of appeal and post judgment proceedings.

ARTICLE 53

Non-Waiver

All rights and remedies of Landlord herein created or otherwise extending at law, equity or by statute, are cumulative, and the exercise of one or more rights or remedies may be exercised and enforced concurrently or consecutively and whenever and as often as deemed desirable.

The failure of either party to insist upon strict performance by the other of any of the covenants, conditions, and agreements of this Lease shall not be deemed a waiver of any subsequent breach or default in any of the covenants, conditions and agreements of this Lease. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any term, covenant or condition in this Lease shall not prevent a similar subsequent act from constituting a default under this Lease. No surrender of the Demised Premises by Tenant shall be affected by Landlord's acceptance of Fixed Rent or Additional Rent or by other means whatsoever unless the same is evidenced by Landlord's written acceptance of the surrender.

ARTICLE 54

Successors and Assigns

All covenants, promises, conditions, representations and agreements herein contained shall be binding upon, apply and inure to the parties hereto and their respective heirs, executors, administrators, successors and assigns; it being understood and agreed, however, that the provisions of Article 24 are in no way impaired by this Article 54.

ARTICLE 55

Environmental Compliance

Hazardous or Toxic Materials and Indemnity.

(a) Tenant shall be solely responsible for and shall defend, indemnify and hold Landlord harmless from all claims, costs, liabilities, attorneys' fees, actions and expenses incurred by Landlord that arise out of the storage, use or disposal of hazardous or toxic waste or materials in the Premises or any other part of the Building Complex by Tenant and/or its officers, directors, employees, agents, customers, visitors, invitees, licensees, guests and/or any employees or agents thereof, except for storage, use or disposal as a result of the actions or occupancy of Landlord and/or its officers, directors, employees, agents, and/or any employees or agents thereof.

(b) The terms "hazardous or toxic waste or materials" and "toxic materials" as used herein shall be construed in its broadest sense and shall include asbestos, other asbestotic material (which is currently or may be designated in the future as a Hazardous Material), any petroleum base products, pesticides, paints and solvents, polychlorinated biphenyl, lead, cyanide, DDT, acids, ammonium compounds and other chemical products, volatile chlorinated hydrocarbons (which are also known as perc, perchloroethylene, tetrachloroethylene, tetrachloroethene and/or PCE), and any substance or material defined or designated as a hazardous or toxic substance, or other similar term, by any federal, state or local law, statute, regulation, or ordinance affecting the Building Complex or Premises presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time. Nothing in this Article 55 or elsewhere in this Lease shall be construed to permit, or be deemed to constitute permission by Landlord for, any person or entity to generate, treat, store, use or dispose of any hazardous or toxic waste or materials in or on the Premises or anywhere else at the Building Complex, all of which are prohibited without the express prior consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion.

(c) To Landlord's knowledge, and for solely for the period that Landlord has been the

Business Owner of the Shopping Center, Landlord represents and warrants that: (i) any handling, transportation, storage, treatment or usage of hazardous or toxic waste or materials that has occurred on the Premises or Shopping Center prior to execution of this Lease has been in compliance with all applicable Federal, State, and local laws, regulations and ordinances; and (ii) no leak, spill, release, discharge, emission or disposal of hazardous or toxic waste or materials has occurred on the Premises or Shopping Center to date and that the soil or groundwater on or under the Premises and Shopping Center is free of hazardous or toxic waste or materials as of the Commencement Date, unless expressly disclosed by Landlord to Tenant in writing.

ARTICLE 56

Waiver of Right to Interpose Counterclaim

It is further understood and agreed that in the event Landlord commences any summary proceedings, Tenant hereby agrees not to interpose any counterclaim of whatever kind, nature or description in any such proceedings and hereby waives its right to do so, provided such waiver would not forever bar Tenant from raising its counterclaim in a separate action or proceeding. This Article 56 shall not bar Tenant from instituting any separate action that it may see fit to commence provided such action is never consolidated with any summary proceeding brought by Landlord, but this prohibition shall not prevent a court, on its own initiative and without motion, application, request or demand by Tenant, from consolidating Tenant's action with Landlord's action or proceeding.

ARTICLE 57

Tenant Authorization

Tenant represents that it has full power and authority under its organizational documents to enter into this Lease and that all corporate or other proceedings required to be taken by or on its part to authorize it to carry out this Agreement have been duly and properly taken and this Agreement is a legal, valid and binding obligation of Tenant.

ARTICLE 58

Waiver of Right or Redemption

Tenant, for itself, and any party claiming by, under or through Tenant, hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant (or any party claiming by, under or through Tenant) being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Demised Premises whether by reason of the violation of any of the covenants and conditions of this Lease on the part of Tenant to be performed or otherwise.

ARTICLE 59

No Landlord Services

Except as in this Lease otherwise expressly provided, Landlord is to furnish no improvements, equipment or fixtures of any kind, either on or to the interior or on or to the exterior of the Demised Premises. It is agreed between the parties, that anything not expressly set forth herein which must be done in, on or to the Demised Premises in order to make the same ready for Tenant's business, will be done and accomplished by Tenant at its own cost and expense.

ARTICLE 60

ADA Compliance

Landlord shall be responsible for compliance or correcting noncompliance of the Real Property (excluding the Premises and other space occupied by other tenants) with the Americans with Disabilities Act of 1990 as it may be amended from time to time (the "ADA"), but only to the extent required by, and then in accordance with, the provisions of the ADA and related governmental regulations. Such costs of compliance or correcting noncompliance with the ADA shall be borne by Landlord but may be included in Common Area Costs under Article 37 of the Lease as required capital improvements or structural repairs. Tenant shall be responsible for compliance or correcting noncompliance of the Premises with the ADA, but only to the extent required by, and then in accordance with, the provisions of the ADA and related governmental regulations. Landlord's consent to any alterations by Tenant or Landlord's approval of plans, specifications and/or working drawings for improvements or repairs to the Premises shall create no responsibility or liability on the part of the Landlord for their completeness, design sufficiency, or compliance with the ADA. Tenant shall indemnify and hold Landlord harmless from and against any and all liability incurred arising from the failure of the Premises to conform with the ADA (except for Landlord's Work for which Landlord shall be responsible and indemnify Tenant pursuant to the same terms as Tenant's indemnification of Landlord listed here in these provisions), including the cost of making any alterations, renovations or accommodations required by the ADA, or any government enforcement agency, or any courts, any and all fines, civil penalties, and damages awarded against Landlord (or those awarded against Tenant which could become a lien upon the property upon which the Premises are located) resulting from a violation or violations of the ADA, and all reasonable legal expenses and court costs incurred in defending claims made under the ADA, including without limitation reasonable consultants', attorneys' and paralegals' fees, expenses and court costs.

ARTICLE 61

Intentionally Deleted

Article 62

Intentionally Deleted

Article 63

Miscellaneous

A. The rules and regulations attached hereto as "Exhibit C," as well as such rules and regulations as may hereafter be adopted by Landlord, are hereby made a part hereof, and Tenant agrees to comply therewith. Landlord shall not be responsible for the non-performance by any third party of any of said rules and regulations.

B. The term "Landlord" as used in this Lease shall mean only the owner of the Building at the time in question, and in the event of any transfer of title, the then-grantor shall be automatically released from and after the date of such transfer of all liability for obligations to be performed and relating to events occurring thereafter.

C. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent.

D. If any provision of this Lease is illegal, invalid or unenforceable, it is the intention of the parties that the remainder of this Lease shall not be affected thereby.

E. The captions of each article are added as a matter of convenience.

F. Except as herein specifically set forth, all terms to be performed by the parties hereto shall be applicable to and binding upon their respective heirs, administrators, executors, successors and assigns.

G. Except as otherwise specifically provided herein, in the event Landlord shall fail to perform any of the agreements to be performed by Landlord, and such non-performance shall continue for a period of thirty (30) days after written notice thereof, from Tenant to Landlord, or if such performance cannot be reasonably had within such thirty (30) day period, and Landlord shall not in good faith have commenced such performance within such thirty (30) day period and proceed therewith to completion, it shall be considered a default of Landlord under this Lease. In addition, Tenant shall send notice of such default by certified or registered mail, with proper postage prepaid, to the holder of any mortgages or deeds of trust covering the Real Property and shall afford such holder a reasonable opportunity to cure any alleged default on Landlord's

behalf.

H. If there is more than one entity or person which or who are the Tenant under this Lease, their obligations under this Lease shall be joint and several.

I. No act or thing done by Landlord or Landlord's agent shall be binding upon Landlord unless such act or things shall be done by an officer of Landlord. The delivery of keys to Landlord, or Landlord's agent, employees or officers shall not operate as a termination of this Lease or a surrender of the Premises.

J. Tenant acknowledges and agrees that it has not relied upon any statements, representations, agreements or warranties, except such as are expressed in this Lease.

K. Notwithstanding anything to the contrary contained herein, Landlord's liability under this Lease shall be limited to its interests in the Building.

L. Time is of the essence hereof.

M. The parties executing this Lease are authorized to do so and agree upon request to deliver to each other a resolution or similar document to that effect. If Tenant is a corporation, limited partnership, limited liability company or other entity, Tenant shall maintain, and hereby covenants and agrees to maintain, until all of Tenant's obligations under the Lease as amended have been performed and satisfied, its good standing and existence as such an entity in the state of its organization and, if such state is not the State of Colorado, shall obtain from the Secretary of State of the State of Colorado (and thereafter maintain) a certificate of authority to transact business in the State of Colorado.

N. Tenant agrees that Tenant shall comply with all applicable laws currently in effect, as they may be amended from time to time, and/or with all applicable laws as they may be promulgated or become effective in the future regarding the use of trade names in Colorado.

O. This Lease, including the exhibits attached hereto, contains the entire agreement of the parties and may not be amended or modified in any manner except by an instrument in writing signed by both parties. Tenant shall not record this Lease.

P. This document shall have no binding effect on the parties unless and until executed by both Landlord and Tenant.

Q. The provisions of this Lease and of all agreements between the parties hereto relating to sums owed hereunder are, whether now existing or hereinafter made, hereby expressly limited so that in no contingency or event whatever, whether by reason of acceleration of any payments hereunder, prepayment, demand for payment or otherwise, shall the amount paid, or agreed to be paid, to Landlord as penalties, late charges, or interest exceed the maximum amount permissible under applicable law, it particularly being the intention of the parties hereto to conform strictly to Colorado and Federal law, whichever is applicable. If, from any circumstance whatever, the performance or fulfillment of any provision hereof or of any other agreement between the parties

shall, at the time performance or fulfillment of such provision is due, involve or purport to require any payment in excess of the limits prescribed by law, then the obligation to be performed or fulfilled is hereby reduced to the limit of such validity, and if from any circumstance whatever Landlord should ever receive as interest an amount which would exceed the highest lawful rate, the amount which would be excessive interest shall be applied to the reduction of any other payments owing hereunder (or, at Landlord's sole option, be paid over to Tenant) and shall not be counted as interest. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of this Lease, all interest (or deemed interest) at any time contracted for, charged, or received from Tenant in connection with this Lease and all other agreements between parties, so that the actual rate of interest on account of the amounts due under this Lease is uniform throughout the term hereof.

