



**CONTRA COSTA COUNTY
Board of Supervisors**

Today's

Date:

12/10/19

CIRCLE ONE:

**General Public
Comment**

or

Agenda Item #

REQUEST TO SPEAK (2-minute limit)

CITIZENS PARTICIPATION

There are opportunities for citizens to make comments or present information to the Board of Supervisors.

When you are recognized by the chair to speak, approach the lectern and give your name followed by comments.

Personal information is optional. This speaker card is part of the public record for this meeting.

After completing this form place it in the box near the podium.

Your Name: Jessica Zimmerman Representing: _____

Address: 2300 Chestnut St. Brentwood Phone or Email: _____

SUBJECT MATTER TO BE PRESENTED:

D.13

(Didn't Speak)



*I do not want to speak but would like to leave comments for the Board to consider (Use the back of this form)

Please write comment here if you wish not to speak.

~~My~~ My husband I were hoping to make our home on Chestnut street our forever home. We just started a family with a brand new baby and live directly across from O Chestnut. We will be forced to uproot our lives if this cannabis farm is approved.

From: James Doherty <james@lifedevelopmentgroup.org>

Sent: Friday, December 6, 2019 1:50 PM

To: John Gioia <John.Gioia@bos.cccounty.us>; Candace Andersen

<Candace.Andersen@bos.cccounty.us>; Diane Burgis <Diane.Burgis@bos.cccounty.us>; Karen Mitchoff

<Karen.Mitchoff@bos.cccounty.us>; Federal Glover <Federal.Glover@bos.cccounty.us>

Cc: John Kopchik <John.Kopchik@dcd.cccounty.us>; Ruben Hernandez

<Ruben.Hernandez@dcd.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>;

jose.pecho@shrynegroup.com; Brian Mitchell <brian@shrynegroup.com>

Subject: Letter of Support for Authentic 925

Hello,

I hope this message finds you doing well. My name is James Doherty, and I am a Principal Member with Life Development Group of Los Angeles, California. Below and attached you will see my unwavering support of Authentic 925. I can be reached at any time at 323-975-1090.

With Appreciation,

James Doherty



December 5, 2019

Contra Costa County Board of Supervisors

Board Chambers Room 107 Administration Building 651 Pine Street
Martinez, CA 94553

Re: SGI Retail, LLC DBA Authentic 925

Dear: Honorable Gioia, Andersen, Burgis, Mitchoff and Glover:

LIFE DEVELOPMENT GROUP is a Los Angeles-based grassroots advocacy group who specialize in social equity and community reinvestment. **OUR VISION** is prosperity for all, and we believe that with community reinvestment in the form of cannabis businesses we can help bridge the socio-economic gap throughout our communities and offer more resources.



LDG works with Brian Mitchell and Jose Pecho in actively promoting social equity and community reinvestment throughout Los Angeles. Their ability to cooperate and partner with a diverse group of stakeholders such as ours, helps us provide valuable mentorship, resources, technical and operational advice in guiding our members in the fluid and highly complex cannabis industry. Their efforts speak volumes of their commitment to a community centric approach to growing the cannabis industry that provides economic and social impact and a road to generational wealth opportunities at the grass roots level. In our efforts towards providing an equitable

landscape for all people, we have not encountered a



company that not only speaks with the interests of Social Equity Applicants in mind, but also follows through on their statements.

We support the efforts of Brian Mitchell, Jose Pecho and their entire team for their unheralded cooperation and leadership. Contra Costa County would be so fortunate to have business leaders, as well as active community leaders that help inspire, inform and innovate new

programs and initiatives that lead to win-win opportunities across this great state and beyond.



With Sincere Appreciation,

A handwritten signature in black ink, appearing to be 'JD' with a stylized flourish extending to the right.

James Doherty & Life Development Group

www.lifedevelopmentgroup.org

June McHuen

From: Jami Napier
Sent: Friday, December 6, 2019 9:41 AM
To: June McHuen
Subject: Fwd: Letter of Support for Authentic 925

For BGO and minutes
please.
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From: Mike McGuire <Mike@mcguire-hd.com>
Sent: Friday, December 6, 2019 9:05:51 AM
To: John Gioia <John.Gioia@bos.cccounty.us>; Candace Andersen <Candace.Andersen@bos.cccounty.us>; Diane Burgis <Diane.Burgis@bos.cccounty.us>; Karen Mitchoff <Karen.Mitchoff@bos.cccounty.us>; Federal Glover <Federal.Glover@bos.cccounty.us>
Cc: John Kopchik <John.Kopchik@dcd.cccounty.us>; Ruben Hernandez <Ruben.Hernandez@dcd.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>; jose.pecho@shrynegroup.com <jose.pecho@shrynegroup.com>; brian.mitchell@shrynegroup.com <brian.mitchell@shrynegroup.com>
Subject: Letter of Support for Authentic 925

December 3, 2019

Contra Costa County Board of Supervisors

Board Chambers Room 107
Administration Building
651 Pine Street
Martinez, CA 94553

Re: SGI Retail, LLC DBA Authentic 925

Dear: Honorable Gioia, Andersen, Burgis, Mitchoff, Glover and Staff:

I am a Business Owner in the immediate area of the proposed cannabis dispensary submitted as Authentic 925 located at 5753-5759 Pacheco Blvd, also known as 100 First Ave South, Pacheco, CA in Supervisorial District 5, which is represented by Federal Glover. We are looking forward to the increased security and customer traffic to our area, which I believe will improve business and commerce for all.

I write this letter in support of Authentic 925's application to operate a permitted cannabis dispensary here in Pacheco, CA. They are experienced and community engaged operators as evidenced by their #1 ranking for retail storefronts. They are committed to being great neighbors. Their 24/7 security monitoring and presence will help with deterring crime, loitering, graffiti, smoking, parking and other nuisances that is plaguing our area.

I feel they would be great community partners as proven by their past track records in other areas of the state. As we have done, please vote to support their application and allow their business the privilege and opportunity to join the Pacheco and the Contra Costa Community.

Sincerely,

Mike McGuire, Owner
McGuire Harley Davidson
93 1st Ave North
Pacheco, CA 94553
925-945-6500

June McHuen

From: Jami Napier
Sent: Friday, December 6, 2019 6:27 AM
To: June McHuen
Subject: Fwd: Letter of Support for Authentic 925

Morning! For BGO and the minutes

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From: Terrance Alan <terrance@sequelmedia.com>
Sent: Thursday, December 5, 2019 11:46:44 PM
To: John Gioia <John.Gioia@bos.cccounty.us>; Candace Andersen <Candace.Andersen@bos.cccounty.us>; Diane Burgis <Diane.Burgis@bos.cccounty.us>; Karen Mitchoff <Karen.Mitchoff@bos.cccounty.us>; Federal Glover <Federal.Glover@bos.cccounty.us>
Cc: John Kopchik <John.Kopchik@dcd.cccounty.us>; Ruben Hernandez <Ruben.Hernandez@dcd.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>; jose.pecho@shrynegroup.com <jose.pecho@shrynegroup.com>; brian.mitchell@shrynegroup.com <brian.mitchell@shrynegroup.com>
Subject: Letter of Support for Authentic 925

Contra Costa County Board of Supervisors & County Staff

Dear Honorable Gioia, Andersen, Burgis, Mitchoff and Glover,

My name is Terrance Alan. I am an 35 year HIV survivor and cannabis advocate who most recently was Chair of the San Francisco State Cannabis Legalization Taskforce. I led the 3 year political process which resulted in the writing of comprehensive recommendations used to inform the Board of Supervisors in the implementation of Prop 64 in San Francisco. It was during this work that I got to know Jose Pecho and Authentic 925. He regularly attended our taskforce meetings and participated in the legislative process.

I recommend Jose without hesitation. His community building skills, dedication to cultural respect and willingness to learn for everyone around him makes him an ideal steward to the emerging cannabis industry in Contra Costa County.

Respectfully,

Terrance Alan
Chair, SF Cannabis State legalization Taskforce
Cannabis Advocate and Business Operator
Castro and Upper Market Streets
San Francisco, CA

June McHuen

From: Jami Napier
Sent: Friday, December 6, 2019 3:09 PM
To: June McHuen
Subject: Fwd: Letter of Support for Authentic 925
Attachments: HCCSF letter of support Cannabis permit 12062019.pdf

For BGO and minutes please

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From: Carlos Solorzano <Carlos@hccsf.com>
Sent: Friday, December 6, 2019 2:32:35 PM
To: John Gioia <John.Gioia@bos.cccounty.us>; Candace Andersen <Candace.Andersen@bos.cccounty.us>; Diane Burgis <Diane.Burgis@bos.cccounty.us>; Karen Mitchoff <Karen.Mitchoff@bos.cccounty.us>; Federal Glover <Federal.Glover@bos.cccounty.us>
Cc: John Kopchik <John.Kopchik@dcd.cccounty.us>; Ruben Hernandez <Ruben.Hernandez@dcd.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>; jose.pecho@shrynegroup.com <jose.pecho@shrynegroup.com>; brian.mitchell@shrynegroup.com <brian.mitchell@shrynegroup.com>
Subject: Letter of Support for Authentic 925

D

December 6, 2019

Contra Costa County Board of Supervisors
651 Pine Street
Martinez, CA 94553

Dear Honorables Gioia, Andersen, Burgis, Mitchoff and Glover:

On behalf of the Board of Directors of the Hispanic Chambers of Commerce of San Francisco (HCCSF), we offer our support for Authentic 925 and my personal friend Mr. Jose Pecho, to be able to operate a great addition to the businesses in Contra Costa. I have known Jose for many years and we have supported each other as I know him as a honest, as a leader in our community, as a colleague, and as a friend.

The leadership team has a culturally sensitive approach to ensuring their community benefits plan include, local hiring, educational and youth initiatives, as well as workforce development training as a top priority. They have proven their ability to outreach effectively to the community and have spoken with many of the stakeholders in the public and private sector in the city. More to the point for us, they understand and represent the cultural diversity of Contra Costa.

We believe their well-balanced leadership team will make Authentic 925 very successful, particularly mindful of the responsibility they have to the community, the businesses, as well as its neighbors and the importance of collaboration for mutual benefit. We encourage you to support this business effort and approve them for the benefits they will provide in Contra Costa.

Sincerely yours;

Carlos Solórzano-Cuadra

CEO

Hispanic Chambers of Commerce

Of San Francisco (HCCSF)

Office: 415.735.6120

E mail: carlos@hccsf.com

Cc: Board of Directors

Carlos Solórzano

CEO

HCCSF

CHCC Northern Region Chair

Office 415.735.6120

Cell 415.259.1498

Carlos@hccsf.com

www.hccsf.com



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Hispanic Chambers of Commerce of San Francisco
Cámaras de Comercio Hispánicas de San Francisco



December 2nd. 2019

Contra Costa County Board of Supervisors
651 Pine Street
Martinez, CA 94553

Dear Honorables Gioia, Andersen, Burgis, Mitchoff and Glover:

On behalf of the Board of Directors of the Hispanic Chambers of Commerce of San Francisco (HCCSF), we offer our support for Authentic 925 and my personal friend Mr. Jose Pecho, to be able to operate a great addition to the businesses in Contra Costa. I have known Jose for many years and we have supported each other as I know him as a honest, as a leader in our community, as a colleague, and as a friend.

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Sincerely yours:

Carlos Solórzano-Cuadra
CEO
Hispanic Chambers of Commerce
Of San Francisco (HCCSF)
Office: 415.735.6120
E mail: carlos@hccsf.com

Cc: Board of Directors

3597 Mission Street ♦ San Francisco ♦ CA ♦ 94110
415-735-6120 ♦ 415-259-1498
E-mail Info@hccsf.com ♦ www.hccsf.com

June McHuen

From: Jami Napier
Sent: Friday, December 6, 2019 3:09 PM
To: June McHuen
Subject: Fwd: Letter of Support for Authentic 925
Attachments: Nicamerccnc support for Jose Pecho 12022019.pdf

For BGO and minutes please

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From: Martha Vaughan <nicamerccnc@gmail.com>
Sent: Friday, December 6, 2019 2:43:43 PM
To: John Gioia <John.Gioia@bos.cccounty.us>; Candace Andersen <Candace.Andersen@bos.cccounty.us>; Diane Burgis <Diane.Burgis@bos.cccounty.us>; Karen Mitchoff <Karen.Mitchoff@bos.cccounty.us>; Federal Glover <Federal.Glover@bos.cccounty.us>
Cc: John Kopchik <John.Kopchik@dcd.cccounty.us>; Ruben Hernandez <Ruben.Hernandez@dcd.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>; jose.pecho@shrynegroup.com <jose.pecho@shrynegroup.com>; brian.mitchell@shrynegroup.com <brian.mitchell@shrynegroup.com>
Subject: Letter of Support for Authentic 925

Contra Costa County Board of Supervisors
651 Pine Street
Martinez, CA 94553

Dear Honorable Gioia, Andersen, Burgis, Mitchoff and Glover\:

This letter is our recommendation for Jose Pecho. We have known Jose for over 10 years. He is a community leader, small Business person and a strong supporter of minorities getting opportunities in the local business areas such as Contra Costa were, he resides.

Jose has been an example of guidance for small businesses, he had fought with our chamber and other organizations to be recognized as advocates for minority participation at all levels.

Jose was always prompt in provide support when needed. We highly recommend Jose Pecho and in turn Authentic 925 for a Contra Costa County Cannabis Business permit. He will hold personal accountability for Authentic 925 and will listen and respond appropriately to community members' concerns.

Sincerely,

If you need anything else regarding this letter, please do not hesitate to contact me at your convenience.

Sincerely

Martha Vaughan
President/CEO
NICAMERCCNC

Martha Vaughan
President
NICAMERCCNC
www.nicamerccnc.com



Nicaraguan American Chamber of Commerce Northern California

December 2nd. 2019

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Contra Costa County Board of Supervisors
651 Pine Street
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Dear Honorable Gioia, Andersen, Burgis, Mitchoff and Glover\:

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Sincerely,

If you need anything else regarding this letter, please do not hesitate to contact me at your convenience.

Sincerely

Martha Vaughan
President/CEO
NICAMERCCNC

June McHuen

From: Jami Napier
Sent: Monday, December 9, 2019 10:25 AM
To: June McHuen
Subject: FW: O chestnut proposal. Diane are you available for a call today ?
Attachments: 20191209094039247.pdf; 20191209092418646.pdf

For BGO & the minutes please

From: Con McMahon <conmcmahon@jmoneill.com>
Sent: Monday, December 9, 2019 10:22 AM
To: Supervisor_Burgis <Supervisor_Burgis@bos.cccounty.us>
Cc: Manny Bowlby <Manny.Bowlby@bos.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>; Shelly McMahon <shellysfarm@outlook.com>; Jamie Waller <jwallerox2@gmail.com>; Cc: Jessica Jenkins <jesmjenkins@yahoo.com>; Con McMahon <conmcmahon@jmoneill.com>; James Zimmerman <JamesZ@nibbi.com>; Brian D Anderson <Brian.D.Anderson@sherwin.com>; selena.anderson@guckenheimer.com; Gail <zoizi04@yahoo.com>; gammablasters@yahoo.com; terry7000@sbcglobal.net; bbbjd@hotmail.com; mimiluvd@gmail.com; smithier@sbcglobal.net; rreppert@gmail.com; shelly@shellysfarmfresh.com McMahon <shelly@shellysfarmfresh.com>; CMBdolls@aol.com; Congressman.DeSaulnier@mail.house.gov; Lea Castleberry <Lea.Castleberry@bos.cccounty.us>; Alicia Nuchols <Alicia.Nuchols@bos.cccounty.us>; Dawn Morrow <Dawn.Morrow@bos.cccounty.us>; Teresa Gerringer <teresa.gerringer@bos.cccounty.us>; District5 <District5@bos.cccounty.us>; SupervisorMitchoff <SupervisorMitchoff@bos.cccounty.us>; Mark Goodwin <Mark.Goodwin@bos.cccounty.us>; Wallace Robert <air1bmw@sbcglobal.net>; CityManager@brentwoodca.gov; Tony (Tony@jmoneill.com) McGuire <Tony@jmoneill.com>; John_Gioia <John_Gioia@bos.cccounty.us>; dwilliams@brentwoodca.gov; cmccann@brentwoodca.gov; CityCouncil@brentwoodca.gov; btaylor@brentwoodca.gov; jbryant@brentwoodca.gov; jrodriguez@brentwoodca.gov; krarey@brentwoodca.gov; cstaton@brentwoodca.gov; sbeshears@brentwoodca.gov; bmulder@brentwoodca.gov; Police@brentwoodca.gov; engineering@brentwoodca.gov; operations@brentwoodca.gov; BNC@brentwoodca.gov; PlanningCommission@brentwoodca.gov; DFSCMiller@comcast.net; Will.Harper@cchealth.org
Subject: O chestnut proposal. Diane are you available for a call today ?

Hi Diane,

We were unable to set up a meeting today as Manny followed up with a note saying your schedule was full. Are you available sometime today in between meetings or at lunch for a call ? We will be in Martinez tomorrow and would appreciate some input as to why and how this was proposal move to the point of approval without sharing with our neighbor hood as we are across the street and our address is just the other side of the road.

We are opposed to this proposal as it is surely a poor fit. I strongly suggest that a postponement at a minimum be required allowing all those impacted bythis possibility are given adequate time to review and investigate. We know nothing about Environmental impact reports, traffic impact, crime control, noise and water pollution , water discharge,soil treatment, electrical usage and PGE impact, chemicals used for the operation We will be attending the 9 am meeting in martinez on Dec 12, 2019 , Tomorrow.

See attached google pics locating our home at 175 Diablo lane. also included is our immediate neighborhood with 3 home schools, several children, farm animals and several concerned and surprised adults.

Also attached below is a letter / email sent to you from a knightsen Town Advisory Council member

As a Knightsen Town Advisory Council member, I understand my job is to communicate the concerns of the community.. Since being appointed, I have attended KTAC meetings, KCSD meetings, Envision Contra Costa meetings and proposed wetland project meetings, and community clean up day. At each of these events, the residents of Knightsen have unanimously expressed that they do not want commercial cannabis grown, processed, or sold in their community.

Here are some specific concerns:

1. Existing limited law enforcement services. The Sheriff's department is currently stretched extremely thin with officers having to cover 250 square miles. Allowing commercial cannabis only invites more criminal activity, further burdening law enforcement. Public access to permit information makes it even easier for criminals to find "opportunities."
2. No local fire department. Threat of fires caused by commercial grow sites would further burden an already distant and limited fire department.
3. Voted No. The previous KTAC members in February of 2018 voted unanimously – no permits for cannabis businesses. Since my appointment to the TAC, I have seen that the community's views are unchanged. They feel that they are not being heard.
4. Too close to home. Knightsen, while rural and somewhat agricultural, is small and still very much a residential, family community. No one wants growers, sellers or producers, "next door."
5. Property devaluation. Potential of lower property values with possible commercial cannabis operation in close proximity.

