

**RULES AND REGULATIONS FOR  
COMMERCIAL LEASE AGREEMENT**

Dated: 2-9-2022

By and Between:

(Lessor): ATC SQUARE LLC, a California limited liability company

(Lessee): Hannah's Restaurant. Cesar Cotes Esparza and Alex Cortes Esparza

Address of Premises: 1408 and 1412 E. Grand Avenue, Arroyo Grande, California 93420

**GENERAL RULES**

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. Lessor reserves the right to refuse access to any persons Lessor in good faith judges to be a threat to the safety and reputation of the Project and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with other lessees or persons having business within the Project.
4. No portion of the common areas shall be used for the sale or display of merchandise, except with the prior written approval of Lessor, which may be withheld in Lessor's sole and absolute discretion.
5. Lessee shall not keep animals or birds within the Project, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized for same.
6. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
7. Lessee shall not alter any lock or install new or additional locks or bolts.
8. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
9. Lessee shall not deface the walls, partitions or other surfaces of the Premises or Project.
10. Lessee shall not suffer or permit anything in or around the Premises or Building that causes excessive vibration or floor loading in any part of the Project.
11. Furniture, significant freight and equipment shall be moved into or out of the building only with the Lessor's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Lessor. Lessee shall be responsible for any damage to the Premises, Building and Project arising from any such activity.
12. Lessee shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Lessor.
13. Lessee shall return all keys at the termination of its tenancy and shall be responsible for the cost of replacing any keys that are lost.
14. No window coverings, shades or awnings shall be installed or used by Lessee without Lessor's prior written consent.
15. No Lessee, employee or invitee shall go upon the roof of the Building.
16. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by Lessor or by applicable governmental agencies as non-smoking areas.
17. Lessee shall not use any method of heating or air conditioning other than as provided by Lessor.
18. Lessee shall not install, maintain or operate any vending machines upon the Premises without Lessor's prior written consent.
19. The Premises shall not be used for lodging or manufacturing.
20. Lessee shall comply with all safety, fire protection and evacuation regulations established by Lessor or any applicable governmental agency.
21. Lessor reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.
22. Lessee assumes all risks from theft or vandalism and agrees to keep its Premises locked as may be required.
23. No portion of the Project may be used for any of the following purposes:
  - a. Automobile sales, leasing or display or repair facility;
  - b. Mortuary or sale of funerals or funeral-related products;
  - c. Bingo Parlor;
  - d. Any use for live entertainment purposes, without Lessor's prior written consent.
  - e. Any adult bookstore selling pornographic materials, adult movie theater, massage parlor, bar, dance hall or similar type establishments;
  - f. Any warehouse (except for storage of items to be sold on site by retail Lessees);
  - g. Any dumping, disposal, incineration or reduction of garbage or refuse;
  - h. Any assembly, manufacturing, distilling, refining, smelting, agricultural or mining operation;
  - i. Any mobile home, trailer court, labor camp or pool, junk yard, stock yard, animal raising shop that boards animals or cleans animals;
  - j. The storage, display or sale of explosives or fireworks; and
  - k. Any fire or bankruptcy sale, or action house operation which exceed one month in length.
24. No part or portion of the Project shall be used in a manner, which would produce or cause the following:
  - a. Any obnoxious odor (odors originating from a wholly enclosed dry cleaning establishment shall not be considered obnoxious under this provision);
  - b. Any noxious, toxic, caustic or corrosive fuel or gas;
  - c. Any dust, dirt, or fly ash in excessive quantities; and
  - d. Any fire, explosive, chemical, or nuclear hazard.
  - e. Any conduct, noise, or nuisance whatever about said Premises having a tendency to annoy or disturb any persons occupying adjacent premises.
25. Except upon prior written consent of Lessor, Lessee shall not cause or permit any noxious, toxic, caustic or corrosive material or substance to be brought, kept or used in or about the Premises or the Project by Lessee, its agent, employees, contractors, or invitees.
26. No portion of the Premises may be used for any use other than specifically stated in the Lease.
27. No Common Areas or other unenclosed land areas within the Project shall be leased to or restricted on Monday through Thursday of any week, including (without limitation) such uses as a carnival or car wash or for seasonal sales such as Christmas trees, fertilizer, or potting or bedding plants.

  
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28. In the case of invasion, mob, riot, public excitement, or other circumstances rendering such action advisable in Lessor's opinion, Lessor may prevent access to the Project by such action as Lessor may deem appropriate, including closing entrances to the Project.