R. The parties hereto acknowledge that each party was represented by legal counsel (or had the opportunity to be represented by legal counsel) in connection with this Lease, and that each of them and their counsel have reviewed and revised this Lease, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in their interpretation of this Lease or any amendments or any exhibits hereto or thereto.

S. Each party to this Lease hereby covenants and agrees, without the necessity of any further consideration, to execute and deliver any and all such further documents and take any and all such other actions as may be necessary to appropriate to carry out the intent and purposes of this Lease.

T. This Lease may be executed and delivered by exchange of facsimile or electronic copies showing the signatures of the parties hereto and such facsimile or electronic execution shall be binding as an original. The facsimile or electronic copies showing the signatures of the parties hereto shall constitute originally signed copies of the same Lease requiring no further execution. This Lease may be enforced by any of the parties upon facsimile or electronic signatures. To facilitate the execution of this Lease, any number of counterparts hereof may be executed, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one instrument.

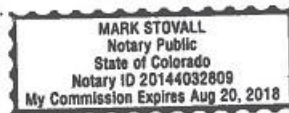
U. Tenant shall furnish to Landlord annually, within ninety (90) days following the end of each Lease Year, a complete copy of Tenant's annual financial statement.

WITNESS:

Print Name: _____

LANDLORD:
Sierra Services Group LLC

BY: Carolyn B Carter
Print Name: Carolyn B Carter
Manager



Notary Mark Stovall 7/20/16
Mark Stovall

TENANT:
Grow Generation Pueblo Corp.

_____ BY: Dan L... ¹ Nicole Renee Johnson
Print Name: _____ Print Name: Darrell Lampard, CEO
_____ BY: _____
Print Name: _____ Print Name: _____

On this 18th day of July 2016
Darrell Lampard personally appeared
before me

[Handwritten Signature]

NICOLE RENEE JOHNSON
Notary Public - State of New York
NO. 01J06155717
Qualified in Putnam County
My Commission Expires Nov 20, 2018

Exhibit A

The Premises and the Hastings shopping Center as shown above are approximations.

Tenant: Grow Generation Pueblo Corp

Premises (Article 1): Approximately 4,427 square feet

Building #: 1
Unit: E
Center: Hastings Shopping Center
Street Address: 1811 Fremont Dr
City: Canon City
County: Fremont
State: Colorado
Zip: 81212

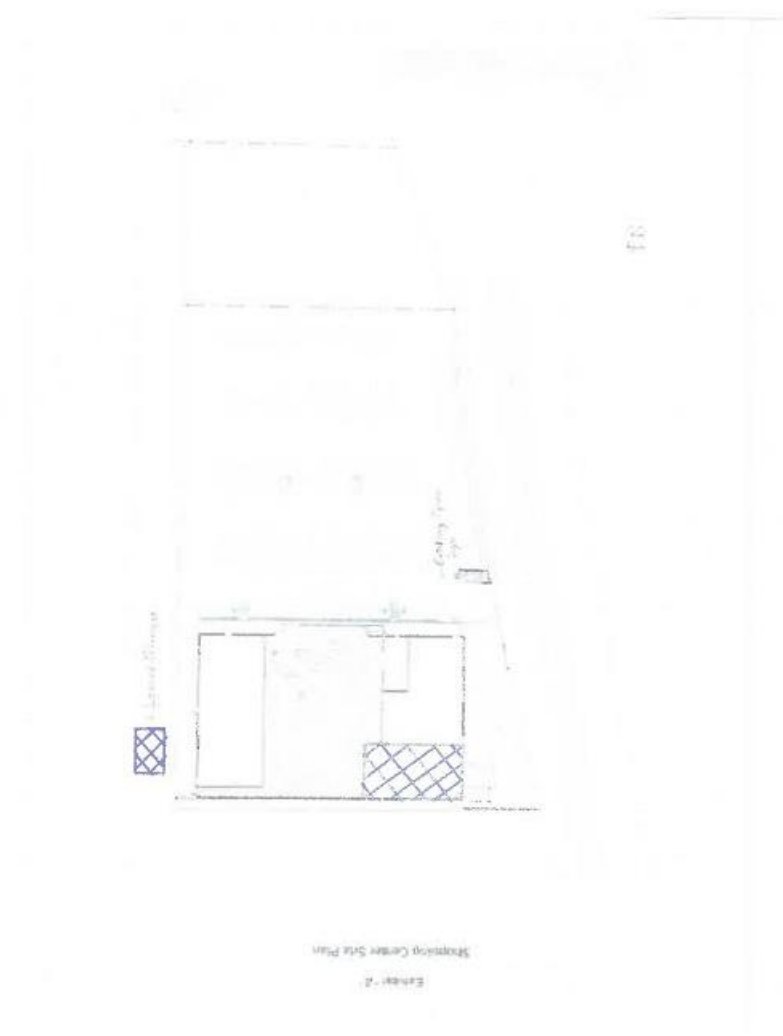


Exhibit B

LEGAL DESCRIPTION

Parcel 1: A TRACT OF LAND IN THE SE ¼ SE ¼ OF SECTION 28 TOWNSHIP 18 SOUTH RANGE 70 WEST OF THE 6TH PM. DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 356 FEET NORTH OF SOUTHEAST CORNER OF THE SAID SE ¼ SE ¼ OF SECTION 28; THENCE NORTH 433.44 FEET, THENCE EAST 450 FEET, THENCE SOUTH 433.33 FEET, THENCE WEST 450 FEET TO THE POINT OF BEGINNING.

EXCEPT THE PART THEREOF CONVEYED TO THE DEPARTMENT OF HIGHWAYS OF SAID STATE OF COLORADO BY DEED RECORDED IN BOOK 316, PAGE 109 OF THE FREMONT COUNTY RECORDS.

COUNTY OF FREMONT
STATE OF COLORADO

Exhibit C

RULES AND REGULATIONS

Landlord and Tenant agree that the following Rules and Regulations shall be and hereby are made a part of this Lease, and Tenant agrees that Tenant's employees and agents, or any others permitted by Tenant to occupy or enter the Premises, will at all times abide by said Rules and Regulations:

(1) The sidewalks and entries of the Building shall not be obstructed by Tenant, or Tenant's agents or employees, or used for any purpose other than ingress to and egress from the Premises.

(2) Furniture and equipment will be moved in or out of the Building only during such hours and in such manner as may be prescribed by Landlord and upon no less than forty-eight (48) hours prior notice to Landlord. Landlord shall have the right to approve or disapprove the movers or moving company employed by Tenant. In the event Tenant's mover's damage part of the Building, Tenant shall forthwith pay to Landlord the amount required to repair said damage. This paragraph refers to the final move out only.

(3) No safe or articles, the weight of which may in the opinion of Landlord constitute a hazard or damage to the Building or Building's equipment, shall be moved into the Premises.

(4) Safes and other equipment, the weight of which is not excessive, shall be moved into, from and about the Building during such hours and in such manner as shall be prescribed by Landlord; and Landlord shall have the right to designate the location of such articles in the Premises.

(5) During the entire term of this Lease, Tenant shall, at Tenant's expense, install and maintain under each and every caster chair a chair pad to protect the carpeting (to extent Premises are carpeted).

(6) No sign, advertisement or notice shall be inscribed, painted or affixed on any part of the inside or outside of the Building unless of such color, size and style and in such place upon or in the Building, as shall be first designated and approved in writing by Landlord, provided, however, there shall be no obligation or duty on Landlord to allow any sign, advertisement or notice to be inscribed, painted or affixed on any part of the inside or outside of the Building except as otherwise provided in the Lease. No furniture shall be placed in front of the Building without the prior written discretionary consent of Landlord. Landlord shall have the right to remove all non-permitted signs and furniture, without notice to Tenant, and at the expense of Tenant. Sidewalk sales if approved by the City may be approved by Landlord.

(7) Tenant shall not do or permit anything to be done in the Premises, or bring or keep anything therein which would in any way increase the rate of fire insurance on the Building or on property kept therein, constitute a nuisance or waste, or obstruct or interfere with the rights of other Tenant, or in any way injure or annoy them, or conflict with any of the rules or

ordinances of the Fire Department or of the Department of Health of Canon City and County of Fremont.

(8) No person shall disturb the occupants of this or adjoining buildings or premises by the use of any radio, sound equipment or musical instrument or by the making of improper noises.

(9) No motor vehicles shall be permitted in the Building nor shall any vehicles be permitted to obstruct the sidewalks or entrances of the Building.

(10) Tenant shall not allow anything to be placed on the outside of the Building, nor allow anything to be thrown by Tenant, Tenant's agents or employees, out of the windows or doors of the Building. Tenant, except in case of fire or other emergency, shall not open any outside window.

(11) No additional lock or locks shall be placed by Tenant on any door in the Building unless written consent of Landlord shall first have been obtained. At the termination of this tenancy, Tenant shall promptly return to Landlord all keys to offices, toilet rooms or vaults.

(12) No window shades, blinds, screens, draperies or other window coverings will be attached or detached by Tenant without Landlord's prior written consent. Tenant agrees to abide by Landlord's rules with respect to maintaining uniform curtains, draperies and/or linings at all windows and hallways.

(13) No awnings shall be placed over any window.

(14) If Tenant desires telegraphic, telephonic or other electric connections, Landlord or Landlord's agents will direct the electricians as to where and how the wires may be introduced and without such directions, no boring or cutting for wires will be permitted. Any such installation and connection shall be made at Tenant's expense.

(15) Tenant shall not install or operate any steam or gas engine or boiler, or carry on any mechanical operation in the Premises except as agreed to in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Building or anywhere else in the Building Complex.

(16) Any painting or decorating as may be agreed to be done by and at the expense of Landlord shall be done during regular weekday working hours. Should Tenant desire such work on Saturdays, Sundays, holidays or outside of regular working hours, Tenant shall pay for the extra cost thereof.

(17) Except as permitted by Landlord, Tenant shall not mark upon, paint signs upon, cut, drill into, drive nails or screws into, or in any way deface the walls, ceilings, partitions or floors of the Premises or of the Building, and any defacement, damage or injury caused by Tenant, Tenant's agents or employees, shall be paid for by Tenant.

(18) Landlord shall at all times after twelve (12) hours prior written or verbal notice have the right, by Landlord's representatives or agents, to enter the Premises and show the same to persons wishing to lease them, and may, at any time within ninety (90) days preceding the termination of Tenant's Lease term, place upon the doors and windows of the premises a "For Rent" sign, which notice shall not be removed by Tenant.

(19) Tenant shall not obstruct or interfere with the rights of other Tenant of the Building Complex, or of persons having business in the Building Complex, or in any way injure or annoy such Tenant or persons.

(20) Tenant shall not commit any act or permit anything in or about the Building Complex which shall or might subject Landlord to any liability or responsibility for injury to any person or property by reason of any business or operation being carried on in or about the Building Complex or for any other reason.

(21) Tenant shall not use the Building for lodging, sleeping, or for any immoral or illegal purpose or for any purpose that will damage the Building, or the reputation thereof, or for any purposes other than those specified in the Lease.