6. Not a good fit. Residents feel that cannabis growing, producing, and selling detracts from the quiet, equestrian, 4-H, small-town charm they wish to preserve and maintain.
7. Not a good mix. Existing food growers are concerned about contamination by fertilizers and strain on water resources.

I would very much appreciate a call sometime today and a call back number if I should miss your call .

Thank you very much for your attention to this matter .

Connie McMahon 175 Diablo Lane, Brentwood, ca 94513

Cell 925 321 6414

Office 925 225 1200

Google Maps 175 Diablo Ln



Imagery ©2019 Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency, Map data ©2019 200 ft

June McHuen

From: Jami Napier
Sent: Friday, December 6, 2019 7:42 PM
To: June McHuen
Subject: Fwd: 0 CHESTNUT - CANNABIS farm proposal Concern from the McMahon's
Attachments: Modern Farmers Sept re.pdf

For BGO and minutes

Jami
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From: Con McMahon <conmcmahon@jmoneill.com>
Sent: Friday, December 6, 2019 7:38:15 PM
To: Jami Napier <Jami.Napier@cob.cccounty.us>
Cc: Clerk of the Board <ClerkOfTheBoard@cob.cccounty.us>; shellysfarm@outlook.com <shellysfarm@outlook.com>; kdmcmahon88@gmail.com <kdmcmahon88@gmail.com>
Subject: Fwd: 0 CHESTNUT - CANNABIS farm proposal Concern from the McMahon's

Hi Jami,

For your file please find a note sent to Supervisor Burgis and CC'd to several others.

Thank you , Connie McMahon .

Sent from my iPhone

Begin forwarded message:

From: Con McMahon <conmcmahon@jmoneill.com>
Date: December 6, 2019 at 1:01:15 PM PST
To: supervisor_burgis@bos.cccounty.us
Cc: Shelly McMahon <shellysfarm@outlook.com>, Jessica Jenkins <jesmjenkins@yahoo.com>, James Zimmerman <JamesZ@nibbi.com>, Brian D Anderson <Brian.D.Anderson@sherwin.com>, "selena.anderson@guckenheimer.com" <selena.anderson@guckenheimer.com>, Gail <zoizi04@yahoo.com>, "gammablasters@yahoo.com" <gammablasters@yahoo.com>, "terry7000@sbcglobal.net" <terry7000@sbcglobal.net>, "bbbjd@hotmail.com" <bbbjd@hotmail.com>, "mimiluvd@gmail.com" <mimiluvd@gmail.com>, "smithier@sbcglobal.net" <smithier@sbcglobal.net>, "rreppert@gmail.com" <rreppert@gmail.com>, "shelly@shellysfarmfresh.com McMahon" <shelly@shellysfarmfresh.com>, Wallace Robert <air1bmw@sbcglobal.net>, Con McMahon <conmcmahon@jmoneill.com>, CMBdolls@aol.com, john_gioia@bos.cccounty.us, Congressman.DeSaulnier@mail.house.gov, Mark.Goodwin@BOS.CCCounty.us, Lea.Castleberry@BOS.CCCounty.us, Alicia.Nichols@BOS.CCCounty.us, Dawn.Morrow@BOS.CCCounty.us, "Tony (Tony@jmoneill.com) McGuire" <Tony@jmoneill.com>, Manny.Bowlby@BOS.CCCounty.us, teresa.gerringer@bos.cccounty.us, district5@bos.cccounty.us, SupervisorMitchoff@bos.cccounty.us
Subject: 0 CHESTNUT - CANNABIS farm proposal Concern from the McMahon's

Hi Diane,

During this past week we were informed by a neighbor that there was the possibility of a pot farm coming to our neighborhood on Diablo lane. As you might expect, this was quite alarming as we had absolutely no knowledge of this possibility and after some research discovered that it is already close to the final stages of approval.

Please confirm that we are on record as being 100% opposed to this possibility for numerous reasons. Our families, our health, pollution (air, water, noise), crime (no denying) on and on. The fact that we had no notification regardless of what a rule or reg might be is really unsettling. This progress showed no interest opinions or our well being. I've attached a study from september that is not too flattering and still leaves a lot to be determined, nothing good..

I found your quote below in the press

"My goal is to make sure we bring in the right people to help the county enter this unknown," said District 3 Supervisor Diane Burgis. "We are being cautious and careful, so that is why we did this RFP (request for proposal) process."

Careful, but not careful enough to discuss and or meet with the families most affected and with the most to lose. I've also attached a study from september that is not too flattering. As Clint Eastwood quoted in one of his movies " that's a hell of a price to pay for being stylish ! "

We ask you to consider all of the impact as the do good deeds this group is offering is only a spit in a bucket compared to the profits they will reap and the harm they will cause. Is there an opportunity to discuss this in person on Monday ?

Thank you for your time.

Connie and Shelly McMahon
175 Diablo Lane
Brentwood, CA 94513

Modern Farmers Sept. 26, 2019 By Dan Nosowitz

A new study from the Desert Research Institute and the Washoe County Health District in Reno, Nevada looked at four cannabis facilities in both Nevada and California. Roughly a third of American cannabis is grown indoors, and of course the vast majority of processing takes place indoors too. That processing can include the basic breaking down and curing of the plants, in addition to the extraction of whatever substances are desired for the end product, most commonly oils.

In each of the four facilities they examined, the researchers found high levels of some potentially dangerous chemicals in the air. Cannabis plants emit high levels of biogenic volatile organic compounds, or BVOCs, naturally, simply by growing and reproducing. That isn't weird, in itself: most plants also produce BVOCs. It varies dramatically based on the type of BVOC, but certain ones can have all kinds of health effects: the EPA notes they can potentially cause organ damage, dizziness, irritation and more.

This study is the first to attempt to figure out the specifics of cannabis BVOCs; they have listed the most important ones they found, which will be helpful for future efforts. But more interestingly, they noted that many of the BVOCs found in these cannabis facilities combine with emissions from machinery (like vehicles) in the presence of sunlight. That combination produces ozone, which can be very dangerous in urban areas-ozone pollution at round level can cause some very nasty respiratory, cardiovascular, and nervous system problems in people.

The researchers also found high levels of butane in and around the processing facilities, mostly used as a solvent to produce oils or isolates. Butane is a non-biogenic VOC-it also reacts to emissions.

June McHuen

From: Jami Napier
Sent: Saturday, December 7, 2019 7:14 AM
To: June McHuen
Subject: FW: Letter of Support for Authentic 925
Attachments: LOS_SGI Retail_Authentic 925.pdf

For BGO and minutes please

From: Rudy Corpuz <rudy@unitedplayaz.org>
Date: Friday, December 6, 2019 at 6:50 PM
To: John Gioia <John.Gioia@bos.cccounty.us>, Candace Andersen <Candace.Andersen@bos.cccounty.us>, Diane Burgis <Diane.Burgis@bos.cccounty.us>, Karen Mitchoff <Karen.Mitchoff@bos.cccounty.us>, Federal Glover <Federal.Glover@bos.cccounty.us>
Cc: John Kopchik <John.Kopchik@dcd.cccounty.us>, Ruben Hernandez <Ruben.Hernandez@dcd.cccounty.us>, Jami Napier <Jami.Napier@cob.cccounty.us>, "jose.pecho@shrynegroup.com" <jose.pecho@shrynegroup.com>, "brian.mitchell@shrynegroup.com" <brian.mitchell@shrynegroup.com>
Subject: Letter of Support for Authentic 925

Dear Honorable Gioia, Andersen, Burgis, Mitchoff, Glover and County Staff:

Please find my letter of support for Authentic 925 and Brian Mitchell and Jose Pecho attached. Let me know if you have any questions or need anything further.

Sincerely,
Rudy

Rudy Corpuz Jr.
Executive Director
up94life@yahoo.com
(415) 573-6219
United Playaz
www.unitedplayaz.org



UNITED • PLAYAZ

1038 Howard Street • San Francisco, CA 94103

www.unitedplayaz.org

December 6, 2019

Contra Costa County Board of Supervisors

Board Chambers Room 107

Administration Building

651 Pine Street

Martinez, CA 94553

Re: SGI Retail, LLC DBA Authentic 925

Dear: Honorable Gioia, Andersen, Burgis, Mitchoff, Glover and County Staff:

I'm the Executive Director of United Playaz, a non-profit community organization based in San Francisco. Our organization focuses on youth development and violence prevention and has proudly done so for the past 25 years. UP's programs provide youth with adult support, academic enrichment, and leadership skills to prevent them from entering and re-entering the justice system. Brian and Jose have been consistently involved in bettering our communities, including participating and helping to sponsor our annual Gun-Buy Back Programs and events.

I wanted to offer my testimonial for Brian Mitchell and Jose Pecho, operators of Authentic 925 and their commitment and leadership in furthering social equity programs and being great ambassadors of the cannabis industry in San Francisco. If pass actions are indicative of future actions, then you'll be able to count on Authentic 925 to positively impact and enrich the community in the most transparent and responsible way.

United Playaz fully supports Authentic 925's application and wish them much success in their quest. Should you have any questions, comments or, concerns, please don't hesitate to call me at (415) 573-6219.

In peace,

Rudy Corpuz Jr
Executive Director

June McHuen

From: Clerk of the Board
Sent: Monday, December 9, 2019 3:55 PM
To: June McHuen
Subject: FW: County Proposal of CDMJ19-00047 Element 7

With the attachment

From: Katrina Cookman
Sent: Monday, December 9, 2019 2:31 PM
To: Clerk of the Board <ClerkOfTheBoard@cob.cccounty.us>
Subject: County Proposal of CDMJ19-00047 Element 7

Good afternoon,

I apologize for an additional email but I forgot to attach this report to my letter regarding the above county proposal.

<https://learnaboutsam.org/wp-content/uploads/2018/04/SAM-Lessons-Learned-From-Marijuana-Legalization-Digital.pdf>

With respect,

Katrina Cookman

LESSONS LEARNED FROM MARIJUANA LEGALIZATION IN FOUR U.S. STATES AND D.C.

MARCH 2018



Reviewed by researchers from:
University of Colorado at Denver
Harvard Medical School
Boston Children's Hospital
University of Connecticut
Yale University
University of Kansas
and more

SAM Smart Approaches to
Marijuana
preventing another big tobacco
www.learnaboutsam.org

SAM Smart Approaches to Marijuana

preventing another big tobacco

ALCOHOL CONSUMPTION NOT DECREASING

- Researchers from Oregon State University found that college students under the age of 21 who are binge drinkers have been one of the primary groups of marijuana users after legalization (Darling, 2017).
- The gallons of alcohol consumed in Colorado since marijuana legalization have increased by 8% (Colorado Department of Revenue [CDR], Colorado Liquor Excise Tax, 2017).

HOSPITAL AND ER VISITS

- In Colorado, calls to poison control centers have risen 210% between the four-year averages before and after recreational legalization (Rocky Mountain Poison and Drug Center [RMPCD], 2017 and Wang et al., 2017). Washington has seen a 70% increase in calls between the three-year averages before and after legalization (Washington State Office of Financial Management [WSOFM], 2017).
- In Colorado, the annual rate of marijuana-related emergency room visits increased 35% between the years 2011 and 2015 (CDPHE, 2017).
- Central Oregon hospitals saw a nearly 2,000% increase in emergency room visits due to marijuana poisoning, with 434 marijuana-related emergency visits in January 2016 alone, compared to a maximum of 32 visits per month prior to legalization (Kent, 2016).
- One hospital in Bend, Oregon, also had an increase in marijuana-related emergency room visits from 229 in 2012 to 2,251 in 2015; the average number of marijuana-related emergency room visits per month in the same hospital in 2016 was 552 (Hawryluk, 2017).

COSTS RELATED TO HIGHLY POTENT TETRAHYDROCANNABINOL (THC) BURNS

According to the Oregon Burn Center, Butane Hash Oil explosions have resulted in at least 30 burn victims between July 2015 to July 2016, costing about \$5,154,202 in total treatment costs (Oregon State Police-Drug Enforcement Section [OSPDES], 2017).

THE BLACK MARKET

- Narcotics officers in Colorado have been busy responding to the 50% increase in illegal grow operations across rural areas in the state (Stewart, 2017).
- In 2016 alone, Colorado law enforcement confiscated 7,116 pounds of marijuana, carried out 252 felony arrests, and made 346 highway interdictions of marijuana headed to 36 different U.S. states (RMHIDTA, 2017).
- The U.S. mail system has also been affected by the black market, seeing an 844% increase in marijuana seizures (RMHIDTA, 2017).
- A leaked police report in Oregon revealed that at least 70% of marijuana sales in 2016 were on the black market and around three to five times the amount of marijuana consumed in Oregon leaves the state for illegal sales (Hughes, 2017; Associated Press, 2017, August 14; OSPDES, 2017).
- The U.S. Attorney in Oregon reported in 2018 that "Oregon has a massive marijuana overproduction problem," with 2,644 pounds of marijuana in outbound postal parcels and over \$1.2 million in cash seized in 2017 alone (Williams, 2018).

CRIME

- The crime rate in Colorado have increased 11 times faster than the rest of the nation since legalization (Mitchell, 2017), with the Colorado Bureau of Investigation reporting an 8.3% increase in property crimes and an 18.6% increase in violent crimes (Colorado Bureau of Investigation [CBI], 2017).
- A study funded by the National Institutes of Health showed that the density of marijuana dispensaries was linked to increased property crimes in nearby areas (Freisthler, Gaikus, Tam, Ponicki, & Gruenewald, 2017).
- The Boulder Police Department reported a 54% increase in public consumption of marijuana citations since legalization (Boulder Police Department [BPD], 2017).
- In Alaska, misdemeanor and vehicle thefts have dramatically increased since legalization. Alaska's national ranking for larceny moved up from 16th to 2nd and motor vehicle theft from 16th to 5th after marijuana became legal (Alaska Department of Public Safety [ADPS], 2016).
- Oregon's national ranking went from 17th to 11th for property crime, 12th to 7th for larceny, and 13th to 8th for motor vehicle theft, from 2014 to 2016, respectively. (Disaster Center, n.d.).

THE WORKPLACE

- Marijuana urine test results in Washington and Colorado are now double the national average (Quest Diagnostics, 2016).
- Insurance claims have become a growing concern among companies in legalized states (Hlavac & Easterly, 2016).

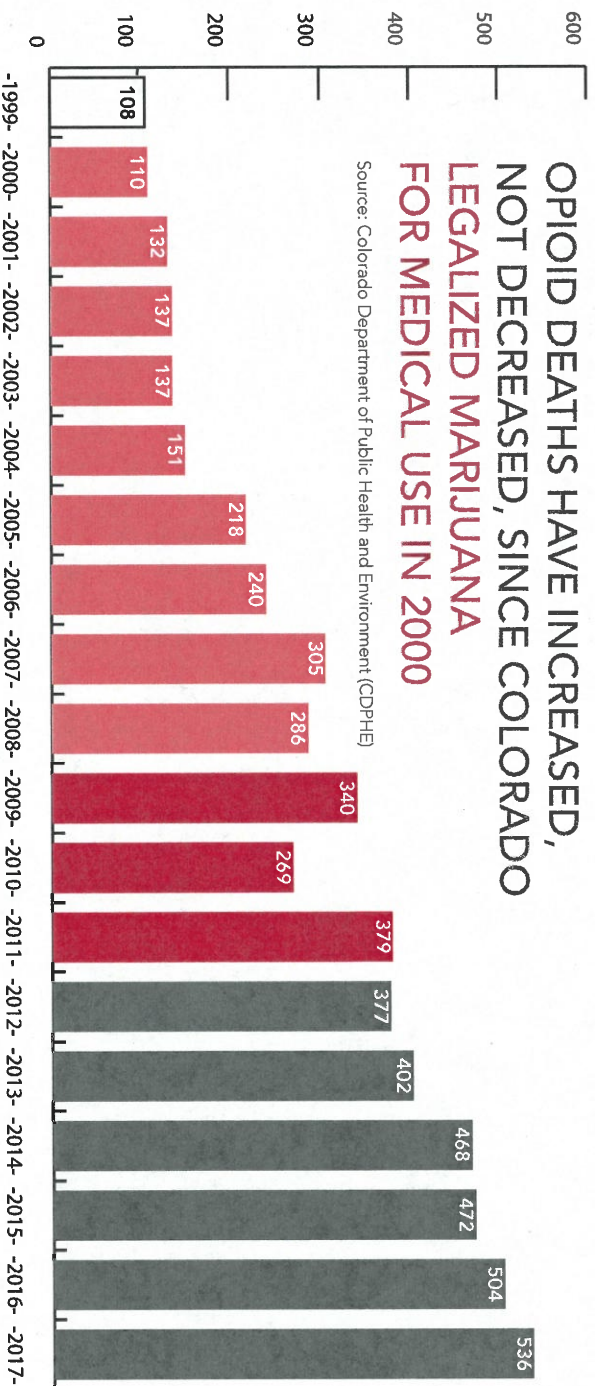
IMPAIRED DRIVING

- The number of drivers in Colorado intoxicated with marijuana and involved in fatal traffic crashes increased 88% from 2013 to 2015 (Migoya, 2017). Marijuana-related traffic deaths increased 66% between the four-year averages before and after legalization (National Highway Traffic Safety Administration [NHTSA], 2017).
 - Driving under the influence of drugs (DUIDs) have also risen in Colorado, with 76% of statewide DUIDs involving marijuana (Colorado State Patrol [CSP], 2017).
- Washington State experienced a doubling in drugged driving fatalities in the years following legalization (Johnson, 2016).
- In Oregon, 50% of all drivers assessed by drug recognition experts (DRE) in 2015 tested positive for THC (OLCC, 2015).

MARIJUANA POLICY SINCE 2012

In 2012, Colorado and Washington voters passed referendums legalizing marijuana, accelerating the growth of a multibillion dollar, addiction-for-profit industry, and causing negative impacts both inside and outside of those states. We now have five years of data, lessons learned, and negative impacts affecting both families and communities.

The goal of the industry is to successfully convert young, casual users into heavy, more frequent users. Given this nation's addiction epidemic—deaths driven largely by opioids—the rise of lax legalization policies comes at an especially inopportune time. In the time that the opioid epidemic have increased, the percentage of marijuana users who are using the drug frequently has skyrocketed (Institute for Behavior and Health [IBH], n.d.). This is unsurprising, as peer-reviewed research has revealed early marijuana use more than doubles the likelihood of opioid use later in life (Secades-Villa, Garcia-Rodríguez, Jin, Wang, & Blanco, 2015; Olfson, Wall, Liu, & Blanco, 2017).



Medicalized Marijuana

Commercialized Marijuana

Fully Legalized Marijuana

MARIJUANA POLICY SINCE 2012

Although the full picture resulting from legalization will not be clear for decades, we need not wait that long to understand some key consequences.

