

PROPERTY LEASE AGREEMENT

This Property Lease Agreement ("Lease") is entered into by and between THE CITY OF COMMERCE ("Lessor") and AMERICAN PROMOTIONAL EVENTS, INC. - WEST, a California Corporation, d.b.a. TNT Fireworks ("Lessee"), on the terms and conditions below.

Lessor represents and warrants that it has the authority to lease that certain real property located at 2500 SOUTH EASTERN AVENUE ("The Premises") in the city of COMMERCE, California.

Lessor hereby leases to Lessee and Lessee leases from Lessor the Premises. Lessor grants Lessee and a nonprofit organization designated by Lessee the exclusive right to occupy the Premises for the sole purpose of conducting the sale of "Safe and Sane" fireworks from June 28, 2020 to July 4, 2020. Lessee agrees to remove the temporary fireworks sales booth on or before July 10, 2020, leaving the Premises clean and free of debris. Lessee will occupy the site starting June 19, 2020 to July 10, 2020.

Lessee agrees to maintain and provide Public Liability and Property Damage Insurance in the amount of TEN MILLION DOLLARS (\$10,000,000.00) combined single limits, pertaining to and protecting against liability arising from the activities conducted at the Premises by Lessee and the nonprofit organization. Lessor, and any other parties designated by the Lessor, will be named as an additional insured on said policy and a certificate of insurance will be provided Lessor prior to the occupancy of the Premises.

Lessee shall indemnify, hold harmless and defend Lessor from and against any loss, claims or costs arising from the use of the Premises by Lessee and the nonprofit organization. However, in no event shall Lessee be required to indemnify, hold harmless or defend Lessor from or against any action, cause of action, claim, cost, loss or suit arising from the negligence or intentional acts or omissions of the Lessor, its agents, its contractors or its employees..

FORCE MAJEURE: A Party's performance of any obligation under this Agreement shall be suspended if, and to the extent that, the Party is unable to perform because of any event of Force Majeure. In any such event, the Party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder. "Force Majeure" herein means an event which is beyond the reasonable control of a Party, including without limitation, (a) acts of God including flood, fire, earthquake, hurricane or explosion, pandemic; (b) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (c) government order or law that prevents either Party from performing its obligations as set forth in this Agreement; (d) actions, embargoes or blockades in effect on or after the date of this Agreement; (e) action by any governmental authority that prevents either Party from performing its obligations as set forth in this Agreement; (f) national or regional emergency;

(g) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees; (h) shortage of adequate power or transportation facilities.

Neither Party shall be liable for any delay or default in, or failure of, performance resulting from or arising out of any Force Majeure event, and no such delay, default in, or failure of performance shall constitute a breach by either Party hereunder. Where a Force Majeure event gives rise to a failure or delay in either Party performing its obligations under this Agreement (other than obligations to make payment), those obligations will be suspended for the duration of the Force Majeure event. A Party who becomes aware of a Force Majeure event which gives rise to, or which is likely to give rise to, any failure or delay in performing its obligations under this Agreement, will forthwith notify the other and inform the other of the period for which it is estimated that such failure or delay will continue. The affected Party shall take reasonable steps to mitigate the effects of the Force Majeure event.

This Lease is subject to cancellation in the event of either sale of, or construction on, the property that would prohibit the use of the site. This Lease is also subject to cancellation if, for any reason, the Lessee is unable to secure a group to operate on the premises, or the nonprofit organization cannot acquire and maintain all city, county, and state licenses and/or permits necessary to operate a legal fireworks sale on the Premises in compliance with applicable law. In the event of cancellation, Lessee shall give Lessor written notice of the cancellation no later than June 19, 2020. Lessor shall refund the rent paid within ten (10) days of such notice.

Lessee agrees to observe all of the obligations hereunder and Lessor agrees Lessee shall have quiet possession and enjoyment of the Premises during the term of this Lease.

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute the entire agreement. This Agreement, including its counterparts, may be executed electronically. For purposes of this Agreement, the Parties agree that any electronic signature shall have the same effect and force as a handwritten signature. Each Party waives any claim or defense that this Agreement is invalid or unenforceable due to an electronic signature.

This Lease contains the entire agreement between the parties. Any amendment or modification hereto shall be effective only if in writing and signed by both parties.

Rental consideration for this Lease shall be ONE THOUSAND DOLLARS (\$1,000.00).

LESSOR: CITY OF COMMERCE

By: _____ Date: _____

Print: _____

2535 Commerce Way
Commerce, CA 90040
323-722-4805

LESSEE: AMERICAN PROMOTIONAL EVENTS, INC. - WEST

By: _____ Date: _____

Brad Hudson
Area Manager
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Fullerton, CA 92833
714-738-1002
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LOC# XXX0797