(22) Canvassing, soliciting, and peddling in the Building are prohibited, and Tenant shall cooperate to prevent such activities.

(23) Tenant shall not conduct mechanical or manufacturing operations, or place or use any inflammable, combustible, explosive, or hazardous fluid, chemical, device, substance or material in or about the Building. Tenant shall comply with all statutes, ordinances, rules, orders, regulations and requirements imposed by governmental or quasi-governmental authorities in connection with fire and public safety and fire prevention and shall not commit any act or permit any object to be brought or kept in the Building which shall result in a change of the rating of the Building by the Insurance Services Officer or any similar person or entity.

(24) Tenant shall not deposit any trash, refuse, cigarettes, or other substances of any kind within or out of the Building except in the refuse containers provided therefore.

(25) Tenant shall use the Common Areas only as a means of ingress and egress, and Tenant shall permit no loitering by any persons upon Common Areas or elsewhere within the Building Complex. The Common Areas and roof of the Building are not for the use of the general public and Landlord shall, in all cases, retain the right to control or prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation or interests of the Building and its Tenant. Tenant shall not enter the mechanical rooms, air conditioning rooms, electrical closets, or similar areas or go upon the roof of the Building without the express prior written consent of Landlord except in case of emergency in which event Tenant shall inform Landlord of the emergency and entry of Tenant as soon as practicable thereafter.

(26) Landlord, its agents or representatives reserve the right to exclude or expel from

the Building Complex any person, who, in the judgment of Landlord is intoxicated or under the influence of liquor or drugs or who shall in any manner act in violation of the rules and regulations of the Building.

(27) Tenant shall not use the washrooms, restrooms and plumbing fixtures of the Premises and appurtenances thereto for any other purpose than the purposes for which they were constructed, and Tenant shall not deposit any sweepings, rubbish, rags or other improper substances therein. Tenant shall not waste water by interfering or tampering with the faucets or otherwise. If Tenant or Tenant's servants, employees, contractors, jobbers, agents, licensees, invitees, guests or visitors cause any damage to such washrooms, restrooms, plumbing, fixtures or appurtenances, such damage shall be repaired at Tenant's expense and Landlord shall not be responsible therefor.

(28) During the term of the Lease, Tenant shall comply with all statutes, ordinances, rules, orders, regulations and requirements of the federal, state, county and city governments and all departments thereof applicable to the presence, storage, use, maintenance and removal of toxic, hazardous or contaminated substances (collectively, "hazardous material") in, on, or about the Premises, which presence, storage, use, maintenance or removal is caused or permitted by Tenant. In no event shall the aforesaid be construed to mean that Landlord has given or will give its consent to Tenant's storing, using, maintaining or removing hazardous materials in, on, or about the Premises.

(29) Tenant shall not permit its employees or agents to smoke in any areas of the Building Complex posted as a non-smoking area. Tenant shall be solely responsible for providing proper receptacles for smoking materials and for all maintenance and cleanup related thereto. Landlord reserves the right to designate the entire common area of the Building Complex as a non-smoking area, and in such event Tenant shall permit its employees or agents to smoke only inside the Premises and then only if allowed by applicable law.

(30) Tenant agrees that Landlord may reasonably amend, modify, delete or add new and additional rules and regulations to the use and care of the Premises and the Building, provided such changes shall not unreasonably interfere with Tenant's permitted use of the Premises. Tenant agrees to comply with all such rules and regulations upon notice to Tenant from Landlord thereof. In the event of any breach of any rules and regulations herein set forth or any reasonable amendments, modifications or additions thereto Landlord shall have all remedies in this Lease provided for in the Event of Default by Tenant.

Exhibit D

MECHANIC'S LIEN NOTICE

**NOTICE OF OWNER'S NON-RESPONSIBILITY
FOR MECHANIC'S LIEN SPURSUANT TO
COLORADO REVISED STATUTES § 38-22-105**

The Owner of this property hereby informs all persons performing labor or furnishing skill, machinery, or other fixtures, that the interests of Owner are not subject to any liens given to such persons pursuant to Colorado Revised Statutes §38-22-101, et seq.

This notice shall be personally served to each person performing labor or furnishing skill, machinery, or other fixtures and shall be posted (and shall remain posted during the entire period of construction) in some conspicuous place upon the Building.

FAIRPLAY COMMERCIAL CONDOMINIUM
COMMERCIAL LEASE

In consideration of the rents and covenants hereinafter set forth, Lendlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the following described Leased Premises on the terms and conditions set forth in this Commercial Lease Agreement, hereinafter referred to as "Lease".

"FUNDAMENTAL LEASE PROVISIONS"

"Date of Lease": July 19, 2016
Location: 100 S. Platte Dr., Fairplay, CO 80440
"Leased Premises": Fairplay Commercial Condominium, Space 11 & 12
Landlord: Platt River Drive, LLC
Tenant: GrowGeneration Pueblo Corp
"Base Lease Term": August 1, 2016 through July 31, 2018
"Date of Possession": Upon mutual execution of this Agreement and delivery of payment due at lease signing as described below.
"Rent Commencement Date": August 1, 2016
"Fixed Initial Minimum Annual Rent": \$ 21,600.00 per annum
"Fixed Minimum Monthly Installment of Rent": One-twelfth of Annual Rent = \$ 1,800.00
"Association dues": \$ 100.00 per month
"Initial Monthly Tax Payment": \$ 270.00 per month
"Security Deposit": \$ 1,800.00 shall be paid at time of lease commencement
"Last Month's Rent": \$ 2,170.00 shall be paid at time of lease commencement

Base Rent: \$ 1,800.00
Association Dues: \$ 100.00
Monthly Tax Payment: \$ 270.00
Total Monthly Rent Payment: \$ 2,170.00

Security Deposit: \$ 1,800.00
First Month's Rent: \$ 2,170.00
Last Month's Rent: \$ 2,170.00
Total Due at Lease Signing: \$ 6,140.00

Use of Leased Premises: Hydroponic Gardening Retail

Tenant's Trade Name: GrowGeneration

Address for Notices: Landlord: Platt River Drive, LLC
Po Box 2069
Breckenridge, CO 80424

Tenant: GrowGeneration
609 E. Enterprise Dr., Suite 150
Pueblo West, CO 81007
Email: Darren@growgeneration.com
Phone: 914-924-1235

The following addenda are attached hereto and made a part hereof:

Additional Provisions on Page 21 of this lease

The Fundamental Lease Provisions are an integral part of this Lease and

each reference in this Lease to any of the Fundamental Lease Provisions shall be construed to incorporate all of the terms provided under each such Fundamental Lease Provision. In the event of any conflict between any Fundamental Lease Provision and the balance of the Lease, the Fundamental Lease Provision shall control.

Section 1. Leased Premises.

A. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, space within a building, commonly known as address, 11 & 12 Fairplay Commercial Condominiums, Fairplay, Colorado. For purposes of determining square footage as used herein, the Leased Premises shall include all area of the Leased Premises as measured from the outside of the exterior walls of said Leased Premises, except where such walls are a common wall with another Tenant, in which case such measurement shall be from the middle of the interior of such common wall.

Section 2. Term.

A. The Base Lease Term of this Lease shall commence at 12:01 a.m. on the first day of the Base Lease Term and shall terminate at 11:59 p.m. on the last day of the Base Lease Term, as set forth in the Fundamental Lease Provisions. Landlord estimates that tender of possession of the Leased Premises shall take place on or before the date set forth in the Fundamental Lease Provisions as the Date of Possession, but Landlord shall not be liable in any manner for failure to do so for any reason whatsoever; provided, however, in the event Landlord has not so tendered such possession within six (6) months subsequent to the Date of Possession, Tenant may terminate this Lease at any time within ten (10) days thereafter upon written notice to Landlord.

B. Tenant's obligation to pay rent, and all other sums and charges reserved unto Landlord hereunder, shall commence upon the Rent Commencement Date set forth in the Fundamental Lease Provisions. However, regardless of the "Date of Possession" or the "Commencement of Rent" or the date of the "Lease Term," Landlord and Tenant shall be first bound to all other rights and duties accruing under this Lease upon the latter date of execution of this Lease by Landlord and Tenant which date shall be known as the "Date of Lease".

C. Tenant shall have 0 option of 0 years to extend the term of this Lease under the same terms and conditions of this Lease except as provided below and provided each of the following conditions are fully satisfied:

(1) At the time of exercising an option, the Tenant is not in default of this Lease and this Lease has not been terminated according to its terms, and

(2) An Option shall only be exercisable within the following time frames and time is of the essence hereof and any other attempt to exercise an option shall be void and of no effect. The Tenant must deliver to the Landlord written notice of its intent to exercise an upcoming option no earlier than 180 days and no later than 90 days prior to termination of the then existing Base Term or Option, and

(3) Prior to the beginning of an Option, the Landlord and the Tenant have agreed, in writing, to a rental rate for the term of the Option. The Parties may agree upon any rate or method of determining the rental rate as they see fit.

(i) Should the Tenant fail to exercise the first option, then any subsequent options, if any, shall be deemed terminated and void for all purposes. Once the Tenant elects to exercise an option, and once the Landlord and Tenant agree to a rental rate, or once a rental rate is established by arbitration or judicial process, then should the Tenant fail to further exercise its option and perform all duties and obligations thereunder, then the Landlord, in addition to any other remedy shall be entitled to specific performance. Should arbitration or judicial process be necessary to establish a rental rate, and should the lease term expire prior to a decision, then the lease or option shall be deemed extended on a month to month basis upon the same rental rate and other terms and conditions as established in the immediately preceding term and the month

to month shall continue until a final unappealable resolution has been reached.

Section 3. Rent.

A. (1) Tenant shall pay to Landlord at the address of Landlord as set forth in the Fundamental Lease Provisions, or at such other place designated by Landlord, without prior demand therefor, and without any deduction or setoff whatsoever, and as "Fixed Initial Minimum Annual Rent" (subject to adjustment as set forth in this Lease) the amount set forth and designated as Fixed Initial Minimum Annual Rent in the Fundamental Lease Provisions, payable in monthly installments, in advance, in the initial amount as set forth in the Fundamental Lease Provisions as Fixed Minimum Monthly Installment of Rent.

(2) Fixed Initial Minimum Annual Rent shall be at the rental rate of \$21,600.00 "Fixed Initial Minimum Rent."

(3) On the first annual anniversary of this Lease from the Rent Commencement Date, and on each yearly anniversary thereafter until this Lease is terminated, the Fixed Minimum Annual Rent shall be adjusted and changed as follows: The Fixed Minimum Rent for August 1, 2016 to July 31, 2018 shall be \$21,600.00.

(4) If the Rent Commencement Date shall occur upon a day other than the First (1st) day of a calendar month, then Tenant shall pay, upon the Rent Commencement Date, a pro rata portion of the Fixed Minimum Monthly Installment of Rent described in the foregoing clause pro-rated on a per diem basis for that month plus the Fixed Minimum Monthly Installment of Rent for the following month.