The states that have legalized marijuana have among the highest rates of marijuana use in the country. Other data show:

- Higher rates of marijuana-related driving fatalities.
- More marijuana-related emergency room visits, hospitalizations, and accidental exposures.
- Expansion of a lucrative criminal market.
- Increases in marijuana-related crimes and juvenile offenses.
- Increases in workplace problems, including labor shortages and accidents.

In 2013, the U.S. Department of Justice (DOJ) decided to take a hands-off approach toward legalization at the state level.

Officially, the DOJ stated it would only get involved if any of the eight requirements laid out in the Cole Memo were violated (for example, sales to minors or increases in drugged driving).

Unfortunately, according to the U.S. Government Accountability Office (GAO), the DOJ took no meaningful action even as states were routinely in violation of the Cole Memo (U.S. Government Accountability Office, 2015).

However, public health and safety departments and law enforcement agencies in the states where legalization has been in place the longest have produced primary data and impact reports that shine a light on how current marijuana policies are failing to protect the health of the general population (Northwest High Intensity Drug Trafficking Area [NHIDTA], 2016; RMHIDTA, 2017; WSOFM, 2017; Oregon Health Authority [OHA], 2016; Alaska Department of Public Safety [ADPS], 2016; Washington Traffic Safety Commission [WTSC], 2016; CDPS, 2016; OSPDES, 2017).

In 2018, guidance from the DOJ returned to pre-Cole Memo policies, signaling uncertainty for the future of the marijuana industry. Despite state votes, marijuana remains illegal at the federal level and state actors violating federal law are committing felonies and risking significant consequences.

ADVERSE EFFECTS ON HEALTH OUTCOMES

As commercialization increases in legalized states, false advertising of marijuana products as being “natural” and “healthier than alcohol and tobacco” have greatly decreased the perceived risk of harm related to marijuana use. The main psychoactive ingredient in marijuana, THC, has now been observed to cause many different types of mental and physiological health problems—especially in children and youth.

Direct associations have been made between the frequency of marijuana use and higher THC potency with the development of mental health issues (psychosis, depression, anxiety, suicidality, reshaping of brain matter, and addiction) (Miller, in press; Fischer et al., 2017). Links to lung damage and serious cardiovascular problems have also been found (hypertension, myocardial infarction, cardiomyopathy, arrhythmias, stroke, and cardiac arrest) (Pacher, Steffens, Hasko, Schindler, & Kunos, 2017; Hall & Lynskey, 2016). Marijuana use during pregnancy has also been shown to negatively affect the cognitive development of children by increasing their risk of hyperactivity, impulsivity, and inability to focus (Wang et al., 2017; Huizink & Mulder, 2006).

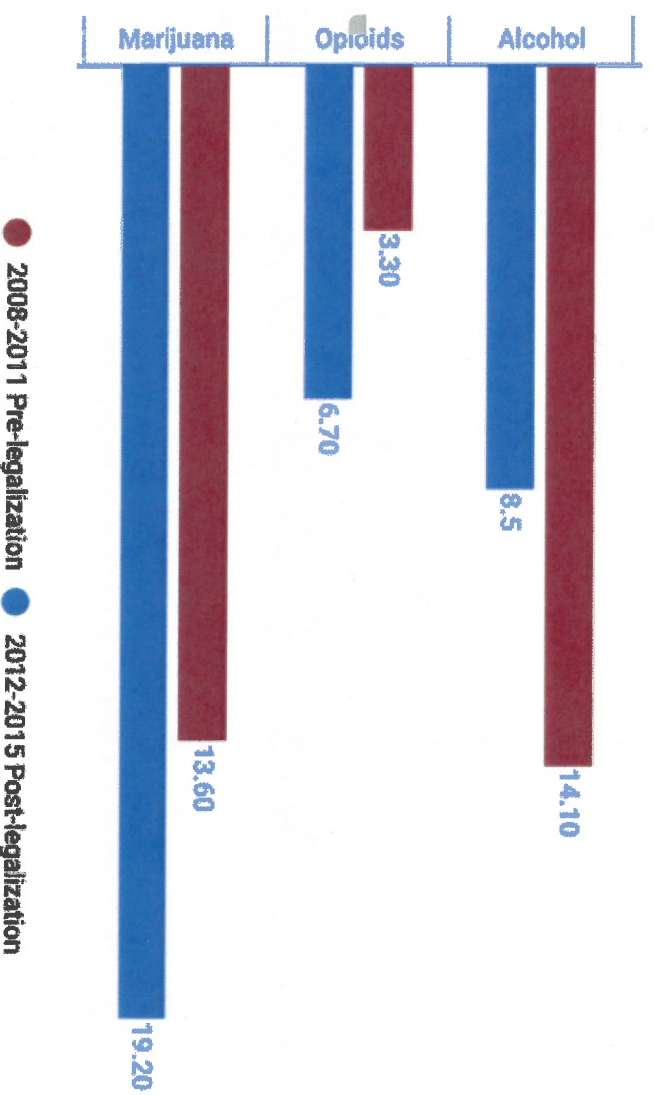


Chronic adolescent marijuana use has been correlated with cognitive impairment and a decreased ability to do well in work or school (Finn, 2015; Meier, Hill, Small, & Luthar, 2015; Arria, Caldeira, Bugbee, Vincent, & O’Grady, 2015; Meier et al., 2012).

Marijuana has a variety of other interactions with mental health. While the popular view holds that marijuana is not addictive, brain scans of marijuana users show changes in the structure of the brain’s reward center to be consistent with addiction (Gilman et al., 2014). Heavy users have also been clearly observed to have withdrawal symptoms (Hasin, Keyes, Alderson, Wang, Aharonovich, & Grant, 2008). In Colorado, marijuana is the second drug most often implicated in addiction treatment admissions, after alcohol (Colorado Department of Health Services [CDHS], Office of Behavioral Health, 2017). Furthermore, a number of studies have identified marijuana’s role in the pathway to other substance abuse. For example, a groundbreaking study of over 30,000 Americans showed that participants who reported marijuana use in the previous year were 2.6 times more likely to abuse prescription opioids (Olfson et al., 2017). Colorado toxicology reports show the percentage of adolescent suicide victims testing positive for marijuana has increased (CDPHE, 2017). This is not terribly surprising, as daily marijuana use among youth who begin before the age of 17 significantly increases the risk of suicide attempts (Silins et al., 2014).

ADVERSE EFFECTS ON HEALTH OUTCOMES

AVERAGE TOXICOLOGY OF SUICIDES AMONG ADOLESCENTS AGES 10-19 YEARS OLD
(WITH KNOWN TOXICOLOGY)



SOURCE: Colorado Department of Public Health and Environment (CDPHE), Colorado Violent Death Reporting System

COMMERCIALIZATION: A GROWING CONCERN

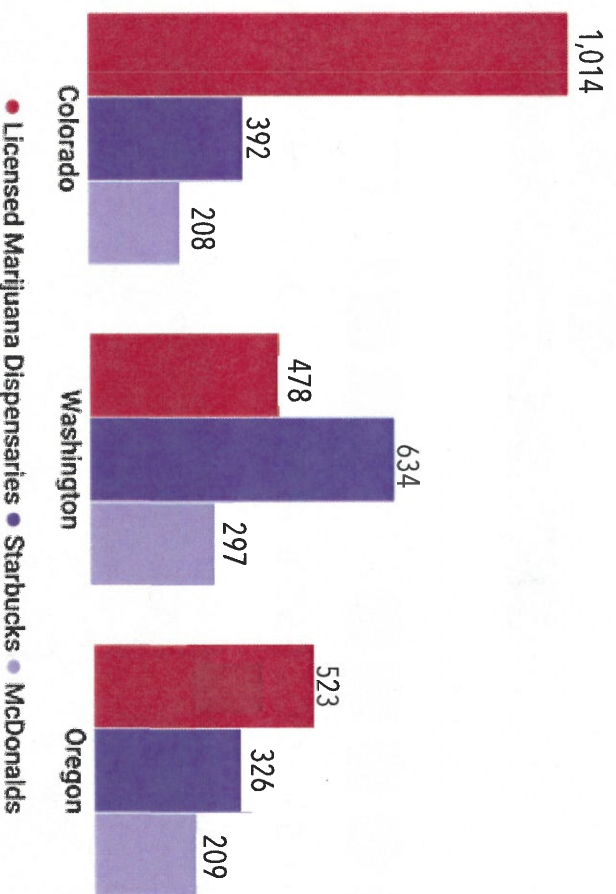
The rise of commercialization has inundated legalized communities with marijuana companies and paraphernalia.

In Colorado, this has led to more marijuana stores than McDonald's and Starbucks combined (1,014 retail marijuana outlets, with 394 of them being located with medical marijuana outlets, versus 600 McDonald's and Starbucks) (RMHIDTA, 2017; RMHIDTA, personal communication, January 25, 2018).

Although marijuana industry lobbyists claim that the mass commercialization of marijuana poses little threat to society, the evidence suggests there are a number of growing public health issues.

BUSINESS COMPARISON 2017

SOURCE: Colorado Department of Revenue; Starbucks Coffee Company, Corporate Office Headquarters; McDonalds Corporation, Corporate Office Headquarters; Washington State Liquor & Cannabis Board. Licensing. February 26, 2018. Information obtained from https://lcb.wa.gov/sites/default/files/publications/Public_Records/2017/MarijuanaApplicants.xls; Oregon Liquor Control Commission. http://www.oregon.gov/olcc/marijuana/Documents/Approved_Retail_Licenses.pdf



COMMERCIALIZATION: A GROWING CONCERN



The industry has prospered in selling marijuana-infused “edibles” that come in the form of cookies, candy, ice cream, sodas, and other sweet treats that are particularly appealing to children. These edibles comprise approximately 20 to 50% of the market in legalized states (where data is available), thereby increasing their availability to children and youth who are normally unaware of consumption serving sizes and consequences (Colorado Department of Revenue, 2015; O’Connor, Danelo, Fukano, Johnson, Law, & Shortt, 2016). The market for marijuana flower hybrids and concentrates continues to rise with the increase in demand for products with higher THC

potency levels. In Seattle, Washington, the average THC potency level far exceeds the national average at 21.24% for marijuana flowers and 72.76% for marijuana concentrates (NHIDTA, 2016). And mislabeling is not uncommon. According to Soldotna, Alaska, Police Chief Peter Mlynarik, testing of marijuana products revealed discrepancies “... of up to 77% difference in THC potency in the samples provided” (P. Mlynarik, personal communication, January 19, 2018). All legal states have had numerous recalls due to poor labeling.

AVERAGE THC POTENCY ACROSS REGIONS 2015

Source: University of Mississippi Potency Monitoring Program Report 130, Drug Enforcement Administration, and NWHDITA 2015; January through September Potency Monitoring Program, Quarterly Report Number 135, National Center for Natural Products Research (NCCNPR) at the University of Mississippi, under contract with the National Institute on Drug Abuse; Marijuana Policy Group, “Marijuana Equivalency in Portion and Dosage (as of August 10th, 2015).” <https://www.colorado.gov/pacific/sites/default/files/MED%20Equivalency_Final%2008.10.2015.pdf>, accessed May 12th, 2017.

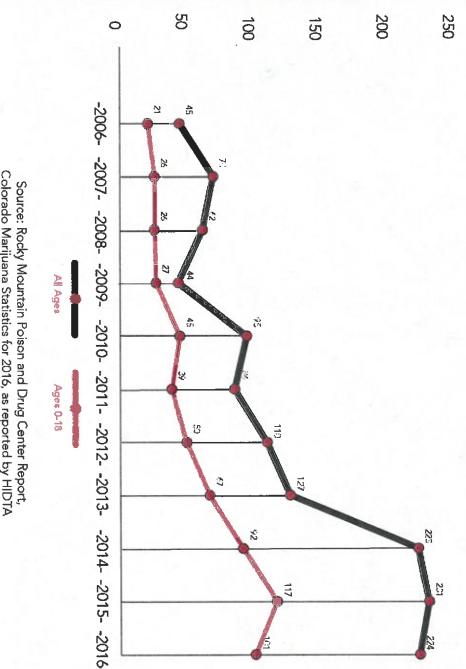


MARIJUANA-RELATED POISON CONTROL CALLS, HOSPITALIZATIONS, AND ER VISITS

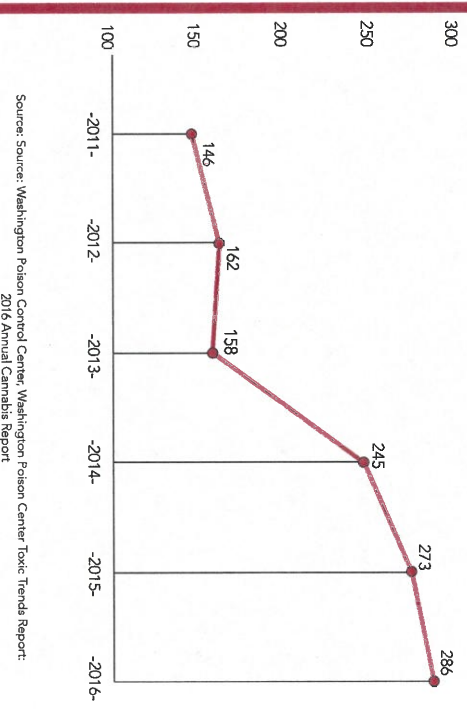
The increase in marijuana availability due to legalization has led to increasing numbers of marijuana-related poison control calls, hospitalizations, and ER visits.

In Colorado, calls to poison control centers have risen 210% between the four-year averages before and after recreational legalization (RMPDC, 2017). Washington has seen a 70% increase in calls between the three-year averages before and after legalization (WSOFM, 2017).

**Emergency Marijuana-Related
Poison Control Calls in CO**

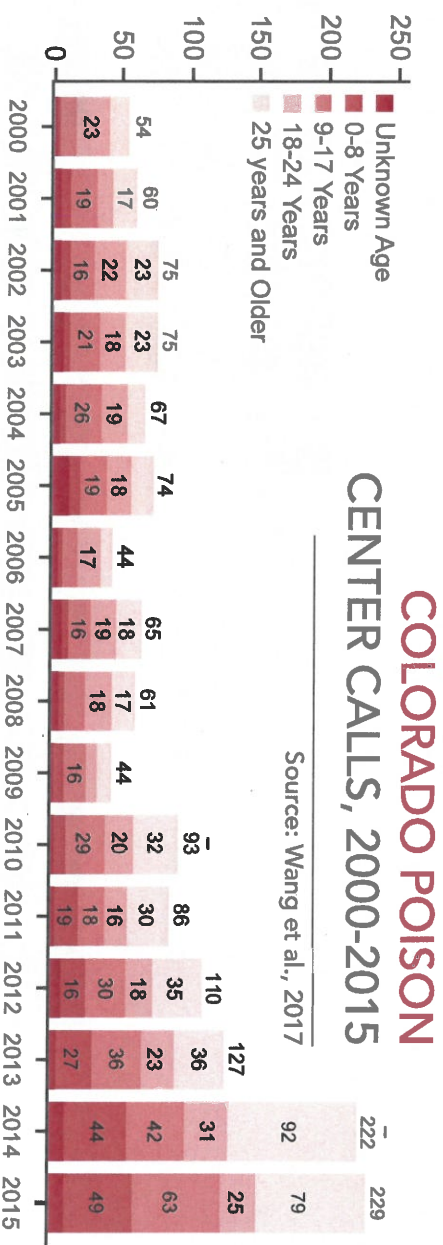


**Emergency Marijuana-Related
Poison Control Calls in WA**



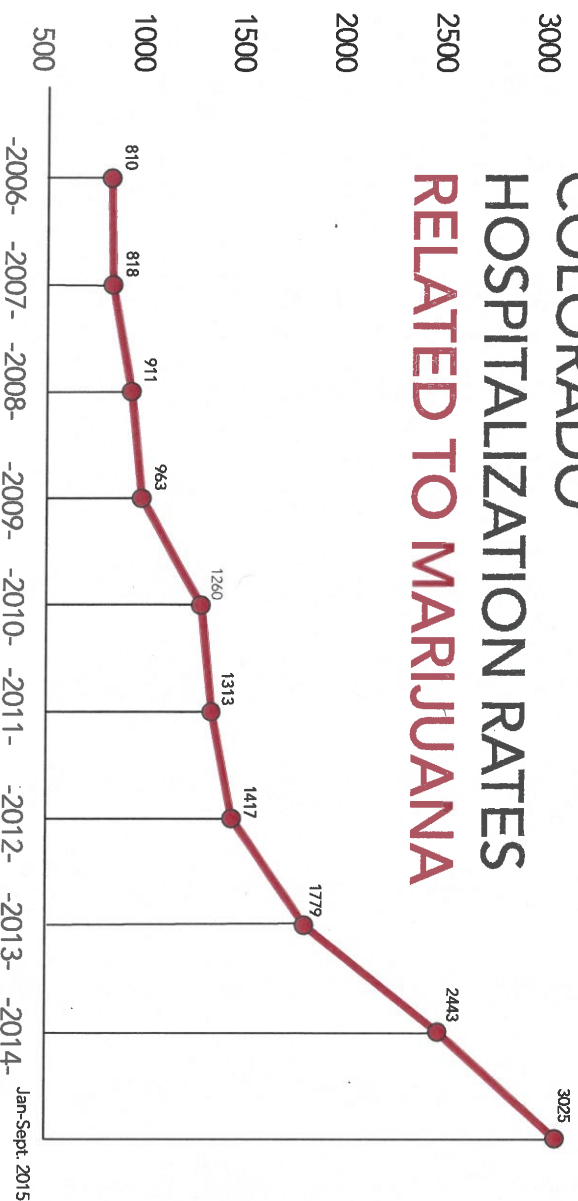
Marijuana-related emergency room visits have also surged since legalization. According to the Colorado Department of Public Health and Environment, the annual rate of marijuana-related emergency room visits increased 35% between the years 2011 and 2015 (CDPHE, 2016).

The burden on the emergency departments stemming from the type of patient care required and the resulting financial implications have been large for hospitals in Colorado (Finn, 2015).



Annual regional poison center human exposure calls related to marijuana from January 1, 2000 through December 31, 2015, divided by age groups. *Counts significantly increased from previous year with a p value <0.003. Unknown age includes calls with ages recorded as teens, 20s, unknown adult (≥ 20 yrs), unknown child (≤19 yrs), and unknown age. Human marijuana exposure calls to RPC were determined by the presence of the generic code Marijuana—0083000 from the National Poison Data System or marijuana exposure mentioned in RPC case notes.

COLORADO HOSPITALIZATION RATES RELATED TO MARIJUANA



MARIJUANA EMERGENCY ROOM VISITS HAVE ALSO INCREASED AMONG CHILDREN AND ADOLESCENTS (CHA, 2016).

