



THE CITY OF SAN DIEGO

May 9, 2016

Mr. Matt Rattner
ASSOCIATED MICROBREWRIES, LTD
5965 Santa Fe Street
San Diego, CA 92109

Reference: Flat Rate Lease (Lease) between Associated Microbreweries, Ltd., dba Karl Strauss Brewing Company, as Tenant, and the City of San Diego, as successor in interest to San Diego Data Processing Corporation, Inc., as Landlord, dated February 1, 2012, for the property located at 5965 Santa Fe Street San Diego, CA

Dear Matt:

The original term of the above-referenced Lease ended on May 31, 2015. As both parties have been working in good faith to finalize a new short-term lease, the City has allowed Associated Microbreweries, LTD to remain on the Premises, in Holdover status, pursuant to Section 11 of the Lease, for a period of up to 90 days while the proposed new lease is being negotiated. The first 90 day holdover period, next 60 day Holdover period, 30 day Holdover period, plus five (5) additional 30 day Holdovers have expired. The parties now agree to extend the lease in Holdover status for up to an additional 30 days (May 2016) on a month to month basis continuing to negotiate the new lease.

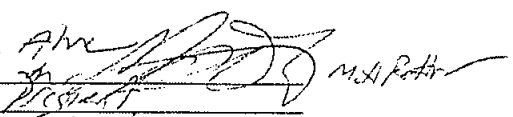
It is agreed that Associated Microbreweries, Ltd. will continue to pay the now-current monthly rent of \$22,347.00, plus all electricity/janitorial services and operating expenses pursuant to the Lease, during the authorized 30-extension period (May 2016). Once the new lease has been fully executed by both parties the new monthly rent of \$19,367.40, subject to terms of the new lease, the difference, \$2,979.60 (\$22,347.00-\$19,367.40), will be credited back to ASSOCIATED MICROBREWRIES in the form of Rent abatement.

Further, as to amend the Flat Rate Lease dated February 1, 2012, Tenant's Premises shall now contain as of September 1, 2015 and incorporate Suite B at 5965 Santa Fe Street as an additional warehouse and office space. Suite B shall be leased on an AS-IS month to month basis subject to all the terms of the lease. Associated Microbreweries agrees to pay Landlord as additional Rent \$2,500 per month (inclusive of operating expenses). Associated Microbreweries shall agree to pay and contract for all utilities directly to the utility vendor for Suite B.

To acknowledge Associated Microbreweries, Ltd.'s acceptance of the terms of this letter, please sign below and return the original to the undersigned. In the meantime, if you have any questions, please call the undersigned at 619-236-6191.

Sincerely,


Brad Bennett
Asset Manager

Agreed and Accepted 

Printed Name: Matt Rattner

Title: President

Date: 5/10/16

Real Estate Assets

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