B. Tenant hereby acknowledges that late payment by Tenant to Landlord of the Fixed Monthly Rent or other sums due hereunder 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 the terms of any mortgage or trust deed covering the Leased Premises. Accordingly, if any installment of Fixed Minimum Monthly Rent or any sum due from Tenant shall not be received by Landlord or Landlord's designee on or before the time set forth herein for the payment thereof then said amount shall be deemed past due, and Tenant shall pay to Landlord a late charge equal to One Hundred Fifty and 00/100 Dollars (\$150.00), plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay such Fixed Monthly Rent or other charges when due. Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the cost that Landlord will incur by reason of any such late payment by Tenant. Acceptance of any such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. Landlord, at its option, may subtract any such amount so unpaid from any security deposit held by Landlord pursuant to the terms of this Lease.

C. It is the intention of Landlord and Tenant that the Fixed Rent shall be absolutely net to Landlord, and Tenant shall pay all costs, charges, obligations, assessments, and expenses of every kind and nature against, or relating to, the leased Premises or the use or occupancy thereof, excepting only those obligations specifically assumed by the Landlord under this Lease.

Section 4. Personal Property Taxes and Assessments.

During the term hereof, Tenant shall cause all taxes, assessments and other charges levied upon or against any fixtures and personal property situated in, on or about the Leased Premises to be levied or assessed separately from the Leased Premises and to be paid before the same becomes a lien upon said Leased Premises; provided, however, if for any reason any of such taxes, assessments, or other charges shall not be so separately assessed, Tenant shall nevertheless pay the same as set forth herein, or reimburse Landlord therefor, all within ten (10) days of receipt of billing thereof.

Section 5. Common Facilities and Maintenance Expenses.

A. To the extent available, Landlord hereby grants to customers, patrons, suppliers, employees and invitees of Tenant, a non-exclusive license to use the parking areas at Fairplay Commercial Condominiums as may be owned or controlled by Landlord and as may be specifically designated as parking for Commercial Tenants for the use of parking motor vehicles during the term of this Lease. Landlord reserves the right at any time and from time to time to grant similar non-exclusive use to others; to promulgate rules and regulations relating to the use of the Common Facilities as hereinafter defined, or any part thereof, including reasonable restrictions on parking by Tenants and employees of Tenants, to make changes in parking layout from time to time; to withdraw property from parking use. There are TWO PARKING SPACES per Unit per Condo Plat. All Declarations and Covenants must be complied with.

B. Tenant shall be responsible for all interior maintenance and systems.

C. Tenant shall pay to Landlord, in addition to the rent heretofore specified, as further and additional rent, a proportion of the "Operating Costs" of the Common Facilities as such Common Facilities may be adjusted, subtracted from or added to from time to time. For purposes of this paragraph, the "Operating Costs" shall mean the total costs and expenses incurred in operating, repairing, replacing and maintaining the Common Facilities, as hereinafter defined, including, without limitation, gardening and landscaping, costs of public liability and property damage insurance, real property taxes and assessments, cleaning, sweeping, replacements, repairs, line painting, lighting, sanitary control, removal of snow, ice, trash, rubbish, garbage, and other refuse, costs of any public address, loudspeaker or music system, depreciation of machinery and equipment used in such maintenance, reasonable reserves for anticipated expenditures, the cost of personnel to implement such services, to direct parking, and to police the Common Facilities, any parking charges or other costs levied, assessed or imposed by, or at the direction of, or resulting from, statutes or regulations, or interpretations thereof, promulgated by any governmental authority in connection with the use or occupancy of the leased Premises or the parking facilities, or any other operating or similar costs as may be set forth in any Condominium Declaration or Bylaw recorded or adopted.

D. Tenant shall pay Landlord each calendar month of the term hereof, in advance, the Monthly Tax Payment described in the Fundamental Lease Provisions. Beginning each fiscal year, the Monthly Tax Payment to be made by Tenant shall be adjusted so that the Monthly Tax Payment for the next fiscal year will be equal to an amount reasonably estimated by Landlord to pay the Real Estate Taxes assessed against the Leased Premises.

E. Landlord shall have no responsibility for revising, contesting, or otherwise disputing any assessment for taxes, whether real or personal, nor shall Landlord be responsible for supervision, review, or scrutiny of any service, bill, or fee performed or submitted by any third party who may perform work or services on or about Common Area or Common Facilities.

F. Tenant shall pay any monthly Association dues currently \$100.00 per month.

Section 6. Utilities and Fees.

A. Tenant shall pay or cause to be paid, prior to delinquency, all charges for electricity, gas, light, power, and telephones rendered or supplied in connection with the Leased Premises, together with any assessments or surcharges with respect thereto, and shall contract for the same in Tenant's own name, and shall protect Landlord and the Leased Premises from any such charges. Any refunds or rebates to be paid by the utility provider with respect to such service from the Date of Possession until the termination of the Lease shall belong to Tenant.

B. If the usage or possession of the Leased Premises should cause any tap or connection fee, any charge or surcharge, excess use, or other expenses of any nature to be incurred or assessed by any utility company, special district, the Town of Fairplay, or any other utility provider, then that expense shall be paid by Tenant within fifteen (15) days from the date of notice of the assessment.

Section 7. Signs and Fixtures.

A. All fixtures installed by Tenant shall be new or completely reconditioned. Tenant shall not make or cause to be made any alterations, additions or improvements to the building within which the Leased Premises are located, or install or cause to be installed any exterior signs, floor covering, exterior lighting, plumbing fixtures, shades or awnings, radio or television antennae, loud speakers, sound amplifiers or similar devices, or make any changes to the storefront or exterior of the building or of the Leased Premises without first obtaining Landlord's written approval, which consent shall not be unreasonably withheld. Tenant shall present to Landlord plans and specifications for such work at the time approval is sought. Tenant shall make no use of the roof.

B. Tenant shall not place or suffer to be placed or maintained on any exterior door, roof, wall or window of the building within which Leased Premises are located any sign, awning or canopy, or advertising matter or other thing of any kind, and shall not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the said building without first obtaining Landlord's written approval which consent shall not be unreasonably be withheld and provided Tenant shall comply with the Town of Fairplay's sign code and shall abide by any master sign plan approved by the Town as may be implemented by the Landlord or Fairplay Commercial Condominiums Owners Association. Tenant further agrees to maintain any such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times. Tenant shall not place or suffer to be placed any merchandise, equipment or other items outside the Leased Premises or the building within which the Leased Premises are located. Landlord, without liability therefor, at Tenant's cost, may remove, without notice, any item placed, constructed, or maintained that does not comply with the provisions of this paragraph.

C. Tenant shall not permit the use in the Leased Premises of any device or instrument, such as a sound reproduction system, television sets, phonographs, or radios or excessively bright, changing, flashing, flickering, moving lights, or lighting devices or any similar devices, the effect of which shall be audible or visible beyond the confines of the Leased Premises, nor shall Tenant permit any act or thing upon the Leased Premises disturbing to normal sensibilities of other Tenants.

Section 8. Use of Leased Premises - Assignments and Subletting.

A. Tenant shall have the right to use the Leased Premises only for the purpose or purposes expressly set forth in the Fundamental Lease Provisions and for no other purpose. The Leased Premises shall be used only under the trade name set forth in the Fundamental Lease Provisions.

B. Tenant shall not sublet or assign this lease, whether in whole or in part, or any interest therein, without first obtaining Landlord's written consent.

~~C. If Tenant is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of stock of Tenant shall be transferred by sale, assignment, operation of law or other disposition (except where shares are transferred on death by bequest or inheritance), or if any transfer or change of any partnership interest occurs if the Tenant is a partnership, Tenant shall promptly notify Landlord in writing of such change. If such transaction shall result in a change in the effective ownership or voting control of Tenant, then it shall be considered an assignment of this lease.~~

D. Any assignment or sublease in violation of this Lease shall, at the option of Landlord, be voidable. Tenant further agrees to reimburse Landlord for all reasonable expenses incurred by Landlord with respect to any such assignment or subletting, with such expenses in no event to be less than Two Hundred and 00/100 Dollars (\$200.00). Additionally, Tenant shall reimburse Landlord directly for all attorney's fees incurred by Landlord with respect to any such assignment or subletting.

Section 9. Security Deposit.

A. Tenant shall have deposited with Landlord as a security deposit, and not as prepaid rent, the sum set forth in the Fundamental Lease Provisions, which sum shall be retained by Landlord, as security for the faithful performance by Tenant of all the terms, covenants and conditions under this Lease by Tenant to be kept and performed. The security deposit shall be returned to Tenant within sixty (60) days of the expiration of this Lease, if Tenant is not then in default. In no event shall such security deposit be in lieu of, constitute, or excuse Tenant from paying, any portion of the Fixed Minimum Rent or other sums or charges to be paid by Tenant hereunder at any time during the term hereof. The taking of such security by Landlord shall in no way be a bar or defense to any action in unlawful detainer or for the recovery of the Leased Premises or for any other action with Landlord may at any time institute for the breach of any term, covenant or condition contained herein.

B. In the event of failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term of this Lease, or any renewals, or extensions thereof, then Landlord at its option may appropriate and apply said entire deposit, or so much thereof as may be necessary, to compensate Landlord for any loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount of cash to restore said security to the original sum deposited, and Tenant's failure to do so within three (3) days after receipt of such demand shall constitute a breach of this Lease.

Section 10. Leasehold Priority and Subordination.

A. Tenant agrees that this Lease shall be subordinate to any encumbrance now of record or recorded after the date of this Lease affecting the Leased Premises. Further, Tenant agrees, that upon written request of Landlord, Tenant will execute, acknowledge and deliver any and all instruments requested by Landlord which are necessary or proper to effect the subordination of this Lease to any mortgage or deed of trust describing the real property which includes the Leased Premises. In the event of a foreclosure of any mortgage encumbering the Property, the mortgagee thereof shall have the option not to foreclose Tenant's interest hereunder in which case (i) the right of possession of Tenant to the Leased Premises and Tenant's rights arising out of this Lease Agreement shall not be affected or disturbed by the foreclosure, and (ii) in the event that the mortgagee shall agree to the sale of the Leased Premises pursuant to the exercise of any rights and remedies under the mortgage, or otherwise, such sale shall be made subject to this Lease and the rights of the Tenant hereunder and Tenant agrees to attorney to the mortgagee or such person who may acquire title as its new landlord, and the Lease shall continue in full force and effect as a direct lease between Tenant and mortgagee or such other person, upon all the terms, covenants and agreements set forth in this Lease.

B. Tenant shall not mortgage, pledge, encumber, or otherwise hypothecate this Lease or the Leased Premises or any part thereof in any manner whatsoever, without in each instance obtaining the prior written consent of Landlord and any mortgagee or lender of Landlord who may be secured by the Leased Premises or the building in which the Leased Premises is located.

Section 11. Conduct of Business.