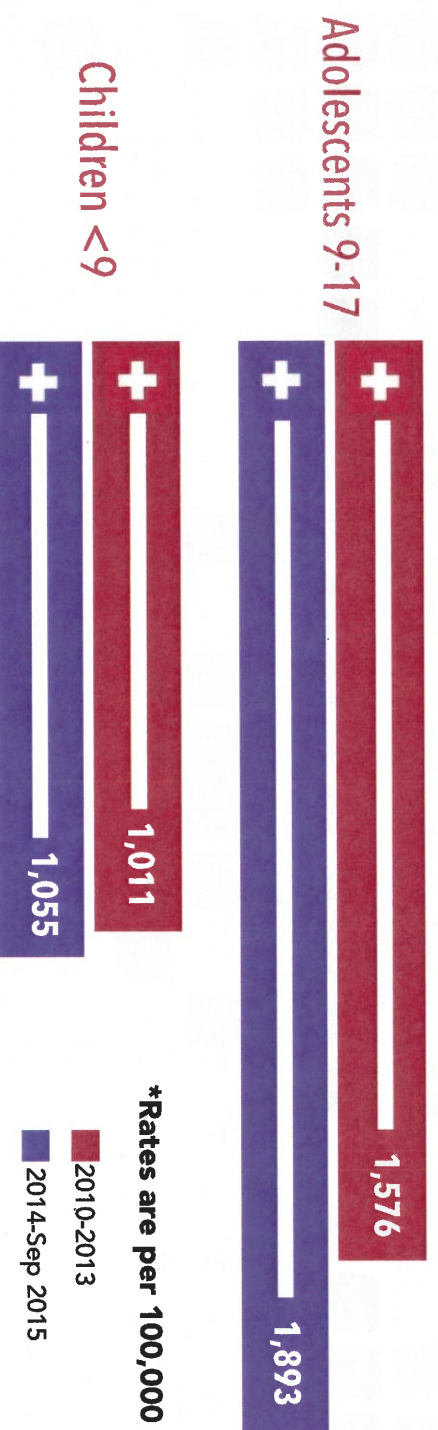
Source: Colorado Department of Public Health and Environment, Monitoring Health Concerns Related to Marijuana in Colorado: 2016

Central Oregon hospitals saw a nearly 2,000% increase in emergency room visits due to marijuana poisoning, with 434 marijuana-related emergency visits in January 2016 alone, compared to a maximum of 32 visits per month prior to legalization (Kent, 2016).

One hospital in Bend, Oregon, had an increase in marijuana-related emergency room visits from 229 in 2012 to 2,251 visits in 2015, while the average number of marijuana-related emergency room visits per month in the same hospital in 2016 was 552 cases (Hawryluk, 2017).

The increase in marijuana-related emergency room visits includes a growing number of Butane Hash Oil (BHO) burn victims. BHO is a marijuana concentrate that yields a THC potency of 70–99% and is highly lucrative. Production involves forcing raw marijuana and butane into a reaction chamber, which creates a highly combustible liquid that easily explodes when introduced to an ignition source. According to the Oregon Burn Center, BHO explosions have resulted in at least 30 burn victims between July 2015 to July 2016, costing about \$5,154,202 in total treatment costs (OSPDES, 2017). In 2018, the U.S. Attorney in Oregon reported that Oregon production of BHO resulted in six separate lab explosions in the first half of 2017 (Williams, 2018). The Oregon State Police claims that the growth of BHO lab operations since legalization is "... arguably the most immediate cannabis threat facing the state." (OSPDES, 2017)

MARIJUANA RELATED EMERGENCY ROOM VISITS IN CO BY AGE

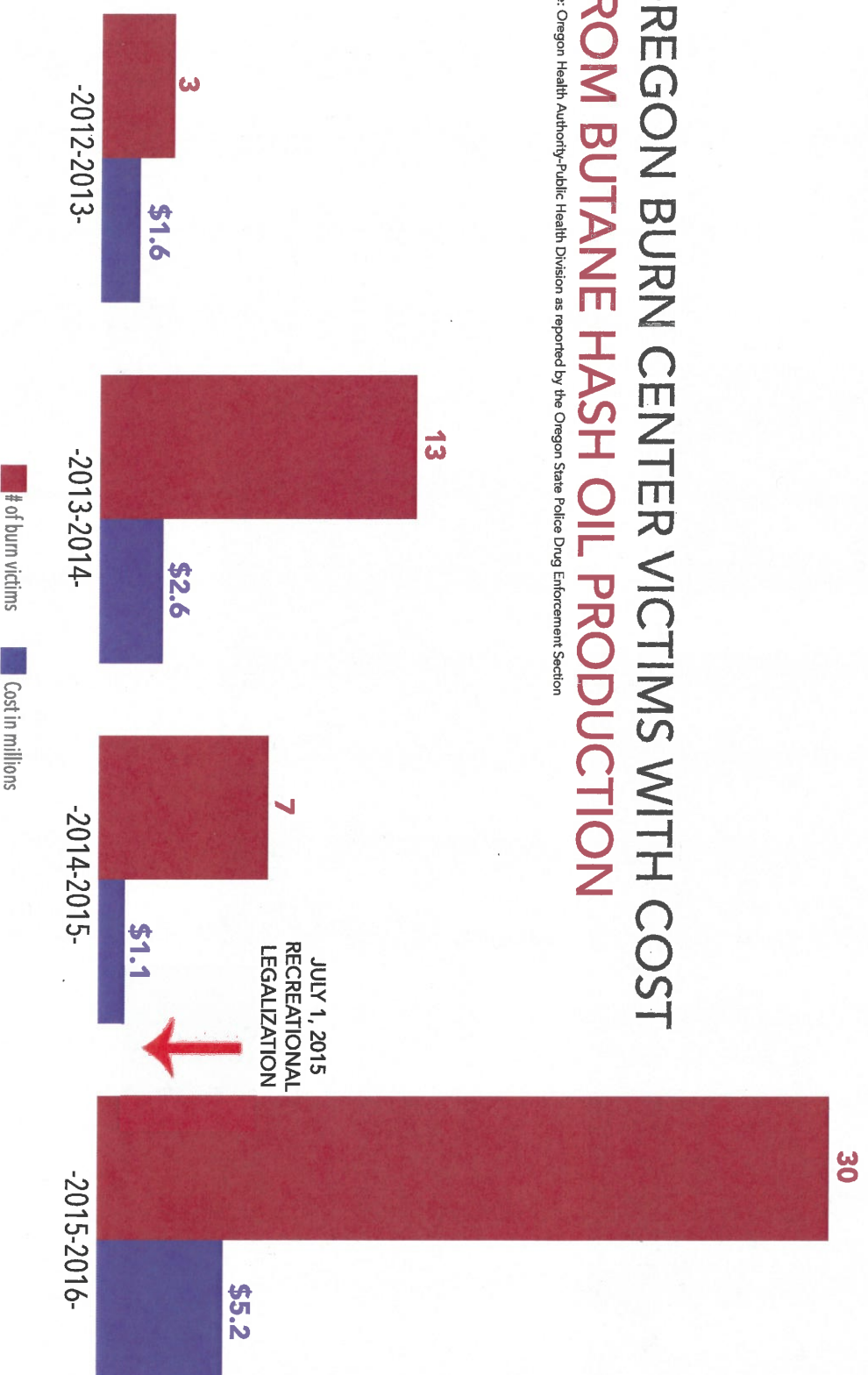


Source: Colorado Hospital Association 2011-Sep 2015 as reported in Monitoring Health Concerns Related to Marijuana in Colorado: 2016, Per 100,000

The increase in marijuana-related emergency room visits includes a growing number of Butane Hash Oil (BHO) burn victims. BHO is a marijuana concentrate that yields a THC potency of 70–99% and is highly lucrative. Production involves forcing raw marijuana and butane into a reaction chamber, which creates a highly combustible liquid that easily explodes when introduced to an ignition source. According to the Oregon Burn Center, BHO explosions have resulted in at least 30 burn victims between July 2015 to July 2016, costing about \$5,154,202 in total treatment costs (OSPDES, 2017). In 2018, the U.S. Attorney in Oregon reported that Oregon production of BHO resulted in six separate lab explosions in the first half of 2017 (Williams, 2018). The Oregon State Police claims that the growth of BHO lab operations since legalization is “... arguably the most immediate cannabis threat facing the state.” (OSPDES, 2017)

OREGON BURN CENTER VICTIMS WITH COST FROM BUTANE HASH OIL PRODUCTION

Source: Oregon Health Authority-Public Health Division as reported by the Oregon State Police Drug Enforcement Section



IMPACTS ON YOUTH AND YOUNG ADULTS

Since Colorado, Washington, Oregon, Alaska, and the District of Columbia allowed for marijuana, past-month use of the drug has continued to rise above the national average among youth aged 12-17 in all four states and Washington, DC.

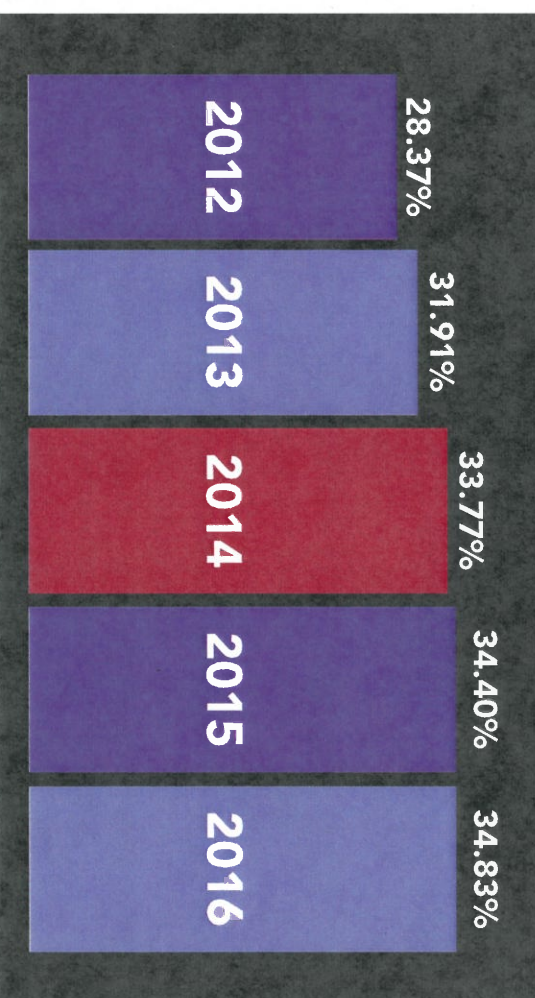
Legalized states are leading the nation in past-year marijuana use among youth aged 12-17 (NSDUH, 2006-2016). Colorado currently holds the top ranking for first-time marijuana use among youth, representing a 65% increase in the years since legalization.

(NSDUH, 2006-2016). The number of youth arrested for marijuana increased from 2015 to 2016 (CBI, 2017), and the percentage of youth on probation testing positive for marijuana in Colorado has also increased each year since legalization (DPS, 2017).

Marijuana-related arrest rates in CO, ages 10-20



% of youth ages 10-17 on probation testing positive for marijuana since legalization in CO



IMPACTS ON YOUTH AND YOUNG ADULTS

Despite the claims of pot-industry lobbyists that legalization will not affect young adult and youth use, the data show people are radically increasing their rate of consumption (IBH, n.d.). One recent study showed increased use by 14–18 year olds with newer forms of consumption—vaping and edibles (Borodovsky, Lee, Crosier, Gabrielli, Sargent, & Budney, 2017). About 62% of Oregon 11th graders have reported “very easy” access to marijuana, with many of them reporting marijuana acquisition coming primarily from friends (OHA, 2016).

Additionally, marijuana dispensary density has been linked to more use among youth, with 16% of 11th graders reporting marijuana use in areas with less dispensary density compared to 23% of the same age group reporting use in more retail-dense areas (Hatch, 2017).

Another study conducted in Oregon found that as medical marijuana users and growers increased in a community, marijuana use among youth also increased, in part because of social acceptance of the drug (Paschall, Grube, & Biglan, 2017).

The most recognized survey on the prevalence of drug use among U.S. households is the National Survey on Drug Use and Health (NSDUH). According to NSDUH data, marijuana use in all four legalized states and the District of Columbia has continued to increase since legalization.

Unfortunately, state studies such as the Healthy Kids Colorado Survey (HKCS) have muddled the waters. This particular study has been rejected by the Centers for Disease Control and Prevention (CDC) due to its unsound methodology.

The study omits some of the largest counties in the state (e.g. Jefferson, Douglas, and El Paso counties) and has a standard of statistical significance set much higher than average, meaning only differences in use rates far greater than normal are recognized as significant (Murray, 2016).

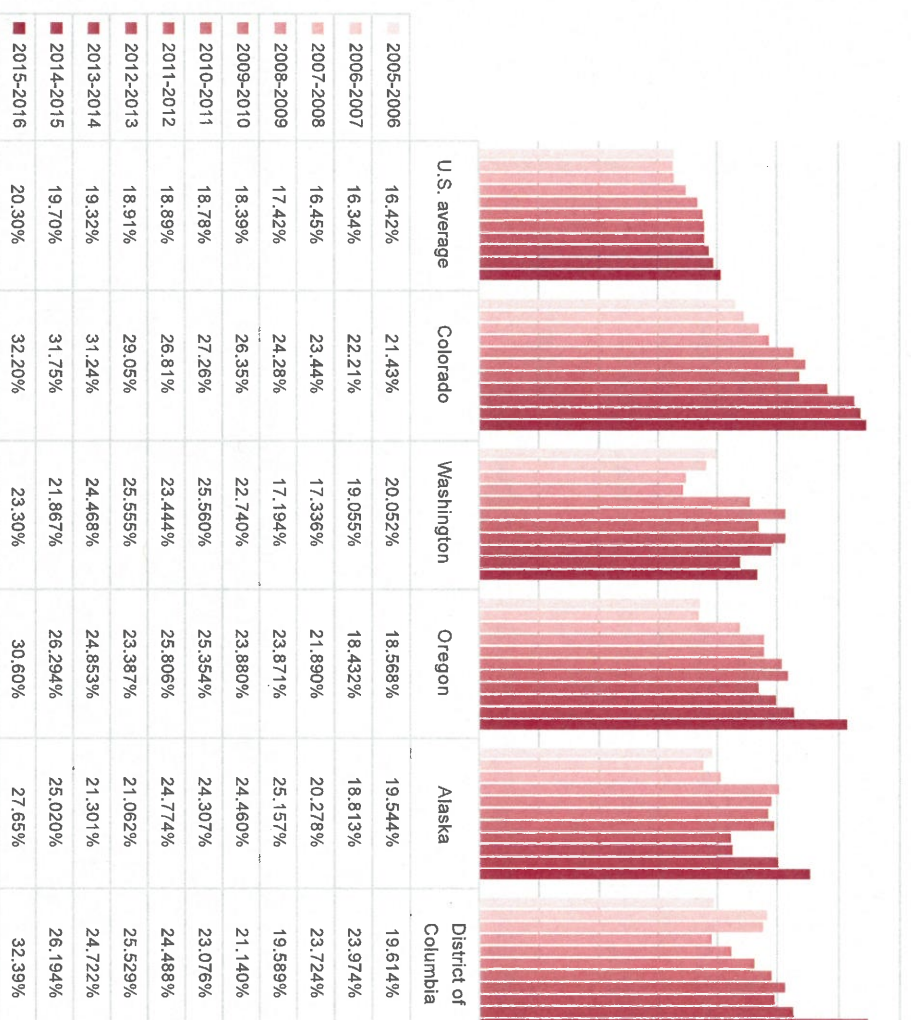
IMPACTS ON YOUTH AND YOUNG ADULTS

According to data from the NSDUH, the average rate of regular teen marijuana use in the legalized states of Alaska, Colorado, Oregon, and Washington is 30% higher than the U.S. rate as a whole (NSDUH, 2006-2017). Almost a third of all 18–25 year olds in legal states used marijuana in the past month, up from around one-fifth 10 years ago.

In Alaska, youth use is up more than 20% since before legalization. In Colorado, use among people 18 and over has increased, as well as use among young adults.

In Colorado in 2005–2006, 7.6% of 12–17 year olds used marijuana in the past month, compared to 9.1% currently (NSDUH, 2006–2017). While that number is lower than in recent years, we do not know how many of these users are heavy users. In Oregon, monthly use by youth is up since last year, and in Washington it is up since 2008–2009 (NSDUH, 2006–2017).

PAST MONTH MARIJUANA USE OF COLLEGE
AGE 18-25 YEARS OLD



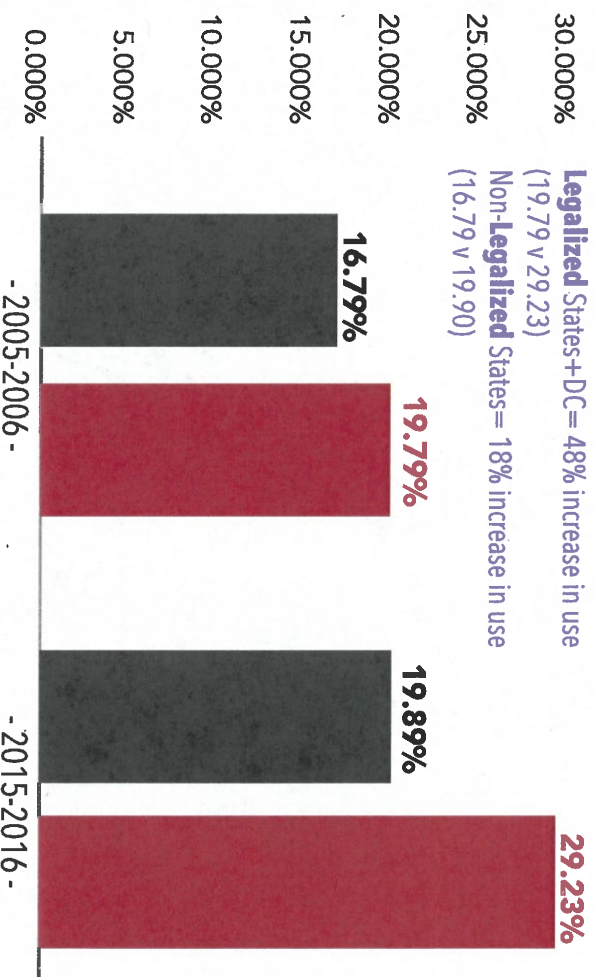
IMPACTS ON YOUTH AND YOUNG ADULTS

Some industry backers also claim that loosening marijuana laws will decrease alcohol use among consumers. But the opposite has been observed in legalized states.

