

TRIPLE NET LEASE

10,000 +/- sq. ft. of Unit 3, 470 Riverside Street, Portland, Maine

This LEASE AGREEMENT (the "Lease") is dated as of October 1, 2016 between **DELTA REALTY LLC**, a Maine limited liability company (the "Landlord"), and **RS470, LLC** a Maine limited liability company (the "Tenant").

Landlord hereby agrees to lease to Tenant and Tenant hereby agrees to lease from Landlord, subject to all of the terms and conditions hereinafter set forth, certain real estate (the "Leased Premises") described in the Basic Lease Terms located at 470 Riverside Street, Portland Maine (the "Property") as described in Exhibit A.

BASIC LEASE TERMS

- 1. Property Name:** Commonly known as 470 Riverside Street, Portland, Maine or the 470 Riverside Street Condominium.
- 2. Leased Premises:** 10,000 +/- square feet of the free standing concrete block building known as Unit 3 of the 470 Riverside Street Condominium located at 470 Riverside Street, Portland, Maine (hereinafter "Unit 3"), together with a non-exclusive right to use the paved parking area located on the north side of Unit 3, the exclusive right to use the fenced in area to the south side of Unit 3, and the exclusive right to use the paved drive and loading dock located on the northeasterly and southeasterly sides of said Unit 3, all of which are more particularly depicted on Exhibit B and Exhibit B-1 attached hereto.
- 3. Base Rent:** Tenant agrees to pay Landlord Rent in the initial annual amount of \$80,000.00, payable in monthly installments in the initial amount of \$6,666.67 each.
- 4. Initial Term:** Three (3) years commencing on October 1, 2016.
- 5. Option to Extend, Etc.:** Two (2) renewal option for an additional three (3) years, which option must be exercised by written notice from Tenant delivered to Landlord at least six (6) months prior to the end of the then Lease Term. The Base Rent during the first renewal term shall be in the annual amount of \$65,000.00. The Base Rent during the second shall be at the then applicable market rent as determined pursuant to the attached Standard Lease Terms but shall be no less than the immediately preceding Base Rent during the prior term. Any prior right of first refusal to purchase the Leased Premises is hereby terminated.
- 6. Triple Net Lease/Additional Rent.** This is a "triple net lease" and Tenant shall pay as Additional Rent, in addition to the Base Rent, its Proportionate Share of all expenses of the operation of the Property, all as defined in and subject to adjustment as provided in the attached Standard Lease Terms, but excepting (a) payments on any indebtedness encumbering the Property, (b) depreciation and amortization, and (c) any estate, inheritance or income taxes of Landlord.

The Tenant's initial Proportionate Share of Condominium expenses is generally **24.47%**, all as defined in and subject to adjustment as provided in Condominium Declaration, provided that for any Unit 3 specific expenses, including without limitation real estate taxes, property insurance and building maintenance and repairs, the Proportionate Share is **100%**.

Tenant shall directly pay for heating and electrical, water/sewer costs, dumpster, and janitorial service.

7. **Security Deposit:** \$6,666.00
8. **Permitted Use:** Tenant shall use the demised premises for the purpose of the operation of a State of Maine licensed medical marijuana cultivation, warehousing and distribution facility, and any other related legal purpose. Tenant is responsible for obtaining applicable governmental licenses, use permits and approvals at its cost and expense.
9. **Shared Septic System.** Units 1, 2 and 3 of the Condominium are benefited and burdened by a shared septic system. The expenses for any such installation, maintenance, inspection repair, and/or replacement of sewer lines and pipes, pumps, tanks, septic fields, vents, improvements or other appurtenances, and for the alteration of the surfaces of the earth, shall be a Limited Common Expense allocated to Units # 1, 2 and 3 in proportion to their Common Expense liabilities (Unit 3's share of such expenses is **33.69%**, of which Tenant is responsible for its Proportionate Share).
10. **Broker:** Marc R Fishman of Fishman Realty Group / K W Commercial
11. **Landlord's Work:** Upgrade shared transformer to 500 KVA, trench and upgrade wiring and panel to three-phase, 600 amp.
12. **Tenant's Work:** Per Section 9 of the Standard Lease Terms
13. **Addresses for Notices:**

Landlord:
380 Warren Avenue
Portland, ME 04103
Attn: Andr ea Girard, Manager

Tenant:
470 Riverside Street, Unit 3
Portland, ME 04103
Attn: John Ready

All payments payable under this Lease shall be sent to the Landlord's address identified above or such other address as Landlord may designate.

14. **Signatures.** Electronic copies of the parties' signatures that are transmitted by fax or by scanning and emailing shall be binding.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease, consisting of the foregoing provisions and Sections 1 through 29 which follow, together with Exhibits A, B and B-1 incorporated herein by this reference, as of the date first above written.

"Landlord"
DELTA REALTY LLC

"Tenant"
RS470, LLC

By: _____

by: _____