A. Tenant shall promptly comply with all laws, ordinances, orders and regulations affecting the Leased Premises, and the building in which the same are situated and their cleanliness, safety, occupation and use. Tenant shall not do or permit anything to be done in or about the Leased Premises, or bring or keep anything in the Leased Premises that will in any way increase the rate of fire insurance upon the Leased Premises or any other portion of Fairplay Commercial Condominiums. Further, the Tenant represents and warrants that no manufacturer, assembly, construction, fabrication, storage, disposal or any other conduct of its business involves hazardous wastes or materials and that any conduct constituting such action shall be a material breach of this Lease and shall indemnify and hold harmless the Landlord from any clean up, removal,

or any and all remedial actions that may be required as a result of Tenant's conduct. Tenant shall not perform any acts or carry on any practices that may injure any leaseable space, building, Common Facility, or other improvement located within Fairplay Commercial Condominiums or be a nuisance or menace to other persons or businesses in the area or disturb the quiet enjoyment of any person. It is further agreed between Landlord and Tenant that Tenant will protect, indemnify, defend and save and keep Landlord, its agents, servants, employees, and/or its successors or assigns forever harmless and indemnified from and against any and all liability, penalties, damages, costs, expenses and attorneys' fees arising out of or by reason of Tenant's failure to prevent any employee, or any other person, from entering upon, or remaining in, any employment or place of employment upon the Leased Premises which is not safe, or which does not comply with the terms of the Occupational Safety and Health Act of 1970 (29 USC Section 651, et seq.) and all other applicable laws pertaining thereto as they may now or hereafter exist and apply to the Leased Premises.

B. Tenant agrees, on behalf of its employees and agents, not to solicit business in any Common Facilities or parking or other common area which may become such by the leasing or licensing to others by Landlord of any property adjoining or near the Leased Premises. Such solicitation shall include, without limitation, distribution of handbills or other advertising media to, in or upon automobiles in the Common Facilities, or parking area or other common areas, the use of pickets in such areas, the use of loud speaker systems which are audible in such areas, and the displaying of any of Tenant's merchandise or the posting of any signs not expressly authorized hereunder in such areas.

~~Section 12. Landlord's Lien.~~

~~Tenant hereby conveys and grants unto Landlord a lien, secured by all of said personal property and trade fixtures at any time in or upon the leased premises and Tenant shall execute and deliver unto Landlord upon request, such instruments and documents as are requested by Landlord to further secure Landlord's security interest therein. Upon the expiration of the Lease Term, and provided Tenant is not in default, Landlord shall execute such release of said lien as may be requested in writing by Tenant. In the event of any default hereunder, Landlord may, in addition to all other rights of Landlord hereunder, and at law or equity, proceed to foreclose upon such lien, and to otherwise levy upon the same.~~

Section 13. No Partnership.

Notwithstanding any other express or implied provision of this Lease, Landlord shall not, in any way or for any purpose, become or be deemed to be a partner of Tenant, in its business or otherwise, or a joint venture, or a member of any joint enterprise with Tenant.

Section 14. Insurance and Hold Harmless.

A. Fire Insurance. During the term hereof, Landlord or Fairplay Commercial Condominiums Owners Association shall keep the buildings and improvements within which the Leased Premises are contained, insured against loss or damage by fire, with extended coverage, by such insurance companies as Landlord shall select and in such amounts as Landlord shall select both in its sole discretion, with loss payable thereunder to Landlord and to any authorized encumbrancer of Landlord (with standard mortgagee loss payable clause) in accordance with their respective interests. If the Lease is terminated as a result of damage by fire or casualty as set forth in Section 17, "Fire and Casualty Damage", hereof, all insurance proceeds shall be paid to and retained by Landlord, subject to the rights of any authorized encumbrancer of Landlord.

B. Liability Insurance. Tenant shall, at its cost and expense, at all times during the term of this Lease, maintain and carry for the joint benefit, and in the names of Tenant and Landlord, as co-insureds, with cross liability endorsement, property damage and personal liability insurance by the terms of which Tenant and Landlord shall be indemnified against liability for damage or injury to property or person (including death) occurring on the Leased Premises, or any part thereof, or arising from the use or occupancy thereof, or arising directly or indirectly from any act or omission of Tenant, its employees, agents,

representatives, assigns, or licensees. Such insurance policy or policies, naming Landlord and Tenant as named insureds, shall be carried and maintained on the minimum basis of One Hundred Thousand and 00/100 Dollars (\$100,000.00) for damage to property and One Million and 00/100 Dollars (\$1,000,000.00) for personal injury to one person and One Million and 00/100 Dollars (\$1,000,000.00) for personal injury in any one accident, and Tenant shall deliver to Landlord the certificate of each insurance carrier as to each such insurance policy prior to commencement of the term hereof, and thereafter at least thirty (30) days prior to the expiration of any such policy. In the event the terms of this Lease shall permit the sale of alcoholic beverages from or on the Leased Premises, such insurance as carried by Tenant hereunder shall include dram shop liability insurance. The limits of all insurance carried by Tenant hereunder shall be increased upon the expiration of each twenty-four (24) calendar month period hereafter, at least in proportion to any increase in the Consumer Price Index for all Urban Consumers (all items) for U.S. City Average (Base Period 1982-84=100).

C. Notice. Each insurance policy required by this Section 14, "Insurance and Hold Harmless", shall contain a clause that it cannot be cancelled or reduced in scope without thirty (30) days' prior written notice to Landlord and to any mortgagee or trust deed holder of whom the insurer has been notified in writing.

D. Hold Harmless and Waiver of Claims. Tenant covenants and agrees that Landlord shall not at any time or to any extent whatsoever be liable, responsible or in anywise accountable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Tenant or by any persons who may at any time be using or occupying or visiting the Leased Premises or be in, on or about the same, or who may be injured as a result of any act, omission or negligence of Tenant, its agents and/or employees, whether arising from the use and/or sale of alcoholic beverages, or otherwise, whether or not such loss, injury, death or damage shall be caused by or in any manner result from or arise out of any act, omission or negligence of Tenant, other tenants, or of any occupant, assignee, subtenant, visitor or user of any portion of the Leased Premise, or from the use or occupancy of the Leased Premises, or arising from any breach or default of Tenant hereunder, and Tenant shall forever indemnify, defend, hold and save Landlord free and harmless of, from and against any and all claims, liability, loss or damage whatsoever, including, but not by way of limitation, attorneys' fees, on account of any loss, injury, death, or damage occurring on the Leased Premise, or arising from the use of the Leased Premises. This provision shall also include any and all costs and expenses of any nature related to any corrective or remedial action, damages, fines, penalties that may be required or imposed due to any violation of any law or regulation concerning the storage, use or disposal of any "hazardous wastes" or materials as may now or hereafter be defined by law.

E. Defense. In case any action or proceeding is brought against Landlord by reason of any claim mentioned in this Article, Tenant, upon notice from Landlord, shall, at Tenant's expense, resist or defend such action or proceeding in Landlord's name, if necessary, by counsel for the insurance company, if such claim is covered by insurance, otherwise by counsel approved by Landlord, which approval shall not be unreasonably withheld. Landlord agrees to give Tenant prompt notice of any such claim or proceeding. This provision shall not in any way be affected by the absence of any covering insurance or by the failure or refusal of any insurance company to perform any obligation on its part.

F. Landlord not Responsible for Acts of Others. Except as to acts of negligence of the Landlord, Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage which may be occasioned by or through the acts or omissions of persons occupying space adjoining the Leased Premises or any part of the Leased Premises adjacent to or connecting with the Leased Premises or any other part of *, or otherwise, or for any loss or damage resulting to Tenant, or those claiming by, through or under Tenant, or its or their property, or for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Leased Premises or the building or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of damage whatsoever. Landlord shall not be liable for any such damage caused by other Tenants or persons in the Leased Premises, occupants of adjacent property or of Fairplay Commercial Condominiums or the public, or caused by operations in

construction of any private, public or quasi-public work. Landlord shall not be liable for any latent defect in the Leased Premises or in the building of which they form a part. To the maximum extent permitted by law, Tenant agrees to use and occupy the Leased Premises, and to use such other portions of Fairplay Commercial Condominiums as Tenant is herein given the right to use, at Tenant's own risk.

G. Waiver of Subrogation. With respect to loss or damage resulting from any cause insured against by the insurance carried by Landlord and with respect to any insurance which is carried by Tenant, the parties hereto waive any and all rights of recovery against the other and each such party hereby agrees that it shall not make any claim against the other, or seek to recover from the other, for loss of or damage to the other, or its property, or property of others under its control, and each party hereto shall give notice to any insurance carrier of the foregoing waiver of subrogation and obtain a waiver of right to recovery against the other party hereto, its agents and employees. In furtherance of the foregoing, Tenant agrees that in the event of a sale of the Leased Premises by Landlord, the hereinabove waiver of subrogation shall continue in favor of the original Landlord hereunder, and any subsequent landlord, as well as be in favor of any such purchaser, and their respective successors and assigns.

Section 15. Repairs, Maintenance, Alterations, and Removal of Equipment.

A. Tenant shall maintain the Leased Premises and all improvements comprising a part of the Leased Premises, including but not limited to plate glass, doors, or any other improvement within the Leased Premises, in good and clean condition and repair at all times. Tenant shall promptly make all replacements, repairs, and alterations thereto except such as may be required by reason of condemnation or damage by fire or casualty. With regard to repairs, maintenance, or replacements, Tenant expressly waives any right pursuant to any law now existing, or which may be effective during the term hereof, to make them or cause them to be made at Landlord's expense. Tenant shall, at Tenant's expense, make all alterations, repairs, additions, and changes, in or to the Leased Premises required by law or governmental regulation or rule.

B. Tenant shall have the right to make such additions, alterations, changes, and improvements to the Leased Premises as Tenant shall deem necessary or desirable only as approved by Landlord in advance and in writing. No additions, alteration, change or improvement shall be made which will weaken the structural strength, lessen the value of or change the architectural appearance of any building or other construction.

C. Except as provided in Sections 17 and 18 of this Lease relating to fire and casualty damage and condemnation, there shall be no allowance to Tenant for a diminution of rental value, the same shall not constitute an eviction of Tenant in whole or in part and Landlord shall incur no liability whatsoever by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant or others making any changes, alterations, additions, improvements, repairs or replacements in or to any portion of Fairplay Commercial Condominiums or the Leased Premises or in or to fixtures, appurtenances or equipment thereof or in the taking or storing of material in the Leased Premises in connection therewith and no liability shall be incurred by Landlord for failure of Landlord or others to make any changes, alterations, additions, improvements, repairs or replacements in or to any portion of Fairplay Commercial Condominiums or the Leased Premises, or in or to the fixtures, appurtenances or equipment thereof.

Section 16. Mechanic's Liens.

Tenant agrees to keep all of the Leased Premises and to the extent Tenant has any ability to do so, to keep the entire Fairplay Commercial Condominiums and every part thereof and all buildings and other improvements within which the same are contained free and clear of and from any and all mechanic's, materialmen's and other liens for work or labor done, services performed, materials, appliances, transportation or power contributed, used or furnished to be used in or about the Leased Premises to or on the order of Tenant, and at all times Tenant shall promptly and fully pay and discharge any and all claims upon which any such lien may or could be based; and Tenant shall save and hold Landlord and all of the Leased Premises and all buildings and improvements within which the same are contained free and harmless of and from any and all such liens and

claims of liens and suits or other proceedings arising out of materials or services furnished to or on the order of Tenant. Tenant agrees to give Landlord written notice not less than fifteen (15) days in advance of the commencement of any construction, alteration, addition, improvement, installation, or repair costing in excess of Five Hundred and 00/100 Dollars (\$500.00) in order that Landlord may post appropriate notices of Landlord's non-responsibility, and, further, to secure, at Tenant's sole cost and expense, a bond indemnifying Landlord and the Leased Premises against all aforesaid liens, with corporate surety and in form satisfactory to Landlord or in lieu of a bond, then the Tenant may provide other assurances to the reasonable satisfaction of the Landlord.