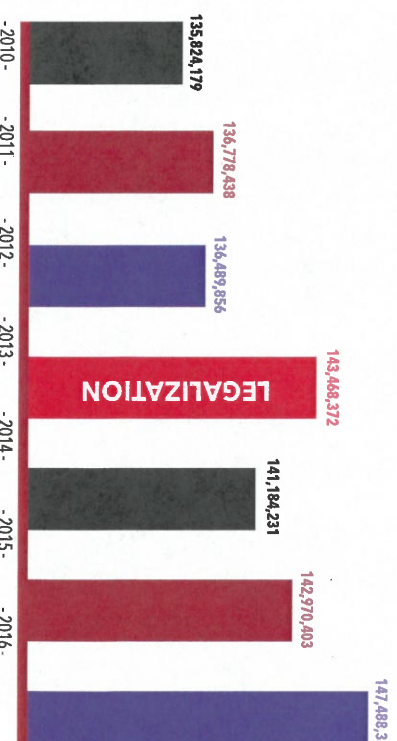
The gallons of alcohol consumed in Colorado since marijuana legalization have increased 8% and the amount of alcohol consumed in Washington, Oregon, and Alaska has either remained constant or increased since legalization (Haughwout & Slater, 2017; CDR, 2017).

Furthermore, researchers from Oregon State University found that college students who are binge drinkers under the age of 21 have been one of the primary groups of marijuana users after legalization (Darling, 2017).

18-25 Year-Old Monthly Marijuana Use Legal vs. Non-Legal State Averages



GALLONS OF ALCOHOL CONSUMED IN CO, 2010-2016



Source: Colorado Department of Revenue, Colorado Liquor Excise Tax

BLACK MARKET ACTIVITY SINCE LEGALIZATION

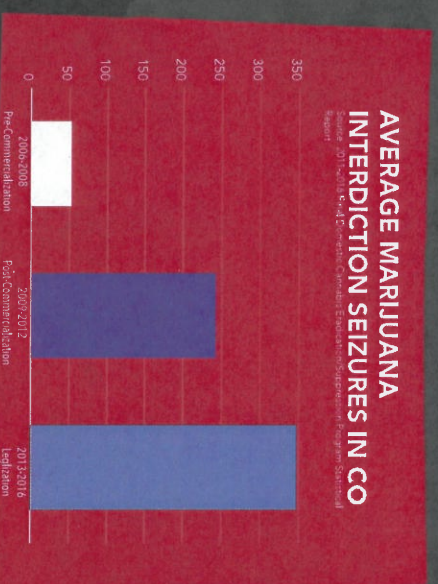
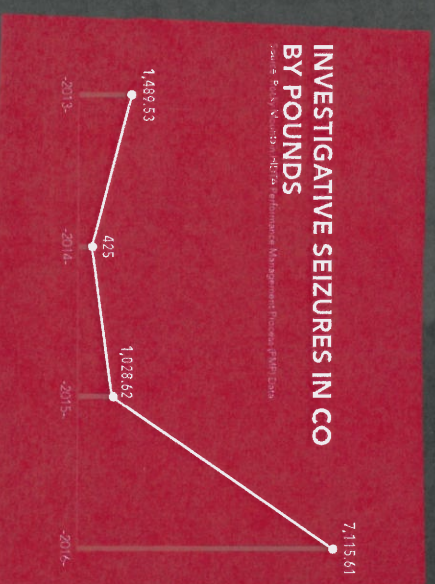
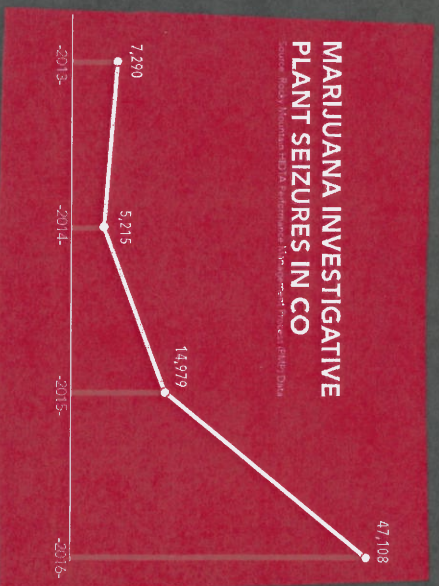
Commercialization advocates have long argued that legalization will reduce black market marijuana activity in legalized states. However, criminal activity has only been amplified as highway interdiction seizures and confiscation of illegal marijuana growing operations become increasingly common. A special media investigation revealed in 2018 that a record number of packages were mailed to or from Colorado through the U.S. Postal Service, up to 934 from 805 (Larson, 2018). The number was 234 in 2012.

In 2016 alone, Colorado law enforcement confiscated 7,116 pounds of marijuana, carried out 252 felony arrests, and made 346 highway interdictions of marijuana headed to 36 different U.S. states (RMHIDTA, 2017). The U.S. mail system has also been affected by the black market, seeing an 844% increase in postal marijuana seizures (RMHIDTA, 2017). Narcotics officers in Colorado have been busy responding to the 50% increase in illegal growing operations across rural areas in the state (Stewart, 2017).

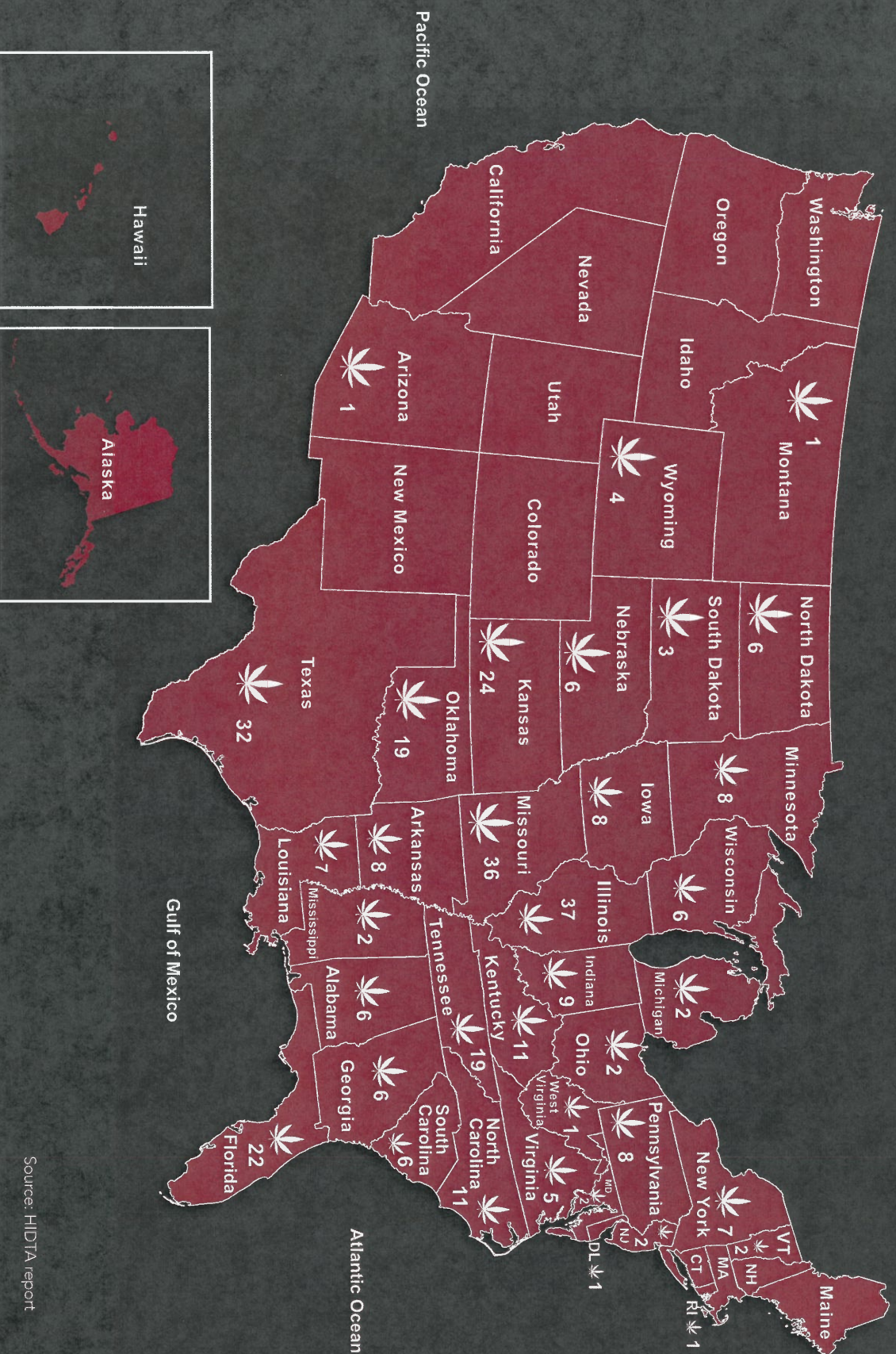
Legalization has made it easier for the black market to thrive in rural areas due to the difficulties involved in distinguishing between legal and criminal marijuana farms. About \$6.5 million worth of illegal marijuana was confiscated by federal agencies in the White River National Forest in Aspen, Colorado, and 9,200 illegal marijuana plants were found growing on islands in the middle of the Colorado River (Associated Press, September 29, 2017; Roy, 2017). The ability to hide black market activity in legalized states has encouraged drug trafficking organizations (DTOs) and Mexican cartels to begin growing marijuana illegally within the United States and there is now a strong presence of cartel activity in Alaska (ADPS, 2016).

Oregon has been a hub of black market activity since legalization. A leaked police report in Oregon revealed that at least 70% of marijuana sales in 2016 were on the black market and around three to five times the amount of marijuana consumed in Oregon leaves the state for illegal sales (Hughes, 2017; Associated Press, 2017, August 14; OSPDES, 2017). The U.S. Attorney in Oregon reported in 2018 that "Oregon has a massive marijuana overproduction problem," with 2,644 pounds of marijuana in outbound postal parcels and over \$1.2 million in cash seized in 2017 alone (Williams, 2018). In the last half of 2017, \$1 million in cash linked to marijuana transactions was seized at Portland International Airport. Law enforcement across 16 states have reported marijuana seizures coming from Oregon (Williams, 2018). Lancaster County sheriff's deputies in Nebraska arrested a licensed marijuana processor from Oregon who was intending to distribute the 110 pounds of raw marijuana and 25 pounds of shatter (super high potency THC wax) in his vehicle (R. Johnson, 2017).

BLACK MARKET ACTIVITY SINCE LEGALIZATION



STATES TO WHICH COLORADO MARIJUANA WAS DESTINED, 2016 (TOTAL REPORTED INCIDENTS PER STATE)



Source: HIDTA report

TRENDS IN CRIME SINCE LEGALIZATION

Apart from black market activity, legalization has potentially exacerbated other crimes as well. Though it cannot be said that crime has increased because of legalization, some trends are worth noting. The crime rate in Colorado has increased 11 times faster than the rest of the nation since legalization (Mitchell, 2017), with the Colorado Bureau of Investigation reporting an 8.3% increase in property crimes and 18.6% increase in violent crimes (CBI, 2017).

Along with the increase in property crimes, the Boulder Police Department has reported a 54% increase in marijuana public consumption citations since legalization (BPD, 2017).

According to Alaska law enforcement reports, misdemeanor and vehicle thefts have dramatically increased since legalization. Alaska's national ranking for property crimes moved from 21st to 3rd and burglaries from 31st to 14th after legalization. Alaska's national ranking for larcenies also moved up from 16th to 2nd and vehicle thefts from 16th to 5th after marijuana became legal (ADPS, 2016).

Since legalization in 2014 to 2016, Oregon's national ranking went from 17th to 11th for property crime, 12th to 7th for larceny, and 13th to 8th for motor vehicle theft (Disaster Center, n.d.).

MARIJUANA-RELATED CRIME AND OFFENSES SINCE LEGALIZATION

A link between looser laws and crime has been explored in the scientific literature. A study funded by the National Institutes of Health (NIH) showed that the density of marijuana dispensaries was linked to increased property crimes in nearby areas. Researchers found that Denver, Colorado, neighborhoods adjacent to marijuana businesses saw 84 more property crimes each year than neighborhoods without a marijuana shop nearby (Freisthler et al., 2017).

Many young people hear the message that "pot is legal," but are unaware (or unconcerned) that public use is not. In Anchorage, school suspensions for marijuana increased more than 141% from 2015 to 2017, after legalization was implemented. "Because it's legal in the community, I think, the stigma around marijuana use is decreasing," said Joe Zawodny, director of secondary education for the school district. "The data would seem to say there is increasing use" (Wohlforth, 2018).

Since 2012, the percentage of Colorado suspensions for marijuana has risen from 17% to 23%, and marijuana remains the top offense in school (Munoz et al., 2017).

% OF TOTAL STUDENT OFFENSES THAT ARE MARIJUANA-RELATED BY ACADEMIC YEAR IN CO

*Data encompasses all marijuana-related elementary, middle, and high school offenses occurring on school property or at school sponsored events.



Source: Munoz E, Flick P, Lucero L, English K. Summary of Law Enforcement and District Attorney Reports of Student Contacts: 2012-2014, 2014-2015, 2015-2016. Colorado Department of Public Safety.

MARIJUANA RELATED CRIME AND OFFENSES SINCE LEGALIZATION

One hundred three (103) law enforcement agencies reported 6727 qualifying incidents in 554 public schools during the 2015-16 academic year, from August 1, 2015 through July 31, 2016.

CRIMES AND OFFENSES IN PUBLIC SCHOOLS, 2015-2016

OFFENSE	N	%	CUMULATIVE %
Marijuana (#1)	1561	23%	23%
Assault	834	12%	36%
Disorderly Conduct/Fighting	814	12%	48%
Public Peace	666	10%	58%
Dangerous Drugs	420	6%	64%
Larceny/Theft	341	5%	69%
Liquor/Alcohol	297	4%	73%
Trespass	260	4%	77%
Obstruct	206	3%	80%
Harassing Communication	203	3%	83%
Other/Unclear	194	3%	86%
Weapon Offense	141	2%	88%
Tobacco	127	2%	90%
Damage Property	120	2%	92%
Traffic Offense	91	1%	93%
Sexual Assault/Offense	76	1%	94%
Warrant	57	1%	95%
Criminal Mischief	47	1%	96%
Runaway/ Missing Person	41	1%	97%
Interference with Educ Inst	39	<1%	97%
Tuancy	36	<1%	98%
Burgary	33	<1%	98%
Menacing	26	<1%	99%
Arson	25	<1%	99%
Robbery	20	<1%	99%
Curfew	16	<1%	100%
Family/Child Offense	12	<1%	100%
Vehicle Theft	8	<1%	100%
Fraud/Forgery	5	<1%	100%
Kidnapping	5	<1%	100%
Invasion of Privacy	2	<1%	100%
Total	6727	100%	100%

Source: Colorado Department of Public Safety, 2017

DISTRICT OF COLUMBIA ARRESTS FOR PUBLIC MARIJUANA USE & MARIJUANA DISTRIBUTION, 2015-2016



Source: Moyer JW, D.C. arrests for public use of marijuana nearly tripled last year. *The Washington Post*, July 11, 2017.

IMPACTS OF LEGALIZATION ON COMMUNITIES OF COLOR

As pro-marijuana lobbyists argue that marijuana legalization will increase social justice in legalized states, disparities among use and criminal offense rates continue among race, ethnicity, and income levels. The District of Columbia saw public consumption and distribution arrests nearly triple between the years 2015 and 2016, and a disproportionate number of those marijuana-related arrests occur among African-Americans (Moyer, 2017; DCMPD, 2016).

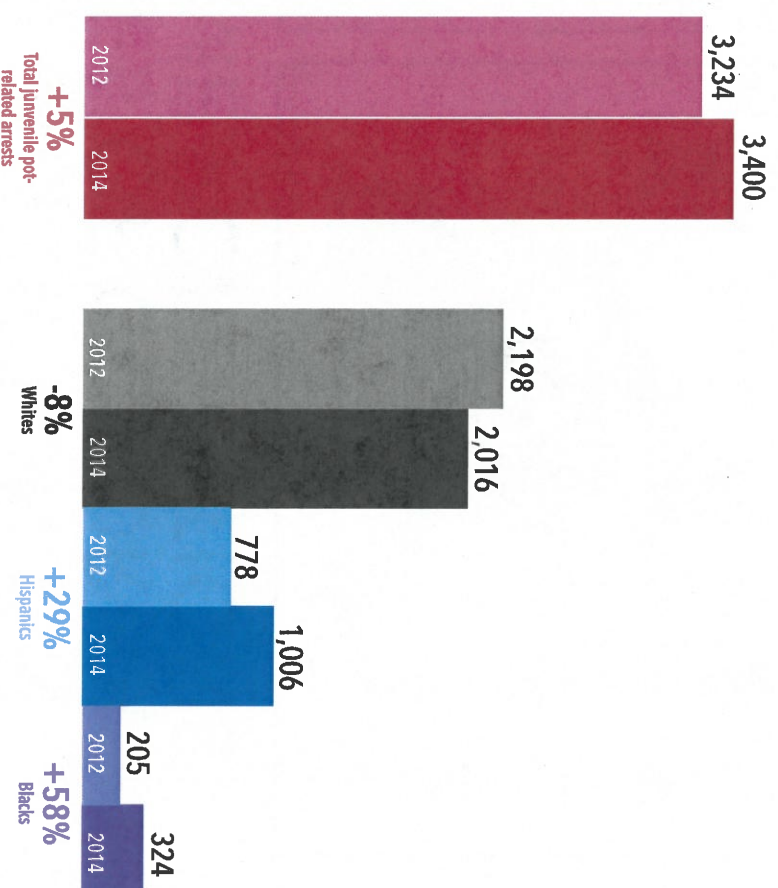
Colorado has seen a similar trend among its student population with the number of marijuana-related offenses in schools linked to the proportion of youth of color enrolled. Colorado schools that had 25% or fewer youth of color had 313 marijuana-related suspensions compared to 658 marijuana-related suspensions for schools comprised of populations with 76% or more youth of color (CDPS, 2016).