29. The toilet rooms, toilets, urinals, wash bowls, and other apparatus will not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever will be thrown in them. The expense of any breakage, stoppage, or damage resulting from the violation of this rule will be borne by the Lessee who, or whose employees or invitees, caused the breakage, stoppage, or damage.

30. Except with prior written consent of Lessor, Lessee will not sell, or permit the sale in the Premises, or use or permit the use of any common area for the sale of newspapers, magazines, periodicals, or theatre tickets.

31. Lessee will not use any advertising media that may be heard outside of the Premises, and Lessee will not place or permit the placement of any radio or television antenna, loudspeaker, sound amplifier, phonograph, searchlight, flashing light, or other device of any nature on the roof or outside of the boundaries of the Premises (except for Lessee's approved identification sign or signs) or at any place where they may be seen or heard outside of the Premises. With Lessor's prior written consent, Lessee may install temporary "Grand Opening" signs or banners on the leased Premises and use searchlights, provided such temporary use is limited to lessees having "anchor Lessee" status in their respective building, lasts for a period not to exceed six (6) weeks duration and occurs no more than once per building every five (5) years.

32. All loading and unloading of merchandise, supplies, materials, garbage, and refuse will be made only through such entryways and elevators (if any) and at such times as Lessor will designate so as not to interfere with normal customer parking, with the exception of armored car deliveries which will be made in the manner required by the delivery company. In its use of the loading areas, Lessee will not obstruct or permit the obstruction of the loading area and at no time will park or allow its officers, agents, or employees to park vehicles in the loading areas except for loading and unloading.

33. Lessee will neither permit nor suffer said Premises, or the walls or floors thereof, to be endangered by overloading. Lessee specifically agrees not to stress in any manner the structural integrity of the Premises, or to do any act, which would increase the cost of or inhibit the insurability of the Premises. Lessee understands and agrees that the Premises shall be used for all of the Permitted Uses described in the Lease.

34. Lessor will have the right, exercisable without notice and without liability to any lessee, to change the name and street address of the Project.

35. The directory of the Project (if any) will be provided for the display of the name and location of lessees, and Lessor reserves the right to exclude any other names from the directory. Any additional name that Lessee desires to place upon the directory must first be approved by Lessor, and, if so approved, a reasonable charge will be made for the additional name to offset the Lessor's expenses incurred.

36. No curtains, draperies, blinds, shutters, shades, screens, or other coverings, hangings, or decorations will be attached to, hung, or placed in, or used in connection with any window of the Project without the prior written consent of Lessor.

37. Lessee will assure that the doors of the Premises are closed and locked and that all water faucets, water apparatus, and utilities are shut off before Lessee or Lessee's employees leave the Premises, so as to prevent waste or damage. For any default or carelessness in this regard, Lessee will pay for all injuries sustained by other Lessees or occupants of the Project or by Lessor.

38. Lessor may waive any one or more of these rules and regulations for the benefit of any particular lessee or lessees, provided such waivers are made in a non-discriminatory manner and without favoritism to any lessee. No waiver by Lessor will be construed as a waiver of those rules and regulations in favor of any other lessee or lessees, nor prevent Lessor from enforcing any those rules and regulations against any or all of the lessees of the Project. 19. Lessee, their agents, servants or employees, shall not (a) go on the roof of the buildings, (b) use any additional method of heating or air conditioning the leased Premises unless permitted in the Lease, (c) sweep or throw any dirt or other substance from the leased Premises into the parking area, common areas and any of the halls, corridors, elevators (if any), or stairways of the Project, (d) bring in or keep in or about the leased Premises any vehicles or animals of any kind, (e) install any radio or television antennae or any other device or item on the roof, exterior walls, windows or windowsills of the buildings except as permitted in the Lease, (f) place objects against glass partitions, doors or windows which would be unsightly from the interior or exterior of the buildings, (g) use any leased Premises (i) for lodging or sleeping, (ii) for cooking (except that the use of any Lessee of laboratory-approved appliances for microwaving, brewing coffee, tea and similar beverages shall be permitted, provided that such use is in compliance with law) (restaurants excepted).

39. No canvassing, soliciting, distribution of hand bills or other written material, or peddling shall be permitted in the Project, and lessees shall cooperate with Lessor in prevention and elimination of same.