Section 17. Fire and Casualty Damage.

In case of fire or other casualty, Tenant shall give immediate notice to Landlord. If the Leased Premises shall be partially damaged by fire, the elements, or other casualty, Landlord shall repair the same as speedily as practicable, but Tenant's obligation to pay the rent hereunder shall not cease. If, in the opinion of Landlord, the Leased Premises are so extensively and substantially damaged as to render them untenable, then the rent shall cease until such time as the Leased Premises shall be made tenable by Landlord. However, if, in the opinion of Landlord, which opinion shall be communicated to Tenant by written notice not later than fifteen (15) days after the casualty, the Leased Premises are totally destroyed or so extensively or substantially damaged as to require practically a rebuilding thereof, then the rent shall be paid up to the time of such destruction, and at Landlord's option, the Lease shall be then terminated and declared at an end, or the Leased Premises shall be rebuilt to a condition substantially the same as existed prior to such casualty or fire as speedily as practicable, and all rent payments due hereunder shall abate during the period of reconstruction. In no event, however shall the provisions of this clause become effective or be applicable if the fire or other casualty is the result of negligence or improper conduct of Tenant or Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors. In such case, Tenant's liability for the payment of rent and the performance of all the covenants and conditions and terms hereof on Tenant's part to be performed shall continue and Tenant shall be liable to Landlord for the damage and loss suffered by Landlord. If Tenant shall have been insured against any of the risks herein covered, then the proceeds of such insurance shall be paid over to Landlord to the extent of Landlord's costs and expenses to make the repairs hereunder, and such insurance carriers shall have no recourse against Landlord for reimbursement.

Section 18. Condemnation.

A. If title to all or any portion of the Leased Premises be taken by a public or quasi-public authority under any statute or by right of eminent domain or by private purchase in lieu thereof, then the rights of the parties to share in the condemnation award or purchase price thereby resulting shall be governed hereby.

B. Should all or any portion of the Leased Premises be taken in such a manner as to materially interfere with Tenant's use and occupancy thereof, then either party, by giving written notice to the other party within thirty (30) days after such taking, may terminate this lease as of the date of such notice or should more than fifty percent (50%) of the area of land described in Exhibit "A" hereto be so taken, or should more than twenty percent (20%) of the Leased Premises be so taken, then Landlord, by giving written notice to Tenant within sixty (60) days after such taking, may terminate this lease as of the date of such notice. In the event of any such taking, Landlord shall be entitled to any and all awards and payments except Tenant shall be entitled to only that portion of any award allocated to the taking of Tenant's fixtures and personal property. None of the awards or payments to Landlord shall be subject to any diminution or apportionment on behalf of Tenant or otherwise.

Section 19. Default.

The Tenant shall be in default of this Lease if the Tenant fails to pay any rent or charge or sum of money when due, and such default shall continue for a period of three (3) days after written notice thereof from Landlord, which

shall be the same as the statutory Demand for Compliance or if Tenant shall default in the performance or observance of any other term, covenant, agreement or obligation of this Lease to be performed or observed by Tenant, and such default shall continue for a period of ten (10) days after written notice thereof by Landlord. If the non-monetary default is of such a nature that it cannot be cured within the ten (10) day cure period, then no default shall be deemed to have occurred if the Tenant within that time begins to cure the default and diligently and continuously pursues and completes the cure. The Tenant shall be in default if any voluntary or involuntary petition or similar pleading under any section or sections of the Bankruptcy Act or any Chapter thereof shall be filed by or against Tenant, or any voluntary or involuntary proceeding in any court or tribunal shall be instituted to declare Tenant insolvent or unable to pay Tenant's debts, and the same shall not be dismissed or discharged within thirty (30) days after the date of initiation of any such proceedings, or if Tenant makes any assignment of its property for the benefit of creditors, or should the Leased Premises or any portion thereof or improvement thereon be taken under a levy of execution or attachment in an action against Tenant and such levy, attachment or assignment is not dismissed, and discharged within thirty (30) days after such assignment, or if Tenant shall vacate or abandon the Leased Premise, then Landlord shall have, in addition to any other remedies available at law, without further notice to Tenant, and without barring later election of any other remedy, any one or more of the following remedies:

A. Landlord may require strict performance of all the terms, covenants, agreements and obligations hereof as the same shall accrue, and have the right of action therefor; and/or

B. Landlord may re-enter the Leased Premises with process of law, eject all parties in possession thereof therefrom, and, without terminating this Lease, at any time and from time to time, re-let the Leased Premises or any part thereof or parts thereof for the account of Tenant, or otherwise, and receive and collect the rents therefor, applying the same first to the payment of such expenses as Landlord may have paid, assumed or incurred in recovering possession of the Leased Premises, and placing the same and the building and improvements within which the same are located in good order and condition and/or repairing or altering the same for reletting and such additional expenses (including commissions and attorneys' fees) paid, assumed or incurred by Landlord in, or in connection with, reletting the Leased Premises, and then to the fulfillment of the terms, covenants, agreements and obligations of Tenant, and Tenant hereby waives any provisions of law otherwise limiting the foregoing provision and other such rights now or hereafter given Tenant under the law; and/or

C. By written notice to Tenant, Landlord may declare this Lease at an end, re-enter the Leased Premises by process of law, eject all parties in possession thereof therefrom and repossess said Leased Premises. Any termination of this Lease by the Landlord after Tenant's default, shall not terminate or avoid the Tenant's obligations to compensate the Landlord for any sums past due or as future rents for the period of the Base Lease Term. Landlord shall have the right to recover from Tenant: (1) the worth, at the time of the award or judgment, the unpaid rent that had been earned at the time of default; and, (2) the worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of loss of rent that Tenant proves could have been reasonably avoided; and, (3) the worth, at the time of the award of the amount by which the unpaid rent for the balance of the Base Lease Term after the time of award exceeds the amount of the loss of rent that Tenant proves could have reasonably been avoided; and (4) any other amount, late charges, default interest, and court costs, and attorney fees necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

D. Landlord and Tenant further agree that in the event Tenant breaches this Lease, or any covenant, term, or condition hereunder, and abandons the Leased Premises, or any portion thereof, this Lease shall continue in force and effect for so long as Landlord does not terminate Tenant's right to possession, as set forth in this Lease, and Landlord may enforce all rights and remedies of Landlord including, without limitation, the right to recover rental as it becomes due hereunder. Acts of maintenance or preservation, or efforts to relet the Leased Premises, or the appointment of a receiver upon the initiation of Landlord to protect Landlord's interests under this Lease shall not constitute a termination of Tenant's right to possession.

E. Any re-entry shall be allowed by Tenant without obstruction, hindrance, or suit, and Landlord shall not be liable in damages for any such re-entry, or be guilty of trespass or forcible entry. No act by Landlord hereunder shall terminate this Lease unless Landlord notifies Tenant in writing that Landlord elects to terminate this Lease.

F. It is further agreed that Landlord, at any time after Tenant commits a default, may cure the default at Tenant's cost, and otherwise take such action with respect thereto as Landlord shall deem reasonably necessary and Landlord shall have no liability therefor. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of sum, or if Landlord incurs any expense, including attorneys' fees, in instituting proceedings, or defending any action or proceeding instituted by reason of any default of Tenant hereunder, the sum of expense paid by Landlord, with all interest, costs, and damages, shall be due immediately from Tenant to Landlord at the time the same is paid, and if not so immediately paid by Tenant, shall bear interest as hereinafter provided.

G. Any sums to be paid to Landlord under this Lease not paid when due shall bear interest at the rate of eighteen percent (18%) per annum from the date due until paid; provided, however, in no event shall any amount in excess of the maximum lawful rate of interest ever be charged or payable hereunder.

H. All rights and remedies of Landlord herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law, or equity; and likewise, the exercise by Landlord of any remedy provided for herein or allowed by law or equity shall not be to the exclusion of any other remedy.

Section 20. Surrender of Premises.

A. Upon any termination of this Lease, whether by lapse of time, cancellation pursuant to an election provided for herein, forfeiture, or otherwise, Tenant shall surrender immediately possession of the Leased Premises and all buildings and improvements within which same are located to Landlord in good and tenable repair, reasonable wear and tear excepted.

B. Upon the termination of this Lease, Tenant, if Tenant is at such time not in default hereunder, shall have the right and obligation to remove from the Leased Premises all furniture, furnishings, signs, and equipment of Tenant then installed or in place in, on or about the Leased Premises; provided, however, Tenant shall make all repairs to the Leased Premises required because of such removal. If any of such property shall remain on the Leased Premises after the end of the term hereof without the written consent of the Landlord, then such property shall be and become, at the option of Landlord, the property of Landlord without any claim therein of Tenant. The cost of removal of any remaining personal property shall be solely that of the Tenant.

C. Subject to any valid subordination, upon termination of this Lease, and if the Tenant is in default of this Lease, then the Landlord may exercise any lien it may have upon the personal property of the Tenant and may seize and hold such property, without liability therefore, until such time that the Tenant cures any default, or until the Landlord disposes of the property which he may do at any time after seizure. If directed so to do so by Landlord, Tenant shall also remove any personal property, improvements, additions or alterations made to the Leased Premises by Tenant even though such improvements by the terms of this Lease become a part of the Leased Premises.

D. This Lease shall terminate and shall become null and void without further notice upon the expiration of the term herein specified, and any holding over by Tenant after such expiration shall not constitute a renewal hereof or give Tenant any rights under this Lease.

E. The Tenant shall have an option to completely terminate this Lease for any reason and without cause provided Tenant pays six (6) months' future rent including all taxes, association dues, assessments, or other obligations coming due regardless of whether any such sums are estimated by the Owners Association or actual along with any and all sums then due and owing whether such sums are payable to Landlord or to third parties such as utilities and the like. All together such payments shall be referenced as the "Termination Option Fee". The right to terminate without additional liability other than the Termination Option

Fee shall further be contingent upon the Tenant paying all sums due therefor and curing any and all defaults, if any, prior to vacating the Premises. Should Tenant fail to pay and satisfy all obligations related to this Termination Option, then any such attempt to terminate or avoid Tenant's obligations shall be null and void and of no effect and Landlord may pursue any and all remedies at law or equity.

Section 21. Force Majeure.

Prosecution of any construction, repairs or rebuilding any building, improvement or other structure herein shall be excused to the extent that the delay is occasioned by the other party, strikes, threats of strikes, blackouts, war, threats of war, bombing, insurrection, invasion, acts of God, calamities, civil commotions, violent action of the elements, fire, action or regulations of any governmental authority, state, law or ordinances, impossibility of obtaining materials, or other matters or things, whether similar or dissimilar to the foregoing, beyond the reasonable control of the obligated party.

Section 22. Estoppel Statements.