IMPACTS OF LEGALIZATION ON COMMUNITIES OF COLOR

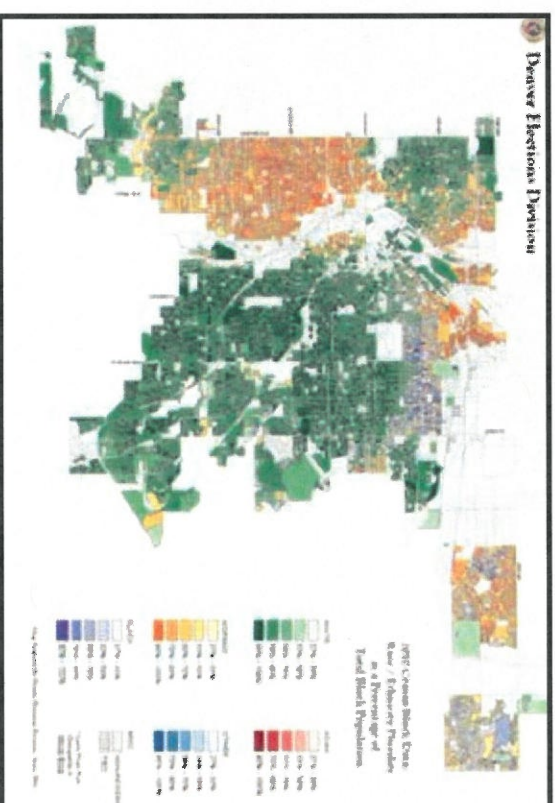
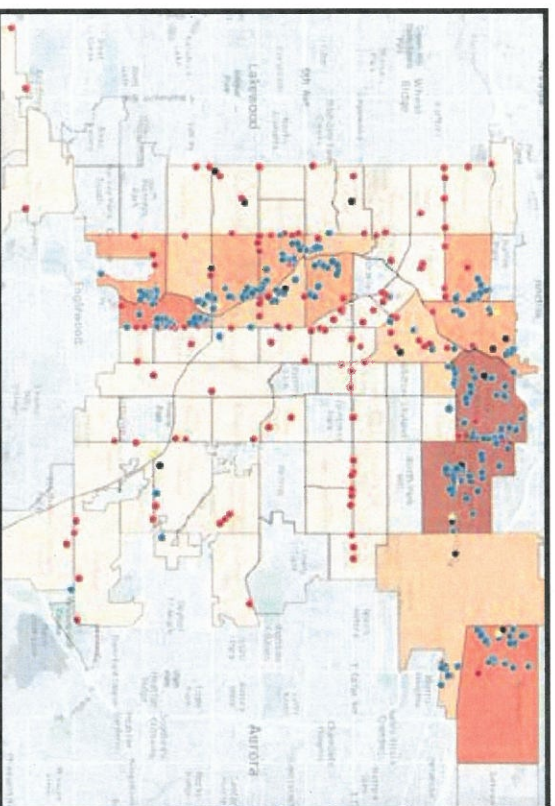
Furthermore, juvenile marijuana-related arrests have increased among African-American and Hispanic teens in Colorado after legalization. Between 2012 and 2014, the percentage of Hispanic and African-American arrests for teens under 18 years old increased 29% and 58%, respectively (CDPS, 2016). With the advent of legalization, communities of color are subject to disproportionate targeting by marijuana facilities. In Los Angeles, the majority of dispensaries have opened primarily in African-American communities (Thomas & Freisthler, 2017). An overlay of socioeconomic data with the geographic location of pot shops in Denver shows marijuana stores are located primarily in disadvantaged neighborhoods.

MARIJUANA-RELATED JUVENILE ARRESTS IN CO BY RACE/ETHNICITY, 2012-2014

Source: Colorado Department of Public Safety (March 2016)



IMPACTS OF LEGALIZATION ON COMMUNITIES OF COLOR AND LOW INCOME POPULATIONS



Marijuana legalization has touched on issues related to income. In Colorado, those with a household income below \$25,000 had a 20% current-use rate compared to a 11% rate among households with income levels of \$50,000 or greater (CDPS, 2016).

The National Survey on Drug Use and Health found that 28% of women living in low-income areas tested positive for marijuana use during pregnancy (Foeller & Lyell, 2017).

Another study by the American College of Obstetricians and Gynecologists reported that young women from lower income levels have a 15–28% rate of marijuana use during pregnancy. Up to 60% of these young women continue marijuana use throughout pregnancy due to a decreased perception of risk and stigma (American College of Obstetricians and Gynecologists, 2017).

IMPACT OF LEGALIZATION ON HOMELESSNESS

The easy availability of marijuana after legalization also appears to have a possible link to Colorado's growing homeless population. While overall U.S. homelessness decreased between 2013 and 2014 as the country moved out of the recession, Colorado was one of 17 states that saw homeless numbers increase during that time (Acuna, 2017).

Perhaps not coincidentally, it was also when Colorado legalized "recreational-use" marijuana and allowed retail sales to begin. The U.S. Department of Housing and Urban Development reported a 13% increase in Colorado's homeless population from 2015 and 2016 (Acuna, 2017). That number may be low, as the rate of homelessness among Colorado children has increased 50% (Zubrzycki, 2016).

Business owners and officials in Durango, Colorado, testify that the resort town "suddenly became a haven for recreational pot users, drawing in transients, panhandlers, and a large number of homeless drug addicts" (Kolb, 2017).



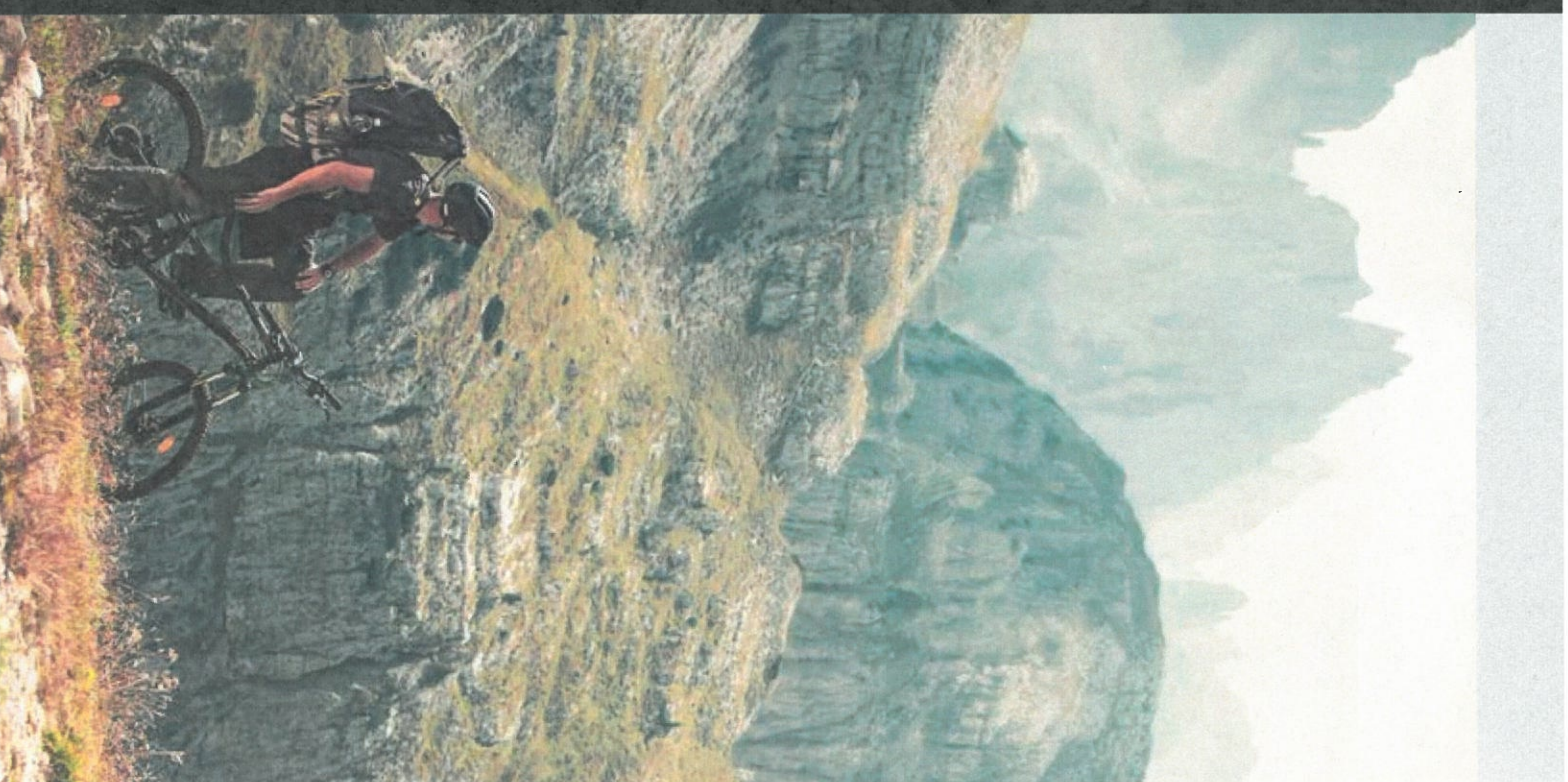
IMPACT OF LEGALIZATION ON THE ENVIRONMENT

Legalization and the industry it has created have caused irreparable damage to rainforests and other elements of the ecosystem. In California, farms generating marijuana crops have polluted plants and other natural life to the point of being hazardous to surrounding communities (Bernstein, 2017). Additionally, pollution caused by illegal grow sites has inflicted animal casualties. The poison used to reduce rodent population at farms has in turn killed large numbers of spotted owls, a species marked as “threatened” according to the Endangered Species Act (Chua, 2018).

The full effects of the industry on the natural environment are only beginning to be recognized. These impacts occur even under a so-called “regulated” environment, as the vast amounts of water and electricity needed to power marijuana farms are damaging to the environment.

Because the black market for marijuana in legalized states like Colorado has not abated, abuse and degradation of public lands from illegal grows has continued (Colorado Springs Gazette, 2015). For example, in 2015 the DOJ announced a wave of prosecutions on federal land resulting in seizure of 20,000 marijuana plants and over 300 kilograms of dried marijuana in Colorado. Suspects included Mexican nationals with ties to transnational criminal groups (U.S. Attorney’s Office, 2015).

In 2017, four years after Colorado legalized pot, officials found more than 7,000 illegal plants on federal land in the San Isabel National Forest. It was the fifth illegal grow found in that area since the year legalization passed (Nicholson, 2017).





IMPACT OF LEGALIZATION ON THE ENVIRONMENT

Power consumption is a similar story. In 2012, marijuana growing consumed 1% of the nation's electricity, and since that time marijuana cultivation has expanded significantly. That is six times the amount of power the entire U.S. pharmaceutical industry uses and it can be expected to rise if cultivation and consumption continues to escalate due to legalization (Mills, 2012).

The energy to produce a single joint emits 3 pounds of carbon dioxide, which is comparable to leaving a TV on for over 15 hours (Agence France-Presse, 2015). This enormous energy use derives from both the quantity of marijuana grown and the large amount of energy it demands. Marijuana is almost four times more energy intensive than oil or coal (Mills, 2012).

It uses so much power that indoor marijuana production in Colorado is responsible for 2% of the state's electrical load and 45% of all new electricity demand coming online (Crombie, 2016). In fact, Mother Jones magazine indicated that the marijuana market "has placed a huge burden on the grid that distributes electricity throughout the state" (Mock, 2015).

IMPACT OF LEGALIZATION ON THE WORKFORCE

Marijuana legalization has had serious ramifications for businesses across legalized states. Increased marijuana availability and use has also increased the number of employees testing positive for marijuana in the workforce. In the 3-year period following legalization in Colorado and Washington (2013–2016), positive oral-fluid test results for marijuana use increased almost 75%, from 5.1 to 8.9 percent (Quest Diagnostics, 2016). Marijuana urine test results in Washington and Colorado are now double the national average (Quest Diagnostics, 2016).

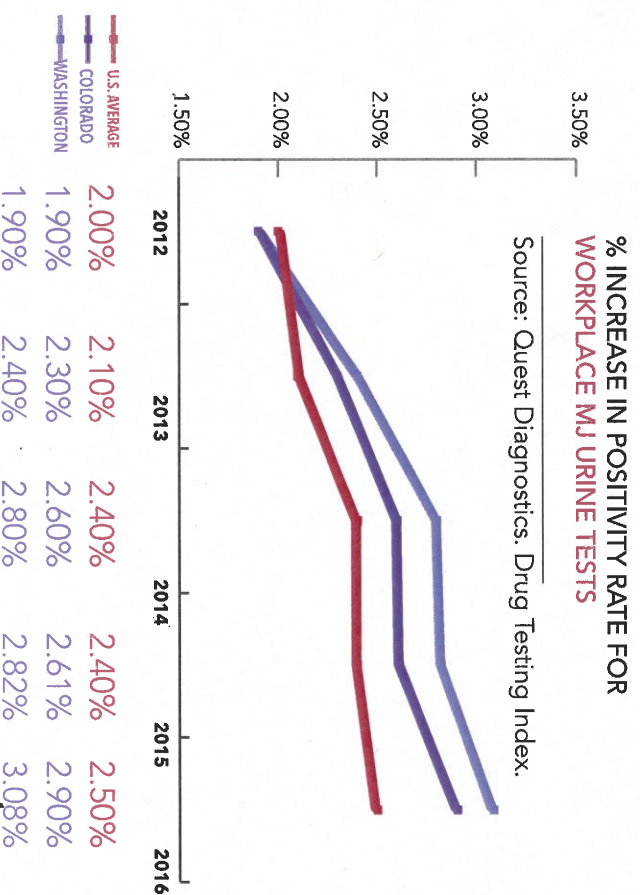
This growing demand for marijuana has made it difficult to find employees who can pass a preemployment drug test. Colorado construction company GE Johnson was forced to hire out-of-state construction workers because too many Coloradans were failing preemployment drug tests (“Drug use a problem,” 2015).

A study conducted in Washington during 2011–2014 found that the percentage of work-related injuries and illnesses was significantly higher (8.9%) among marijuana users than non-users (Marcum, Chin, Anderson, & Bonauto, 2017).

Insurance claims have become a growing concern

among companies in legalized states because if marijuana use is allowed or drug testing ignored, employers are at risk of liability claims when a marijuana-related injury or illness occurs onsite (Hlavac et al., 2016).

The issue is further complicated by pro-marijuana advocates who are pushing to eliminate workplace drug testing policies—essentially stating that regardless of the outcome, employees should be permitted to use marijuana without the risk of professional consequences.



DRUGGED DRIVING

Drugged driving and motor vehicle fatalities have increased in states that have legalized recreational marijuana. According to a 2014 report by the Fatality Analysis Reporting System (FARS), about 50% of fatal crashes nationally involved drivers whose blood tests were positive for THC (WTSC, 2016). In states where marijuana is legalized, collision claims have also increased: the number of drivers in Colorado intoxicated with marijuana and involved in fatal traffic crashes increased 88% from 2013–2015 and marijuana-related traffic deaths increased 66% between the four-year averages before and after legalization (Highway Loss Data Institute, 2017; Migoya, 2017; National Highway Traffic Safety Administration (NHTSA), Fatality Analysis Reporting System (FARS), Colorado Department of Transportation, 2017).

According to AAA, Washington experienced a doubling in drugged-driving fatalities in the years following legalization (Johnson, 2016).

The percentage of marijuana offenses among those driving under the influence of drugs (DUIDs) have also risen in Colorado, with 76% of statewide DUIDs involving marijuana (CSP, 2017). When alcohol is added, the percentage number is 17%, a 25% increase since 2012.

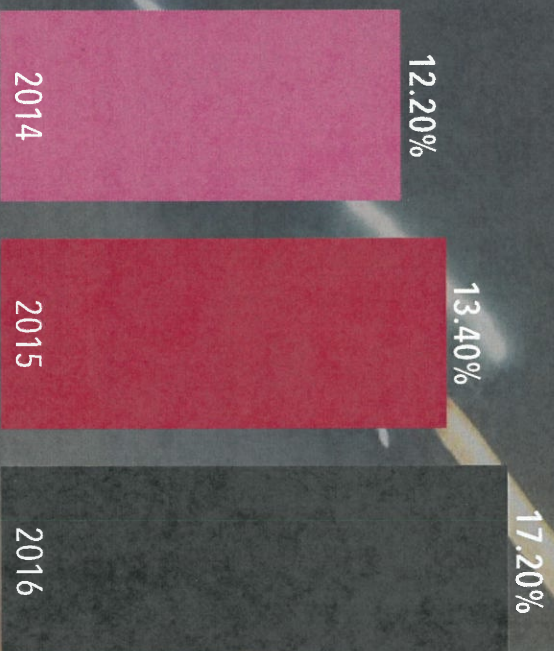
In Oregon, 50% of all drivers assessed by DREs in 2015 tested positive for THC. Toxicology reports show that the rate of drivers testing positive for THC has increased at a consistent rate, resulting in an increase in THC-related impaired driving (OLCC, 2016). Unfortunately, Alaska does not have reliable DUID data available.

While many factors contribute to pedestrian fatalities, it turns out that states that legalized marijuana for medical and/or recreational use saw a 16.4 percent surge in such deaths in the first six months of 2017 compared to the first six months of 2016, while nonlegal states saw a drop of 5.8 percent in pedestrian fatalities over the same time (Boudette, 2018).

DRUGGED DRIVING

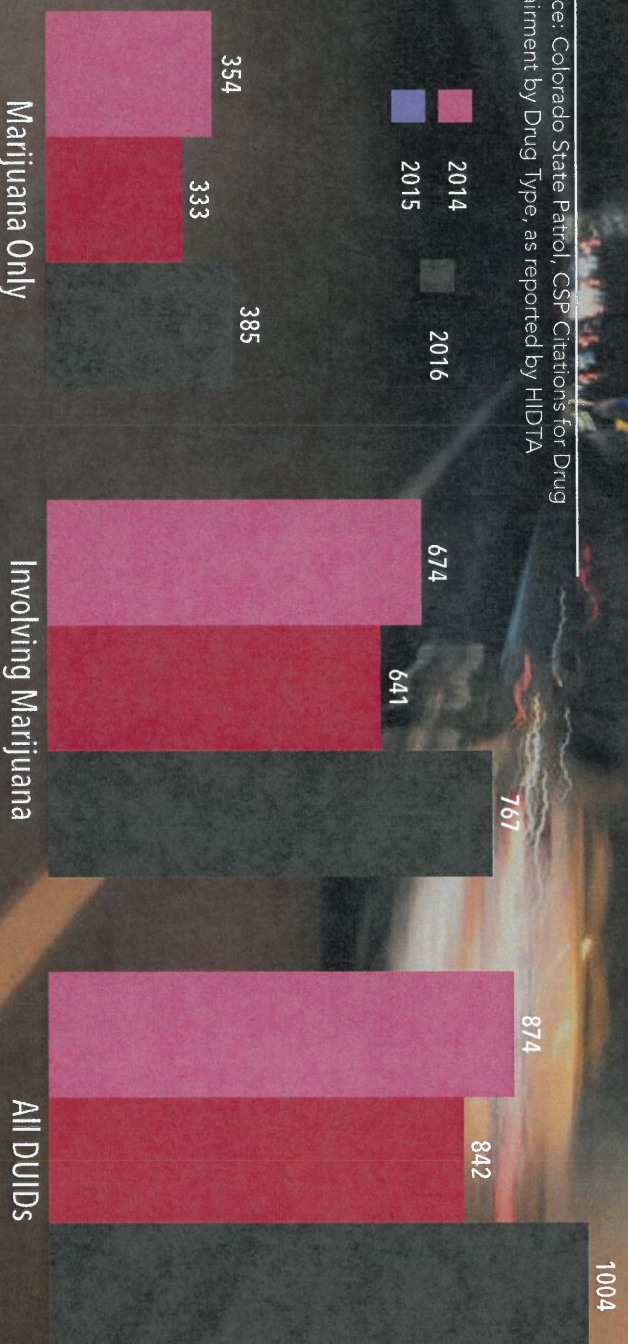
MARIJUANA AS A PERCENT OF ALL DUI AND DUIDS IN COLORADO

Source: Colorado State Patrol, CSP Citations for Drug Impairment by Drug Type, as reported by HLDTA



COLORADO STATE PATROL NUMBER OF DRIVERS UNDER THE INFLUENCE OF DRUGS (DUIDS)

Source: Colorado State Patrol, CSP Citations for Drug Impairment by Drug Type, as reported by HLDTA



RECOMMENDATIONS

Policy makers and the public need real-time data on both the consequences of legalization and the related monetary costs. Meanwhile, the industry's influence on policy should be significantly curtailed. SAM recommends research efforts and data collection focus on the following categories:

- Emergency room and hospital admissions related to marijuana.
- Marijuana potency and price trends in the legal and illegal markets.
- School incidents related to marijuana, including representative data sets.
- Extent of marijuana advertising toward youth and its impact.
- Marijuana-related car crashes, including THC levels even when testing positive for alcohol.
- Mental health effects of marijuana.
- Admissions to treatment and counseling intervention programs.
- Cost of implementing legalization from law enforcement to regulators.
- Cost of mental health and addiction treatment related to increased marijuana use.
- Cost of needing but not receiving treatment.
- Effect on the market for alcohol and other drugs.
- Cost to workplace and employers, and impact on employee productivity.