40. Lessee shall give Lessor prompt notice of all accidents to or defects in air conditioning equipment, plumbing, electrical facilities or any part or appurtenances of leased Premises.

41. Lessee shall comply with all safety, fire protection and evacuation procedures and regulations established by Lessor or any governmental agency.

42. If any leased Premises become infested with vermin by acts of Lessee, the Lessee, at its sole cost and expense, shall cause its Premises to be exterminated from time to time to the satisfaction of the Lessor and shall employ such exterminators as shall be approved by Lessor.

43. Wherever the word "Lessee" occurs, it is understood and agreed that it shall also mean Lessee's associates, employees, agents and any other person entering the Project or the Premises under the express or implied invitation of Lessee. Lessee shall cooperate with Lessor to assure compliance by all such parties with rules and regulations.

44. Lessor will not be responsible for lost or stolen personal property, equipment, money or any article taken from the Premises, buildings or parking facilities regardless of how or when such loss occurs. In addition to its other insurance obligations under the Lease, Lessee shall obtain its own insurance coverage to the extent Lessee desires protection against such losses. Lessee acknowledges that Lessor shall have no obligation to provide guard service or security measures for the Premises or the Project.

45. At Lessee's sole cost and expense, Lessee shall install and maintain in the Premises an adequate, visibly marked, and properly operational fire extinguisher(s) next to any heat producing office, business or restaurant equipment.

46. Smoking is prohibited at all times within the Premises. In addition, no smoking shall be permitted in the Project except in specifically designated outdoor areas ("Areas"). Within such Areas, all remnants of consumed cigarettes and related paraphernalia shall only be extinguished and/or deposited in designated ashtrays and/or waste receptacles.

47. These rules and regulations are in addition to and will not be construed to modify, alter, or amend, in whole or in part, any term, provision, right or condition of the Lease.

48. Lessor reserves the right to make such other and reasonable rules and regulations as its judgment may from time to time be needed for the safety, care, and cleanliness of the Project, and for the preservation of good order in it. Lessee agrees to abide by these and such rules and regulations.

  
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**PARKING RULES**

49. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles herein called "Permitted Size Vehicles." Vehicles other than Permitted Size Vehicles are herein referred to as "Oversized Vehicles."

50. Lessor will not be liable for loss of or damage to any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Areas, resulting from theft, fire, vandalism, accident, conduct of other users of the Parking Areas and other persons, or any other casualty or cause. Further, Lessee understands and agrees that: (a) Lessor will not be obligated to provide any traffic control, security protection or operator of the Parking Areas; (b) Lessee uses the Parking Areas at its own risk; and (c) Lessor will not be liable for personal injury or death, theft, loss of or damage to property. Lessee waives, indemnifies and releases Lessor from any and all liability arising out of the use of the Parking Areas by Lessee, its employees, agents, invitees, and visitors, whether brought by any such persons or any other person. Any vehicle left in the Parking Areas in excess of twenty-four (24) hours shall, in Lessor's sole discretion, be considered abandoned and may be removed by Lessor, at vehicle owner's expense, with no liability to Lessor or its agent.

51. Except as set forth in a Lessee's Lease or any recorded Memorandum of Lease or Easement and Restriction Agreement, each Lessee's right to use the Parking Areas will be in common with other lessees of the Project and with other parties permitted by Lessor to use the Parking Areas. Lessor reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Lessor provided that Lessee's rights under the Lease are preserved. Lessee will not park in any numbered or spaces designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designations).

52. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

53. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

54. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Lessor will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

55. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

56. Lessee shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws and agreements.

57. Lessor reserves the right to modify these rules and/or adopt such other reasonable and non-discriminatory rules and regulations as it may deem necessary for the proper operation of the parking area.

58. Such parking use as is herein provided is intended merely as a license only and no bailment is intended or shall be created hereby.

The parties hereto have executed these Rules and Regulations at the place and on the dates specified above their respective signatures.

Executed at: Arroyo Grande, California  
On: 2-9-2022

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On: 2-9-2022

**By LESSOR:**

ATC SQUARE LLC, a California limited liability company  
By: [Signature]  
Name Printed: Tracy Liskey-Del Rio  
Title: Managing Member

**By LESSEE:**

Hannah's Restaurant, Mexican Fusion  
By: Cesar A Cortes  
Cesar Armando Cortes Esparza  
Title: Owner

By: Alex Cortes  
Alex Cortes Esparza  
Owner

[Signature]  
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