Tenant agrees at any time, within five (5) days of any written request therefor, to execute, acknowledge and deliver to Landlord a statement in writing and in the form as may be required by Landlord. Tenant shall also deliver to any prospective institutional lender of Landlord within fifteen (15) days of Landlord's request therefor, from time to time, such specific subordination agreement on lender's form as may be required by such lender.

Section 23. Rights Reserved by Landlord.

A. (1) Tenant agrees to permit Landlord or the authorized representatives of Landlord to enter the Leased Premises at all reasonable times during usual business hours for the purpose of (a) inspecting same and (b) making such repairs or reconstruction required or permitted by Landlord, and (c) performing any work therein that may be necessary by reason of Tenant's default under the terms of this Lease, without prior written notice thereof to Tenant. Landlord shall give 24 hours prior notice of repairs or reconstruction work required in the Leased Premises whenever such is practical and possible. Nothing herein shall imply any duty upon the part of Landlord to do any such work which, under the provisions of this Lease, Tenant may be required to perform, and the performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. In the event Landlord makes any repairs or maintenance which Tenant has failed to do, the cost thereof plus fifteen percent (15%) thereof to cover administrative and overhead costs incurred by Landlord shall be paid by Tenant to Landlord with the next installment of rental hereunder.

(2) Landlord is hereby given the right during usual business hours to enter the Leased Premises and to exhibit the same for purposes of sale, lease or mortgage, and during the last six (6) months of the term of this Lease, to exhibit the same to any prospective Tenant, and to post any signs on or about the Leased Premises regarding such sale, lease or mortgage.

B. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

Section 24. Restrictions on Use.

A. Tenant acknowledges and agrees that pursuant to the terms hereof Tenant shall have only the right to use the Leased Premises hereby as expressly set forth in and permitted by the Fundamental Lease Provisions and any Addendum of this Lease. No lease, express or implied, is herewith made, and Tenant agrees that it shall not make any use of the Leased Premises (including without limitation the subsurface of the land) other than of the said space thereof as

permitted hereby. Tenant further acknowledges and agrees that it shall have no right of subdivision, separation, or partition of the Leased Premises or any portion thereof from Fairplay Commercial Condominiums, within which the Leased Premises are located. No easements for light and air are included in the Leased Premises.

B. If Tenant violates any of the provisions of this Section, Landlord: (1) may cancel this Lease by giving three (3) days' written notice to Tenant, and/or (2) may pursue any other remedy available at law or equity. The enumeration in this Section of various specific purposes for which the Leased Premises cannot be used or occupied does not, directly or by implication, permit use or occupancy of the Leased Premises for any purpose other than as specifically provided in the Fundamental Lease Provisions or any Addendum to this Lease.

Section 25. Existing and Future Conditions

A. Tenant acknowledges that the Leased Premises are, and shall continue to be subject to easements, covenants, restrictions, and conditions which run with the land, all as set forth in or on Declaration of Covenants, Conditions and Restrictions, Articles, Bylaws, Flat Maps, Master Plans, and the like, and are further subject to all building and zoning laws and other applicable laws or ordinances of the Town of Fairplay, The State of Colorado, Special Districts, and any other governing authority or entity.

B. Landlord makes no representations, and Tenant makes no reliance upon the number or type of Tenants, the percentage of occupancy, or any other factor concerning the economic viability of Tenant's use or occupancy of the Leased Premises or Fairplay Commercial Condominiums.

Section 26. Prohibitions.

In addition to any other prohibitions or restrictions imposed by this Lease, Tenant shall observe the following:

A. No Tenant shall do or permit anything to be done in the building or bring or keep anything therein, which will in any way increase the rate of fire insurance on the building, or on the property kept therein, or obstruct or interfere with other Tenants or those doing business with them, or in any way injure or annoy them or conflict with the laws relating to fires or with the regulations of the fire department, or with any insurance policy upon the building or any part thereof, or conflict with any applicable statutes, rules, or ordinances.

B. Tenant covenants not to operate any coin- or token-operated vending machine or similar device for the sale of any goods, wares, merchandise, food, beverages, or services, including but not limited to pay telephones, pay lockers, pay toilets, scales, amusement devices, and machines for the sale of beverages, foods, candy, cigarettes, or other commodities, without the prior written consent of Landlord.

C. No animals shall be kept in or about the building.

D. At all times Tenant shall keep the Leased Premises clean and free from rubbish, dirt, snow, and ice.

E. If any additional locks or bolts of any kind are placed upon any of the entrance or interior doors by Tenant, or if any changes be made in existing locks or the mechanisms thereof, then the Tenant shall provide duplicate keys to the Landlord. At the termination of the Lease, the Tenant shall provide the Landlord with all copies of any keys to the Premises, or if Tenant should fail to do so, the Tenant shall be liable for the cost of re-keying the Premises which funds may be deducted from the security deposit or other collected from the Tenant.

F. Tenant agrees that it will not at any time during the demised term, without first obtaining Landlord's consent, install, operate, or maintain in the leased Premises any electrical equipment which will "overload" the electrical system therein, or any part thereof, beyond its reasonable capacity for proper and safe operation as determined by the Landlord in light of the overall system

and requirements therefor to the Town of Fairplay, or which does not bear underwriter's approval.

G. Tenant shall not place any rubbish or other matter outside any building within Fairplay Commercial Condominiums, except in such containers as are authorized from time to time by Landlord.

Section 27. Bankruptcy or Insolvency.

A. In the event the estate of Tenant created hereby shall be taken in execution or by other process of law, or if Tenant or any guarantor of Tenant's obligations hereunder ("guarantor") shall be adjudicated insolvent pursuant to the provisions of any present or future insolvency law under the laws of any state having jurisdiction ("state law"), or if any proceedings are filed by or against such guarantor under the Bankruptcy Code, or any similar provisions of any future federal bankruptcy law, or if a Receiver or Trustee of the Property of Tenant or guarantor shall be appointed under state law by reason of Tenant's or guarantor's insolvency or inability to pay its debts as they become due or otherwise, or if any assignment shall be made of Tenant's or guarantor's property for the benefit of creditors under state law; then and in such event Landlord may, at its option, terminate this Lease and all rights of Tenant hereunder, by giving Tenant written notice of the election to so terminate.

B. In the event that Tenant shall file a Petition for Bankruptcy and a Trustee is thereby appointed, and the Trustee of Tenant shall elect to assume this Lease, such election may only be made if all of the terms and conditions of this section are satisfied. If such Trustee shall fail to elect to assume this Lease, in writing delivered to the Landlord, within sixty (60) days after such Trustee shall have been appointed, this Lease shall be deemed to have been rejected. Landlord shall be thereupon immediately entitled to possession of the Leased Premises without further obligation to the Tenant or Trustee, and this Lease shall be cancelled, but Landlord's right to be compensated for damages in such bankruptcy proceeding shall survive.

C. No election to assume this Lease shall be effective unless in writing and addressed to Landlord and unless, in Landlord's business judgment, all of the following conditions, which Landlord and Tenant acknowledge to be commercially reasonable, have been satisfied:

(1) The Trustee or the Debtor-in-Possession has cured or has provided Landlord adequate assurance (as defined hereunder) that:

i. within ten (10) days from the date of such assumption the Trustee will cure all monetary defaults under this Lease; and

ii. within thirty (30) days from the date of such assumption the Trustee will cure all nonmonetary defaults under this Lease.

(2) The Trustee or the Debtor-in-Possession has compensated, or has provided to Landlord adequate assurance (as defined hereunder) that within ten (10) days from the date of assumption Landlord will be compensated for any pecuniary loss incurred by Landlord arising from the default of the Tenant, the Trustee, or the Debtor-in-Possession as recited in Landlord's written statement of pecuniary loss sent to the Trustee or Debtor-in-Possession.

(3) The Trustee or the Debtor-in-Possession has provided Landlord with adequate assurance of the future performance of each of Tenant's obligations under the Lease; provided, however, that:

i. The Trustee or Debtor-in-Possession shall also deposit with Landlord, as security for the timely payment of rent, an amount equal to three (3) months' rent (as may be adjusted pursuant to this Lease) and other monetary charges accruing under this Lease; and

ii. From and after the date of the assumption of this Lease, the Trustee or Debtor-in-Possession shall pay as minimum rent an amount equal to the sum of the minimum rental otherwise payable hereunder plus the highest amount of the annual percentage rent paid by Tenant to Landlord within the five (5) year period to the date of Tenant's petition under the Bankruptcy Code, which amount shall be payable in advance in equal monthly

installments on each day that minimum rent is payable; and

iii. The obligations imposed upon the Trustee or Debtor-in-Possession shall continue with respect to Tenant after the completion of bankruptcy proceedings.

D. For purposes of this section, adequate assurance also shall mean:

(1) Landlord shall determine that the Trustee or the Debtor-in-Possession has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Debtor-in-Possession will have sufficient funds to fulfill the obligations of Tenant under this Lease and to keep the Leased Premises stocked with merchandise and properly staffed with sufficient employees to conduct a fully operational, actively promoted business on the Leased Premises; and

(2) An order shall have been entered segregating sufficient cash payable to Landlord and/or there shall have been granted a valid and perfected first lien and security interest in property of the Tenant, Trustee or Debtor-in-Possession, acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Debtor-in-Possession to cure the monetary and/or nonmonetary defaults under this Lease with the time periods set forth above.

Section 28. Miscellaneous.

A. Loss and Damage. Landlord shall not be liable for any damage to property of Tenant or of others located on the Leased Premises, nor for the loss of or damage to any property of Tenant or of other by theft or otherwise. All property of Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of Tenant.

B. Lease Binding on Successors. The covenants and agreements herein contained shall bind and inure to the benefit of Landlord and Tenant, and each of their heirs, personal representatives, successors and assigns, subject to the provisions of this Lease. No rights, however, shall inure to the benefit of any assignee or subtenant of Tenant unless the assignment or the sublease has been approved by Landlord.

C. Attorneys' Fees. In the event that legal proceedings are brought or commenced to enforce the terms of this Lease, or any dispute arises over the transferability of the Lease, the prevailing party shall be entitled to recover from the other party all costs and expenses of such proceedings, including reasonable attorneys' fees, whether or not any proceedings are prosecuted to judgment.

D. Sale of Leased Premise. The term "Landlord" as used in this Lease shall mean the owner of Landlord's leasehold estate in and to the Leased Premises. If Landlord's interest and estate in and to the Leased Premises are sold or assigned by Landlord, the seller shall be entirely freed, relieved, and discharged of all covenants, agreements, and obligations under this Lease, except those occurring prior to the date of such sale by Landlord, and directly attributable to Landlord's period of ownership of such interest and estate.

E. Notices. Any notice or demand required or permitted by law or by any of the provisions of this Lease shall be in writing. All notices or demands by Landlord to Tenant shall be deemed to have been properly given and effective when served personally on an executive officer, director, or partner of Tenant, or managing employee of Tenant, or on the individual comprising Tenant (as the case may be) or when sent by registered or certified mail, postage prepaid, addressed to Tenant at the address of the Leased Premises, or at the address set forth in the Fundamental Lease Provisions. All notices or demands by Tenant to Landlord shall be deemed to have been properly given if served personally on an executive officer of Landlord, or when sent by registered or certified mail, postage prepaid, addressed to Landlord at the address set forth in the Fundamental Lease Provisions. Either party hereto may change the place to which notices are to be given by advising the other party in writing. If any notice or other document is sent by mail, as aforesaid, the same shall be deemed served or delivered forty-eight (48) hours after the mailing thereof. If more than one

Tenant is named under this Lease, service of any notice upon any one of said Tenants shall be deemed as service upon all of said Tenants.