SAM Smart
Approaches to
Marijuana
preventing another big tobacco

ABOUT SMART APPROACHES TO MARIJUANA (SAM)

Comprising the top scientists and thinkers in the marijuana research and practice field, SAM works to bridge the gap between the public's understanding of marijuana and what science tells us about the drug. At the local, state, tribal, and federal levels, SAM seeks to align marijuana policy and attitudes about the drug with 21st-century science, which continues to show how marijuana use harms the mind and body. SAM argues against extremes in marijuana policy and opposes both incarceration for low-level use and blanket legalization, favoring instead a health-based approach to marijuana. Learn more at www.learnaboutsam.org.

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WASHINGTON, DC

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Marijuana
preventing another big tobacco

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June McHuen

From: Jami Napier
Sent: Monday, December 9, 2019 7:56 PM
To: June McHuen
Subject: Fwd: Letter of Support for Authentic 925

For BGO and minutes.

Get [Outlook for iOS](#)

From: erdinc@modellotile.com <erdinc@modellotile.com>
Sent: Monday, December 9, 2019 7:31:36 PM
To: john.gioa@bos.cccounty.us <john.gioa@bos.cccounty.us>; Candace Andersen <Candace.Andersen@bos.cccounty.us>; Diane Burgis <Diane.Burgis@bos.cccounty.us>; Karen Mitchoff <Karen.Mitchoff@bos.cccounty.us>; Federal Glover <Federal.Glover@bos.cccounty.us>
Cc: john.kopcik@dcd.cccounty.us <john.kopcik@dcd.cccounty.us>; Ruben Hernandez <Ruben.Hernandez@dcd.cccounty.us>; Jami Napier <Jami.Napier@cob.cccounty.us>; jose.pecho@shrynegroup.com <jose.pecho@shrynegroup.com>; brian.mitchell@shrynegroup.com <brian.mitchell@shrynegroup.com>; metin@modellotile.com <metin@modellotile.com>
Subject: Letter of Support for Authentic 925

RE: SGI Retail LLC, dba Authentic 925

Dear Chair Gioa and Board Members and Staff:

My name is Erdinc Turgul and I am the owner of Modello Tile & Stone, Inc located at 5757 Pacheco Blvd in Pacheco, CA 94553. Authentic 925 has applied for a retail cannabis dispensary at the 5,000 square foot suite adjacent to my location. After attending the Board of Supervisors meeting on 11/19 and reviewing both Authentic 925's and the other applicants' proposals, I feel that Authentic 925 has the best location and is the best operator to be awarded the license.

The building has ample parking which is currently underutilized. I have some serious concerns about two of the applicants' locations. One faces Pacheco Boulevard and has very little parking. I think it is inevitable that overflow parking will end up in our parking spaces. The other applicant, Garden of Eden, is proposing a location that is down a dark alley. I see this as a huge safety concern for all of the surrounding businesses. Neither of these other applicants have the ability to receive deliveries inside of their building which I feel the County should require as a safety precaution. Furthermore, I was approached by a representative from Garden of Eden on the day after the Supervisors meeting. I had never met this person in my life and they began asking questions about my business and the terms of my lease. It did not seem appropriate.

Over the last week I have had ongoing conversations with Brian Mitchell, the CEO of Authentic 925, and we have reached an agreement in which I will be remaining in my space while they work on getting the necessary local and state approvals to move their distribution business from Oakland to the Pacheco property. They are also going to assist in helping me find a new location so that I can remain in the community with minimal disruption to my business.

I fully support Authentic 925 and look forward to having their business in our community.

Sincerely,

December 7, 2019

Mr. Bill Whitney
Contra Costa Building & Construction Trades Council
2727 Alhambra Avenue, #5
Martinez, CA 94553

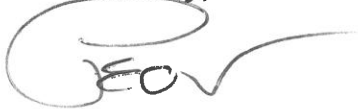
Bill:

Embarc Contra Costa has applied for a Commercial Cannabis Activity Land Use Permit for a retail cannabis dispensary in Contra Costa County. Embarc Contra Costa's proposed cannabis dispensary will require significant construction to achieve our vision for attractive, discreet and community-oriented cannabis operations in the County.

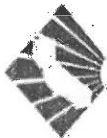
As Chief Executive Officer of Embarc Contra Costa, I am writing to affirm our intent to enter into a Project Labor Agreement (PLA) with the Contra Costa Building & Construction Trades Council for Embarc's proposed project on Pacheco Boulevard in Contra Costa County.

Embarc Contra Costa shares the Building & Construction Trades Council's belief in the importance of strong wages, meaningful benefits and safe working conditions for workers. We are enthused about a partnership with the Contra Costa Building & Construction Trades Council to achieve these goals for our proposed project.

Sincerely,

A handwritten signature in black ink, appearing to read "GEO", with a large, sweeping loop at the beginning and a checkmark-like flourish at the end.

George Miller IV
Chief Executive Officer
Embarc Contra Costa



**CALIFORNIA COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(NON-RESIDENTIAL)
(C.A.R. Form CPA, Revised 12/15)

Date Prepared: 11/27/2018

1. OFFER:

- A. **THIS IS AN OFFER FROM** Skybox Holdings ("Buyer").
☐ Individual(s), ☒ A Corporation, ☐ A Partnership, ☐ An LLC, ☐ An LLP, or ☐ Other
- B. **THE REAL PROPERTY** to be acquired is 3503 Pacheco Blvd and 4 Wygal Dr situated in
Martinez (City), Contra Costa (County), California, 94553-2126 (Zip Code), Assessor's Parcel No. _____ ("Property").
- C. **THE PURCHASE PRICE** offered is One Million, Five Hundred Thousand
Dollars \$1,500,000.00
- D. **CLOSE OF ESCROW** shall occur on _____ (date) (or ☒ 60 Days After Acceptance).
- E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. **DISCLOSURE:** The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD)
- B. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Listing Agent Berkshire Hathaway (Print Firm Name) is the agent of (check one):
☒ the Seller exclusively; or ☐ both the Buyer and Seller.
Selling Agent C1 Brokers (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☐ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.
- C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. **INITIAL DEPOSIT:** Deposit shall be in the amount of \$ 45,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☒ other Wire within 3 business days after Acceptance (or _____);
OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposit checks received by agent shall be recorded in Broker's trust fund log.)

- B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ _____ within _____ Days After Acceptance (or _____). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
- C. ☒ **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) **FIRST LOAN:** in the amount of \$ _____
This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing, ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
- (2) ☐ **SECOND LOAN** in the amount of \$ _____
This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing, ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

E. ADDITIONAL FINANCING TERMS: _____

- F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of \$ 1,455,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- G. **PURCHASE PRICE (TOTAL):** \$ 1,500,000.00
- H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. Verification attached.)

Buyer's initials [Signature]
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CPA REVISED 12/15 (PAGE 1 OF 11)

Seller's initials [Signature]



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 1 OF 11)

C1 Brokers, 14701 Myford Rd, STE A Tustin CA 92780
Macy Newell

Phone: (714) 310-9023 Fax: _____
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com

Martinez

- I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or) Days After Acceptance.
- J. **LOAN TERMS:**
- (1) **LOAN APPLICATIONS:** Within 3 (or) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached)
- (2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
- (3) **LOAN CONTINGENCY REMOVAL:**
Within 21 (or) Days After Acceptance, Buyer shall, as specified in paragraph 18, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (4) ☐ **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
- (5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
4. **SALE OF BUYER'S PROPERTY:**
- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. **ADDENDA AND ADVISORIES:**
- A. **ADDENDA**
- | | |
|---|--|
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) | <input type="checkbox"/> Addendum # <u> </u> (C.A.R. Form ADM) |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI) | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA) |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) | <input type="checkbox"/> Other <u> </u> |
- B. **BUYER AND SELLER ADVISORIES:**
- | | |
|---|---|
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PA) | <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA) | <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) | <input type="checkbox"/> REO Advisory (C.A.R. Form REO) |
| | <input type="checkbox"/> Other <u> </u> |
6. **OTHER TERMS:**
7. **ALLOCATION OF COSTS**
- A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
- (1) ☐ Buyer ☐ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other:
prepared by
- (2) ☐ Buyer ☐ Seller shall pay for the following Report
prepared by
- (3) ☐ Buyer ☐ Seller shall pay for the following Report
prepared by
- B. **GOVERNMENT REQUIREMENTS AND RETROFIT:**
- (1) ☐ Buyer ☐ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

Buyer's Initials

CPA REVISED 12/15 (PAGE 2 OF 11)

Seller's Initials

(H) (W)



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 2 OF 11)

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Martinez

Property Address: **3503 Pacheco Blvd and 4 Wygal Dr, Martinez, CA 94553-2126**

Date: **November 27, 2018**

- (2) (i) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.
(ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.
(iii) Buyer shall be provided, within the time specified in paragraph 18A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:

- (1) (a) ☐ Buyer ☐ Seller shall pay escrow fee _____
(b) Escrow Holder shall be _____
(c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder's general provisions.
(2) (a) ☐ Buyer ☐ Seller shall pay for owner's title insurance policy specified in paragraph 17E _____
(b) Owner's title policy to be issued by _____
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) ☐ Buyer ☐ Seller shall pay County transfer tax or fee _____
(2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee _____
(3) ☐ Buyer ☐ Seller shall pay Owners' Association ("OA") transfer fee _____
(4) Seller shall pay OA fees for preparing all documents required to be delivered by Civil Code §4525.
(5) ☐ Buyer ☐ Seller shall pay OA fees for preparing all documents other than those required by Civil Code §4525.
(6) Buyer to pay for any HOA certification fee, _____
(7) ☐ Buyer ☐ Seller shall pay for any private transfer fee _____
(8) ☐ Buyer ☐ Seller shall pay for _____
(9) ☐ Buyer ☐ Seller shall pay for _____

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

- A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B, C or D.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms.
(3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 18A.
(4) Seller represents that all items included in the purchase price are, unless otherwise specified or identified pursuant to 8B(7), owned by Seller. Within the time specified in paragraph 18A, Seller shall give Buyer a list of fixtures not owned by Seller.
(5) Seller shall deliver title to the personal property by Bill of Sale, free and clear of all liens and encumbrances, and without seller warranty of condition regardless of value.
(6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.
(7) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 18A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 18B and C.
C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: _____

D. OTHER ITEMS:

- (1) Existing integrated phone and automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (☐ are NOT) included in the sale.

9. CLOSING AND POSSESSION:

- A. Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) ☐ at 6 PM or (☐ AM/☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than _____ calendar days After Close Of Escrow; or (iii) ☐ at _____ AM/☐ PM on _____
B. Seller Remaining in Possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form CL; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
C. Tenant Occupied Units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
D. At Close Of Escrow: (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

Buyer's Initials:
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Seller's Initials:

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 3 OF 11)

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Mortimer



- E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.
10. **SECURITY DEPOSITS:** Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.

11. SELLER DISCLOSURES:

- A. **NATURAL AND ENVIRONMENTAL DISCLOSURES:** Seller shall, within the time specified in paragraph 18, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. **ADDITIONAL DISCLOSURES:** Within the time specified in paragraph 18, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:
- (1) **RENTAL SERVICE AGREEMENTS:** (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.
 - (2) **INCOME AND EXPENSE STATEMENTS:** The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
 - (3) ☐ **TENANT ESTOPPEL CERTIFICATES:** (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
 - (4) **SURVEYS, PLANS AND ENGINEERING DOCUMENTS:** Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.
 - (5) **PERMITS:** If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
 - (6) **STRUCTURAL MODIFICATIONS:** Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
 - (7) **GOVERNMENTAL COMPLIANCE:** Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
 - (8) **VIOLATION NOTICES:** Any notice of violations of any Law filed or issued against the Property and actually known to Seller.
 - (9) **MISCELLANEOUS ITEMS:** Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 18A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).
- D. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- E. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) **SELLER HAS: 7 (or ___) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision.
 - (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has **3 (or ___) Days** After Acceptance to request from the OA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 18B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to OA or management company to pay for any of the above.

Buyer's Initials

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Seller's Initials

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Martinez



Property Address: 3503 Pacheco Blvd and 4 Wygal Dr, Martinez, CA 94553-2126

Date: November 27, 2018

12. ☐ ENVIRONMENTAL SURVEY (if checked): Within _____ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by ☐ Buyer ☐ Seller. Buyer shall then, as specified in paragraph 18, remove this contingency or cancel this Agreement.
13. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
14. CHANGES DURING ESCROW:
- A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 14B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. (1) 7 (or ☐) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes. (2) Within 5 (or ☐) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
15. CONDITION OF PROPERTY: Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A. Seller shall, within the time specified in paragraph 18A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 18B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
16. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 18B. Within the time specified in paragraph 18B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 18B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. Buyer Indemnity and seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
17. TITLE AND VESTING:
- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 18A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

Buyer's Initials [Signature]
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Seller's Initials [Signature] [Signature]



COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 5 OF 11)

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Martinez

- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owners CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
18. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. **SELLER HAS: 7 (or _____) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(7), 11A, B, C, D and F, 12, 15A and 17A.** Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) **BUYER HAS: 17 (or _____) Days After Acceptance, unless otherwise agreed in writing, to:**
 (i) complete all Buyer investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(7) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property.
 (2) Within the time specified in paragraph 18B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 (3) By the end of the time specified in paragraph 18B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 18A, then Buyer has 5 (or _____) Days After Delivery of any such items, or the time specified in paragraph 18B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 18B(1) and before Seller cancels, if at all, pursuant to paragraph 18C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 18C(1).
- C. **SELLER RIGHT TO CANCEL:**
 (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
 (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a letter as required by paragraph 3J(1); (iii) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; or (iv) In writing assume or accept leases or liens specified in 8B(7); (v) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25B; or (vi) Provide evidence of authority to sign in a representative capacity as specified in paragraph 23. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or _____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 18.
- E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or _____) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
- G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials TL
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Seller's Initials DMW WRW



Property Address: 3503 Pacheco Blvd and 4 Wygal Dr, Martinez, CA 94553-2126

Date: November 27, 2018

19. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
20. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or ☐) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 15; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
21. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, OA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
22. **BROKERS:**
- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
- C. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
23. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10, 11D, 17, 18G, 21, 22A, 23, 24, 30, 38, 39, 41, 42 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 22A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ☐) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7-11 or elsewhere in this Agreement.

Buyer's Initials [Signature]
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Seller's Initials [Signature]
COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 7 OF 11)

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- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 22A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 22A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

25. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials TLSeller's Initials AWW / WNW**26. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermmediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 26C.
- B. **ARBITRATION OF DISPUTES:** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 26C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials TLSeller's Initials AWW / WNWBuyer's Initials TL
CPA REVISED 12/15 (PAGE 8 OF 11)Seller's Initials AWW / WNW**COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 8 OF 11)**Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48028 www.zipLogix.com

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C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
27. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
28. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
29. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
30. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOAA).
31. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
32. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
33. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
34. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
35. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
36. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.
37. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
38. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
39. **DEFINITIONS:** As used in this Agreement:
- A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. **"Agreement"** means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.

Buyer's Initials [Signature]
CPA REVISED 12/15 (PAGE 9 OF 11)Seller's Initials [Signature]**COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 9 OF 11)**Produced with zipForm® by zipf.org. 18070 Fifteen Mile Road, Fraser, Michigan 48028 www.zipf.org.com

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Property Address: 3503 Pacheco Blvd and 4 Wygal Dr. Martinez, CA 94553-2126

Date: November 27, 2018

- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
40. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.
41. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by ☐ AM/ ☐ PM, on (date)).

☐ One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 11/27/2018 BUYER [Signature]

(Print name) Skybox Holdings

Date _____ BUYER _____

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

42. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: _____

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 11/28/2018 SELLER [Signature]

(Print name) Brudaden Properties LLC

Date 11/28/2018 SELLER [Signature]

(Print name) Wygal Holdings LLC

☒ Additional Signature Addendum attached (C.A.R. Form ASA).

(_____/_____) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____
☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

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COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 10 OF 11)

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REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
 B. Agency relationships are confirmed as stated in paragraph 2.
 C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
 D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) *Documented by* Macy Newell DRE Lic. # 01901238 Date 11/27/2018
 By Macy Newell DRE Lic. # _____ Date _____
 Address 14701 Myford Rd STE A City Tustin State CA Zip _____
 Telephone _____ Fax _____ E-mail _____
 Real Estate Broker (Listing Firm) Berkshire Hathaway DRE Lic. # 01499008 Date _____
 By Nick Allen and Barbara Martin DRE Lic. # 02043262 Date _____
 By Barbara Martin DRE Lic. # 01331250 Date _____
 Address 1954 Contra Costa Blvd City Pleasanton State CA Zip 94523
 Telephone 510.414.6636 Fax _____ E-mail nick.allen@bhhsdrysedale.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ _____), counter offer numbers _____ ☐ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 24 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____
 Escrow Holder has the following license number # _____
☐ Department of Business Oversight ☐ Department of Insurance ☐ Bureau of Real Estate.

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
 Broker or Designee initials _____

REJECTION OF OFFER: (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
 Seller's Initials _____

Buyer's Initials

DS
TL

Seller's Initials (DWW) (WRW)

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CPA REVISED 12/15 (PAGE 11 OF 11)

COMMERCIAL PROPERTY PURCHASE AGREEMENT (CPA PAGE 11 OF 11)Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com

Martinez



CALIFORNIA
ASSOCIATION
OF REALTORS®

EXTENSION OF TIME ADDENDUM
(C.A.R. Form ETA, Revised 4/06)

The following terms and conditions are hereby incorporated in and made a part of the: ☐ California Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Probate Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☐ Vacant Land Purchase Agreement, ☒ Commercial Property Purchase Agreement, ☐ Business Purchase Agreement, ☐ other _____

dated January 9, 2019, on property known as 3503 Pacheco Blvd. & 4 Wygal Dr, Martinez, CA 94553-2126 ("Agreement"), ("Property"), in which

Skybox Holdings is referred to as ("Buyer") and Brudaden Properties LLC & Wygal Holdings LLC is referred to as ("Seller").

1. **EXTENSION OF ESCROW:** The scheduled Close Of Escrow is extended to March 26, 2019 (Date).
2. **EXTENSION OF CONTINGENCY(IES):** The following contingency(ies), if checked, is/are extended to _____ (Date) ☐ Buyer Investigation of Property Condition ☐ Loan ☐ Other _____
3. **OTHER EXTENSION(S):** The time for _____ is/are extended to _____ (Date).
4. **ADDITIONAL TERMS:** 1. Buyer to release \$10000, non-refundable, into escrow
2. Buyer to provide two months of rent totaling \$2400

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

Buyer DocuSigned by: Tommy Le Date 1/9/2019
Skybox Holdings LLC

Buyer _____ Date _____

Seller DocuSigned by: Dennis Wygal Date 1/10/2019
Brudaden Properties LLC &

Seller DocuSigned by: William Wygal Date 1/11/2019
Wygal Holdings LLC
812AD6852D3F43A...

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EXTENSION OF TIME ADDENDUM (ETA PAGE 1 OF 1)

CI Brokers, 14701 Myford Rd, STE A Tustin CA 92780
Marty Newell

Produced with zipForm® by zip-corp 16070 Fifteen Mile Road, Fraser, Michigan 48026

Phone: (714) 310-9823

Fax:

Martinez





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EXTENSION OF TIME ADDENDUM
(C.A.R. Form ETA, Revised 4/06)

The following terms and conditions are hereby incorporated in and made a part of the: ☒ California Residential Purchase Agreement, ☐ Manufactured Home Purchase Agreement, ☐ Probate Purchase Agreement, ☐ Residential Income Property Purchase Agreement, ☐ Vacant Land Purchase Agreement, ☐ Commercial Property Purchase Agreement, ☐ Business Purchase Agreement, ☐ other _____

dated _____, on property known as 3503 Pacheco Blvd, & 4 Wygal Dr, Martinez, CA 94553-2126 ("Agreement"),
("Property"), in which
"Buyer") and Skybox Holdings is referred to as
is referred to as ("Seller"). Brudaden Properties LLC & Wygal Holdings LLC

- 1. EXTENSION OF ESCROW:** The scheduled Close Of Escrow is extended to May 25, 2019 (Date).
- 2. EXTENSION OF CONTINGENCY(IES):** The following contingency(ies), if checked, is/are extended to _____ (Date) ☐ Buyer Investigation of Property Condition ☐ Loan ☐ Other _____
- 3. OTHER EXTENSION(S):** The time for _____ is/are extended to _____ (Date).
- 4. ADDITIONAL TERMS:** 1. Buyer to release \$10000, non-refundable (applicable to purchase price)
2. Buyer to provide two months of rent totaling \$2400

By signing below, Buyer and Seller acknowledge that each has read, understands, and received a copy of and agrees to the terms of this Extension of Time Addendum.

DocuSigned by:
Buyer Tommy Le Date 3/20/2019
Skybox Holdings 8D3D695346F

DocuSigned by:
Buyer _____ Date _____

DocuSigned by:
Seller Dennis Wygal Date 3/22/2019
Brudaden Properties LLC 9B40AC7DE884FB...

DocuSigned by:
Seller William Wygal Date 3/21/2019
Wygal Holdings LLC 812AD6852D3F43A...

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CI Brokers, 14701 Myford Rd, STE A Tustin CA 92780
Macy Newell

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Phone: (714) 318-9023 Fax:

Martinez



ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 6

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other **Commercial Property Purchase Agreement**

dated November 27, 2018, on property known as 3503 Pacheco Blvd, 4 Wygal Dr.
Martinez, CA 94553-2126

in which Skybox Holdings is referred to as ("Buyer/Tenant")
and Brudaden Properties, LLC, Wygal Holdings LLC is referred to as ("Seller/Landlord").

1- Buyer and Sellers agree New Purchase Price is \$1,700,00.00

2- Buyer agrees to pay Seller \$7000.00 per month starting June 6th, 2019 - December 6th, 2019. Check to be made payable to Brudaden Properties LLC, by the 6th of each month.

Sellers agree to extend month to month option for additional 6 month at \$7,000.00 a month if necessary (December 6th, 2019 - May 6, 2020) paid to Sellers in same manner by the 6th of the month.

3- Seller has agreed to give Wygal Holdings LLC 2 years FREE rent after close of escrow. (4 Wygal Dr Martinez, Ca 94553)

4-Commercial Lease Agreement dated January 1st 2019 - January 1st 2020 is terminated immediately.

5- All other terms and conditions to remain the same.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 06/06/2019 05:52 PM GMT

Date 06/06/2019 01:40 AM GMT

Buyer/Tenant Skybox Holdings

Seller/Landlord Brudaden Properties, LLC

Buyer/Tenant

Seller/Landlord Wygal Holdings LLC

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)





ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 5

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☒ Other **Commercial Property Purchase Agreement**

dated November 27, 2018, on property known as 3503 Pacheco Blvd, 4 Wygal Dr.
Martinez, CA 94553-2126

in which Skybox Holdings is referred to as ("Buyer/Tenant")
and Brudaden Properties, LLC, Wygal Holdings LLC is referred to as ("Seller/Landlord").

* Buyer agrees to release from Escrow \$74,300.00 to Seller.

* Said amount is not a credit to the purchase price.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 06/06/2019 05:52 PM GMT

Date 06/06/2019 01:40 AM GMT

Buyer/Tenant Skybox Holdings

Seller/Landlord Brudaden Properties, LLC

Buyer/Tenant _____

Seller/Landlord Wygal Holdings LLC

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)





COMMERCIAL LEASE AGREEMENT

(C.A.R. Form CL, Revised 12/15)

Date (For reference only): February 1, 2019

Brudaden Properties LLC,
Macy Newell

("Landlord") and
("Tenant") agree as follows:

1. **PROPERTY:** Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: 3503 Pacheco Blvd, Martinez, Ca 94553 suite A ("Premises"), which comprise approximately _____ % of the total square footage of rentable space in the entire property. See exhibit _____ for a further description of the Premises.
2. **TERM:** The term begins on (date) February 1, 2019 ("Commencement Date"), (Check A or B):
 - ☒ A. **Lease:** and shall terminate on (date) February 1, 2021 at _____ ☐ AM ☐ PM. Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy that either party may terminate as specified in paragraph 2B. Rent shall be at a rate equal to the rent for the immediately preceding month, payable in advance. All other terms and conditions of this agreement shall remain in full force and effect.
 - ☐ B. **Month-to-month:** and continues as a month-to-month tenancy. Either party may terminate the tenancy by giving written notice to the other at least 30 days prior to the intended termination date, subject to any applicable laws. Such notice may be given on any date.
 - ☒ C. **RENEWAL OR EXTENSION TERMS:** See attached addendum Two Year Option
3. **BASE RENT:**
 - A. Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):
 - ☐ (1) \$1,200.00 per month, for the term of the agreement.
 - ☐ (2) \$ _____ per month, for the first 12 months of the agreement. Commencing with the 13th month, and upon expiration of each 12 months thereafter, rent shall be adjusted according to any increase in the U.S. Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for All Urban Consumers ("CPI") for _____ (the city nearest the location of the Premises), based on the following formula: Base Rent will be multiplied by the most current CPI preceding the first calendar month during which the adjustment is to take effect, and divided by the most recent CPI preceding the Commencement Date. In no event shall any adjusted Base Rent be less than the Base Rent for the month immediately preceding the adjustment. If the CPI is no longer published, then the adjustment to Base Rent shall be based on an alternate index that most closely reflects the CPI.
 - ☐ (3) \$ _____ per month for the period commencing _____ and ending _____ and \$ _____ per month for the period commencing _____ and ending _____ and \$ _____ per month for the period commencing _____ and ending _____.
 - ☐ (4) In accordance with the attached rent schedule.
 - ☒ (5) Other: once permit is granted, rent will increase to \$5000.00 monthly.
 - B. Base Rent is payable in advance on the 1st (or ☐) day of each calendar month, and is delinquent on the next day.
 - C. If the Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.
4. **RENT:**
 - A. Definition: ("Rent") shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except security deposit.
 - B. Payment: Rent shall be paid to (Name) Brudaden Properties LLC at (address) _____, or at any other location specified by Landlord in writing to Tenant.
 - C. Timing: Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.
5. **EARLY POSSESSION:** Tenant is entitled to possession of the Premises on once license is granted. If Tenant is in possession prior to the Commencement Date, during this time (I) Tenant is not obligated to pay Base Rent, and (II) Tenant ☐ is not obligated to pay Rent other than Base Rent. Whether or not Tenant is obligated to pay Rent prior to Commencement Date, Tenant is obligated to comply with all other terms of this agreement.
6. **SECURITY DEPOSIT:**
 - A. Tenant agrees to pay Landlord \$5,000.00 as a security deposit. Tenant agrees not to hold Broker responsible for its return. (IF CHECKED:) ☐ If Base Rent increases during the term of this agreement, Tenant agrees to increase security deposit by the same proportion as the increase in Base Rent.
 - B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent, late charges, non-sufficient funds ("NSF") fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) broom clean the Premises, if necessary, upon termination of tenancy; and (iv) cover any other unfulfilled obligation of Tenant. **SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT.** If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord receives possession of the Premises, Landlord shall: (i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant. However, if the Landlord's only claim upon the security deposit is for unpaid Rent, then the remaining portion of the security deposit, after deduction of unpaid Rent, shall be returned within 14 days after the Landlord receives possession.
 - C. No interest will be paid on security deposit, unless required by local ordinance.

Landlord's Initials () ()

Tenant's Initials () ()



7. PAYMENTS:

	<u>TOTAL DUE</u>	<u>PAYMENT RECEIVED</u>	<u>BALANCE DUE</u>	<u>DUE DATE</u>
A. Rent: From _____ To _____ Date Date	\$ _____	\$ _____	\$ _____	_____
B. Security Deposit	\$ <u>5,000.00</u>	\$ _____	\$ <u>5,000.00</u>	_____
C. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
D. Other: _____ Category	\$ _____	\$ _____	\$ _____	_____
E. Total:	\$ <u>5,000.00</u>	\$ _____	\$ <u>5,000.00</u>	_____

8. **PARKING:** Tenant is entitled to _____ unreserved and _____ reserved vehicle parking spaces. The right to parking ☐ is ☐ is not included in the Base Rent charged pursuant to paragraph 3. If not included in the Base Rent, the parking rental fee shall be an additional \$ _____ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.
9. **ADDITIONAL STORAGE:** Storage is permitted as follows: _____
The right to additional storage space ☐ is ☐ is not included in the Base Rent charged pursuant to paragraph 3. If not included in Base Rent, storage space shall be an additional \$ _____ per month. Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.
10. **LATE CHARGE; INTEREST; NSF CHECKS:** Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within 5 calendar days after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, \$ _____ as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.
11. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: As is
Items listed as exceptions shall be dealt with in the following manner: _____
12. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.
13. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant. _____
14. **PROPERTY OPERATING EXPENSES:**
A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. _____
- OR B. ☐ (If checked) Paragraph 14 does not apply.
15. **USE:** The Premises are for the sole use as Cannabis Dispensary
No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.
16. **RULES/REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.
17. **MAINTENANCE:**
A. Tenant OR ☐ (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition. Unless Landlord is checked, if Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.
B. Landlord OR ☐ (If checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and _____

Landlord's Initials () ()

Tenant's Initials () ()

CL REVISED 12/15 (PAGE 2 OF 6)

COMMERCIAL LEASE AGREEMENT (CL PAGE 2 OF 6)



- 18. ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
- 19. GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
- 20. ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
- 21. SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or ☐) day period preceding the termination of the agreement.
- 22. SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void; and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
- 23. POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within 60 (or ☐) calendar days after the agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
- 24. TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii)
- All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.
- 25. BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
- 26. DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's guests, (i) only Landlord shall have the right, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage to treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.
- 27. HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 28. CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 29. INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than \$_____ and (ii) property insurance in an amount sufficient to cover the replacement cost of the property if Tenant is responsible for maintenance under paragraph 17B. Tenant's insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least \$_____, plus property insurance in an amount sufficient to cover the replacement cost of the property unless Tenant is responsible for maintenance pursuant to paragraph 17B. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

Landlord's Initials () ()

Tenant's Initials () ()

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COMMERCIAL LEASE AGREEMENT (CL PAGE 3 OF 6)



- 30. TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.
- 31. LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
- 32. SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
- 33. TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
- 34. CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:** Landlord states that the Premises ☐ has, or ☐ has not been inspected by a Certified Access Specialist. If so, Landlord states that the Premises ☐ has, or ☐ has not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.
- 35. DISPUTE RESOLUTION:**
- A. MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 35B(2) below. Paragraphs 35B(2) and (3) apply whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. ARBITRATION OF DISPUTES:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 35B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.
- (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.
- (3) **BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.
- "NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**
- "WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

Landlord's Initials _____ / _____ Tenant's Initials _____ / _____

Landlord's Initials () ()

Tenant's Initials () ()

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COMMERCIAL LEASE AGREEMENT (CL PAGE 4 OF 6)

36. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.
37. **NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:

Landlord: Brudaden Properties LLCTenant: Macy Newell

Notice is deemed effective upon the earliest of the following: (I) personal receipt by either party or their agent; (II) written acknowledgement of notice; or (III) 5 days after mailing notice to such location by first class mail, postage pre-paid.

38. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.
39. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.
40. **OTHER TERMS AND CONDITIONS/SUPPLEMENTS:** _____

The following ATTACHED supplements/exhibits are incorporated in this agreement: ☐ Option Agreement (C.A.R. Form OA)

41. **ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 35A.
42. **ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.
43. **BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 43.
44. **AGENCY CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Listing Agent: Berkshire Hathaway Drysdale Properties (Print Firm Name) is the agent of (check one):
☐ the Landlord exclusively; or ☐ both the Tenant and Landlord.
Selling Agent: _____ (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):
☐ the Tenant exclusively; or ☐ the Landlord exclusively; or ☐ both the Tenant and Landlord.
Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord's Initials () ()

Tenant's Initials () ()



Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

04/01/2019
07:17 PM GMT

Tenant _____ Date _____

Macy Newell

(Print name)

Address 3385 Michelson Dr City Irvine State CA Zip 92612

Tenant _____ Date _____

(Print name)

Address _____ City _____ State _____ Zip _____

☐ **GUARANTEE:** In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) Macy Newell

Guarantor _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail macy.newell@gmail.com

Landlord agrees to rent the Premises on the above terms and conditions.

Landlord _____ Date 04/01/2019 21:19:17

(owner or agent with authority to enter into this agreement) Brudaden Properties, LLC

Address 3503 Pacheco Blvd City Martinez State Ca Zip 94553

Landlord _____ Date _____

(owner or agent with authority to enter into this agreement)

Address _____ City _____ State _____ Zip _____

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Leasing Firm) _____ DRE Lic. # _____

By (Agent) _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm) Berkshire Hathaway Drysdale Properties DRE Lic. # 00149903

By (Agent) _____ DRE Lic. # 02043262 Date 04/01/2019 18:34:13

Nick Allen

Address 1954 Contra Costa Blvd City Pleasant Hill State CA Zip 94523-3306

Telephone _____ Fax (925)688-1505 E-mail nick.allen@bhhsdrysdale.com

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COMMERCIAL LEASE AGREEMENT (CL PAGE 6 OF 6)





**COMMERCIAL LEASE CONSTRUCTION
ACCESSIBILITY ADDENDUM**
(C.A.R. Form CLCA 11/16)

This is an addendum to the Commercial Lease Agreement (lease) dated February 1, 2019
in which Brudaden Properties, LLC is referred to as "Landlord"
and Macy Newell is referred to as "Tenant".

Paragraph 34 of the lease is deleted in its entirety and replaced by the following:

Paragraph 34. CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:

- A. Landlord states that the Premises ☐ have, or ☒ have not been inspected by a Certified Access Specialist (CASp).
- B. If the Premises have been inspected by a CASp,
- (1) Landlord states that the Premises ☐ have, or ☐ have not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53. Landlord shall provide Tenant a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) as specified below.
 - (2) ☐ (i) Tenant has received a copy of the report at least 48 hours before executing this lease. Tenant has no right to rescind the lease based upon information contained in the report.
- OR ☐ (ii) Tenant has received a copy of the report prior to, but no more than, 48 hours before, executing this lease. Based upon information contained in the report, Tenant has 72 hours after execution of this lease to rescind it.
- OR ☐ (iii) Tenant has not received a copy of the report prepared by the CASp prior to execution of this lease. Landlord shall provide a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) within 7 days after execution of this lease. Tenant shall have up to 3 days thereafter to rescind the lease based upon information in the report.
- C. If the Premises have not been inspected by a CASp or a certificate was not issued by the CASp who conducted the inspection,
"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."
- D. Notwithstanding anything to the contrary in paragraph 17, 18, 19 or elsewhere in the lease, any repairs or modifications necessary to correct violations of construction related accessibility standards are the responsibility of Tenant, ☒ Landlord, ☐ Other _____.

04/01/2019
07:17 PM GMT

Tenant (Signature) _____ Date _____

Tenant (Print name) Macy Newell

Tenant (Signature) _____ Date _____

Tenant (Print name) _____

Landlord (Signature) _____ Date 04/01/2019 21:19:17

Landlord (Print name) Brudaden Properties, LLC

Landlord (Signature) _____ Date _____

Landlord (Print name) _____

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CONDITIONAL LEASE AGREEMENT

This Conditional Lease Agreement is, by Pacific Blossom Corp referred to in this Agreement as "Lessee," and Skybox Holdings, referred to in this Agreement as "Lessor."

Recitals

Skybox Holdings is the Purchaser under a certain Commercial Property Purchase Agreement dated November 27, 2018, with an existing exclusive right to purchase the property located at 3503 Pacheco Blvd, Martinez, Contra Costa County, California ("the Property"). The Commercial Property Purchase Agreement together with extensions is attached hereto as Exhibit A.

Terms and Conditions

NOW, THEREFORE, it is agreed as follows:

1. Upon close of escrow of the purchase of the Property, Landlord rents to Tenant and Tenant rents from Landlord, the real property and Property on the terms and conditions set forth in the attached Commercial Agreement, attached hereto as Exhibit B.

2. This Conditional Lease Agreement is made in consideration of the mutual promises and consideration made herein.

Executed on February 1, 2019, at Martinez [city], Contra Costa [county], California.

Landlords

Skybox Holdings

by Tommy le

its CEO



Tenant

Pacific Blossom Corp

by Macy Newell

its Lessee