F. Section Headings. The headings or captions of Sections in this Lease are for convenience and reference only, and they in no way define, limit, or describe the scope or intent of this Lease or the provisions of such Sections.

G. Gender and Interpretation of Terms and Provisions. As used in this Lease and whenever required by the context thereof, each number, both singular or plural, shall include all numbers, and each gender shall include all genders. Landlord and Tenant as used in this Lease or in any other instrument referred to in or made a part of this Lease shall likewise include both the singular and the plural, a corporation, co-partnership, individual or person acting in any fiduciary capacity as executor, administrator, trustee, or in any other representative capacity. All covenants herein contained on the part of Tenant shall be joint and several.

H. Time of Essence. Time is hereby expressly declared to be of the essence of this Lease and of each and every covenant, term, condition, and provision hereof.

I. Impartial Construction. The language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for nor against either Landlord or Tenant.

J. Waiver. No waiver of any breach of the terms, covenants, agreements, restrictions or conditions of this Lease shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Lease, nor shall consent to any assignment or sublease be deemed to waive any requirement of consent of Landlord to any other assignment or sublease. The consent or approval of either party to or of any act or matter requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent or similar act or matter.

K. Partial Invalidity. If any term, covenant or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law. Regardless of any other provision to the contrary, in the event any court of competent jurisdiction makes a final adjudication to the effect that any portion of this Lease is invalid under the laws of the state within which the Leased Premises are located, or any other applicable law, then in that event, Landlord shall have the sole unrestricted discretion to terminate the entire Lease upon notice thereof to Tenant by reason of such adjudication of invalidity of a portion of this Lease.

L. Other Ownership of Property. Tenant agrees not to cancel its Lease, reduce or abate its rents or pursue any other remedies under this Lease for any violation of this Lease occurring by virtue of any act or omission on or with respect to property not owned by Landlord.

M. Tenant's Acknowledgement of Condition of Leased Premises. Tenant agrees that its acceptance of the Leased Premises evidenced by Tenant's entry into possession thereof shall constitute unqualified proof that the Leased Premises are, as of the date of the commencement of Tenant's occupancy thereof, in a tenable and good condition, that Tenant will take good care thereof, and Tenant hereby waives all rights to make repairs at Landlord's expense.

N. No Option to Lease. The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises, and shall be deemed submitted solely for Tenant's consideration and not for acceptance as an offer from Landlord. Such submission shall have no binding force or effect and shall confer no rights nor impose any obligations, including brokerage obligations, on either party unless and until both Landlord and Tenant shall have executed the Lease and duplicate originals thereof shall have been delivered to the respective parties.

O. Waiver of Liability. Regardless of any other provision to the contrary, Tenant agrees that it shall look solely to the estate and property of Landlord in the land and buildings comprising the lot or parcel of land upon

which the building within which the Leased Premises are located, and subject to prior rights of any mortgagee of the premises, for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed and/or performed by Landlord, and no other assets of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

F. Rights of lenders. Regardless of any other provision to the contrary, Landlord shall not be in default under any provision of this Lease unless written notice specifying such default is mailed to Landlord and to all mortgagees and/or trust deed holders of which Tenant has, prior to such notice, been notified in writing. Tenant agrees that any such mortgagee or trust deed holder shall have the right to cure such default on behalf of Landlord within thirty (30) calendar days after receipt of such notice, plus such additional time as is reasonably necessary. Tenant further agrees not to invoke any of its remedies under this Lease until said thirty (30) days have elapsed, or during any period that such mortgagee or trust deed holder is proceeding to cure such default with due diligence, or is taking steps with due diligence to obtain legal right to enter the Leased Premises or adjoining property to cure the default.

G. Brokers. Each party represents to the other that no person, firm, corporation or other entity is entitled to any brokerage commission or finder's fee on account of the execution, delivery, and consummation of this Lease. Tenant hereby agrees to indemnify Landlord and to hold Landlord free and harmless of and from any and all claims, losses, damages, costs and expenses of whatsoever nature, including attorneys' fees and costs of litigation arising from or relating to any brokerage commission or finder's fees incurred by Tenant in connection with this Lease. Tenant represents that it is not a licensed real estate broker and no "commission split" or other fee is claimed by the Tenant in conjunction with this Lease.

R. Additional Definitions.

(1) "Tenant's obligations hereunder" and words of like import, as used in this Lease, mean Tenant's duties to pay fixed rent and additional rent falling due hereunder and to perform and observe all the other covenants, agreements, terms, provisions, and conditions of this Lease on the part of Tenant to be performed or observed.

(2) "Landlord" as used herein shall refer to the person, partnership, corporation, or trust hereinabove set forth in that capacity. If such person be designated an agent, Landlord shall also refer to and include the principal. Obligations and duties to be performed by Landlord may be performed by Landlord, its agents, employees, or independent contractors.

(3) Every reference herein to "Landlord's consent" means "prior written consent of the Landlord in each instance."

S. Notice of Damage or Defect. All complaints by a Tenant shall be made in writing to the Landlord. Each Tenant shall give to the Landlord prompt written notice of any damage to or defect in pipes, wires, appliances, or fixtures in or about the premises and of any damage to any part of the premises. No time limits, alleged breaches, or curative actions of the Landlord shall be deemed to have begun, occurred, or be required until and unless such written notice is given by the Tenant. No imputed, constructive, or inferred knowledge shall be ascribed to the Landlord.

T. Rights and Remedies in Event of Nonpayment. Tenant will also pay without notice, except as required under this Lease, without any abatement, deduction, or setoff, as additional rent, all sums, impositions, costs, expenses, and other payments which Tenant in any of the provisions of this Lease assumes or agrees to pay, and, in case of any nonpayment thereof, Landlord shall have, in addition to all other rights and remedies, all the rights and remedies provided for in this Lease, or by law in the case of nonpayment of Rent.

U. In Any Proceeding or Counterclaim Connected with Lease or Its Termination. Landlord and Tenant shall and each does hereby waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease or its termination, the relationship of Landlord and

Tenant, Tenant's use or occupancy of the premises, and/or any claim of injury or damage and any emergency statutory or any other statutory remedy.

V. AGREEMENTS IN WRITING. IT IS UNDERSTOOD THAT THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AFFECTING THIS LEASE AND THIS LEASE SUPERSEDES AND CANCELS ANY AND ALL PREVIOUS NEGOTIATIONS, ARRANGEMENTS, BROCHURES, AGREEMENTS AND UNDERSTANDINGS, IF ANY, BETWEEN THE PARTIES HERETO OR DISPLAYED BY LANDLORD TO TENANT WITH RESPECT TO THE SUBJECT MATTER THEREOF, AND NONE SHALL BE USED TO INTERPRET OR CONSTRUCT THIS LEASE. IT IS FURTHER AGREED BY AND BETWEEN THE PARTIES HERETO THAT THERE SHALL BE NO MODIFICATION OR AMENDMENT OF THIS LEASE, EXCEPT AS MAY BE EXECUTED IN WRITING BETWEEN THE PARTIES HERETO. LANDLORD MAKES NO WARRANTY, REPRESENTATION, CONTRACT, AGREEMENT, OR STATEMENT CONCERNING THE USE, OCCUPANCY, OR SUITABILITY OF THE LEASED PREMISES FOR THE USE OF THE LEASED PREMISES AS SET FORTH IN THE FUNDAMENTAL LEASE PROVISIONS, OR WITH RESPECT TO THE CONDITION OF TITLE WITH RESPECT THERETO, OR THE MEANS, MODE, OR MANNER OF CONSTRUCTION OF ANY BUILDINGS OR IMPROVEMENTS, OR THE ADEQUACY OR FITNESS THEREOF FOR ANY USE OR OCCUPANCY, OR THE ACCURACY OR VALIDITY OF ANY STATEMENT, REPRESENTATION, WARRANTY, AGREEMENT, OR DOCUMENT BY ANY OTHER PERSON, PARTY, OR ENTITY, UNLESS EXPRESSLY SET FORTH HEREBIN AS AN AGREEMENT OF LANDLORD.

W. Matters in Existence. Tenant agrees that this Lease is, and shall be, subject and subordinate to all matters in existence, whether of record or otherwise, and as now or hereafter modified or amended (provided that the rights of Tenant are not materially adversely affected by such modification or amendment), and further agrees to be bound by and not to violate or cause Landlord to be in violation of any of the provisions of said matters and the provisions contained therein or in any present or future modification or amendment thereof.

X. Law Governing. The law as of the State of Colorado shall govern the validity, performance and enforcement of this Lease.

Y. No Third Party Beneficiary. Tenant agrees and acknowledges that it is not a third party beneficiary to any lease or rental agreement that Landlord has or will enter into with any other Tenant. Landlord may enter into, modify, or amend any lease with any third party and may enforce, waive, modify, or otherwise deal with any third party lease as Landlord desires, and the undersigned Tenant shall have absolutely no claim, setoff, or implied modification of this lease as a result of Landlord's actions concerning other leases.

Z. Independent Provisions. The provisions and covenants of this Lease are independent clauses and no alleged breach of any provision or covenant by the Landlord shall in any manner permit a withholding of rent or any other sum due or deferral or elimination of any other Tenant obligation.

IN WITNESS WHEREOF each corporate party hereto has caused this Lease to be executed in its name and behalf by its President, or one of its Vice Presidents, and its corporate seal to be affixed and attested by its secretary, or assistant secretary; each individual party hereto has hereunto set his hand and seal; and each partnership party hereto has caused this Lease to be executed in its name and behalf by at least one of its general partners.

LANDLORD: Platt River Drive, LLC

By: 
Mark Thomas

Date: 7-20-16

TENANT: GrowGeneration Pueblo Corp

A, CFO
By: Darren Lampert
Date: 7/20/16.

ADDITIONAL PROVISIONS

1. Tenant agrees to comply with and be subject to the Declaration of Covenants, Conditions and Restrictions applicable to the Leased Premises.
2. Landlord makes no representations of suitability for tenants intended use or code compliance. Tenant shall be responsible to obtain any approvals necessary as well as improvements per Town and Fire Department regulations and requirements.
3. Any Electrical upgrades shall be done by Eagle Summit Electric and must be approved by Landlord.
4. Any heating units and fixtures shall be approved by Landlord and paid for by Tenant. No representation is being made as to the availability of natural gas through Colorado Natural Gas. All costs shall be borne by Tenant. No roof penetrations shall be permitted.
5. The space shall not be used for any marijuana sales or growing or any other state or federal illegal activity. Tenant by signature hereon acknowledges their usage is in compliance with this provision.
6. This lease is expressly contingent upon the current tenant in Space #12 vacating and moving to Space #18 within 7 days of execution of this lease.