LEASE AGREEMENT

This LEASE AGREEMENT (the "Lease") goes into effect the 1st day of May, 2021 (the "Effective Date"), by and between CARSON INVESTMENST, LLC, an Alaska Limited Liability Company whose address is PO Box 559, Ward Cove, AK 99928 ("Landlord"), and BHRZ, LLC, an Alaska Limited Liability Company whose address is PO Box 1031, Ward Cove, AK 99928 ("Tenant").

In consideration of the mutual covenants and conditions contained in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. PREMISES. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the property described as follows: 7198 North Tongass Highway, Ketchikan, Alaska, 99901 (the "Premises" or the "Leased Premises"), and shall include use of common areas and parking lots.

2. TERM This Lease shall commence on the Effective Date and end at 12:00 p.m. on the 31st day of August, 2024 (the "Initial Term").

3. LEASE RENEWAL. The Lease will be automatically renewed for a one (1) year renewal period unless written notice of non-renewal is provided by Tenant least three (3) months prior to the expiration of the Initial Term or the expiration of any renewal period.

4. RENT. Beginning on September 1, 2021 and continuing on the first day of each calendar month thereafter, Tenant shall pay Landlord rent in the amount of Three Thousand Fifty and 00/100 Dollars ($3,050.00) per month ("Base Rent"). Base Rent shall be paid by mail or in person at PO Box 559, Ward Cove, AK 99928, or at any other address Landlord may designate in writing from time to time. All Base Rent shall be paid without prior demand or notice and without any deduction or offset whatsoever.

5. UTILITIES AND OTHER COSTS.

A. Landlord is responsible for the payment of the following utilities and other charges in relation to the Premises: electricity, water, and sewer.

B. Tenant is responsible for the direct payment of the following utilities and other charges in relation to the Premises: telephone, internet, and cable.

C. Landlord will pay to the appropriate governmental body all real property taxes and assessments.

D. Tenant will pay for any fees or taxes specific to the Tenant's business activities, including business taxes and sales taxes.

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6. USE. Tenant may use the Premises for any lawful purpose, including to conduct the business of a licensed marijuana retail store under Alaska state law.

8. CONDUCT OF BUSINESS. Tenant shall comply with all state and local law and all federal laws, except federal laws inconsistent with Alaska Statute 17.38. Tenant shall, upon request, submit to Landlord a copy of any license or permit application related to Tenant's use of the Premises, and any decision or order by a government entity regarding such application or permit.

9. INSURANCE. Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a Tenant's policy of insurance.

10. ASSIGNMENT/SUBLEASE. Except for assignment, transfer, or sublease to a wholly-owned subsidiary of Tenant, Tenant may not assign, transfer, sublease, or in any other way dispose of an interest in or right under this Lease without the express written consent of Landlord, which shall not be unreasonably withheld.

11. ALTERATIONS. Tenant shall not alter, repair or decorate the Premises without written consent from Landlord, which shall not be unreasonably withheld. All alterations, repairs, and decorations must comply with federal, state, and local law and any reasonable conditions imposed by Landlord. Tenant shall pay all tenant improvement and alteration costs.

As used in this section, "alterations, repairs, and decorations" include the following: (a) painting, wallpapering, redecorating or in any way significantly altering the appearance of the Premises; (b) removing or adding walls, or performing any structural alterations; (c) changing the amount of heat or power normally used on the Premises as well as installing additional electrical wiring or heating units; (d) placing or exposing or allowing to be placed or exposed anywhere inside or outside the Premises any placard, notice or sign for advertising or any other purpose; (e) affixing to or erecting upon or near the Premises any radio or TV antenna or tower, or satellite dish; or (f) installing or affixing upon or near the Premises any plant, equipment, machinery or apparatus.

12. MAINTENANCE AND REPAIR. Tenant shall at its own expense, maintain the Premises in a good state of repair at all times during the term of the Lease; this includes, but is not limited to: interior and exterior glass, fluorescent lighting (including ballasts), carpeting, painted surfaces, doors and locking mechanisms. Tenant shall keep any walkways abutting the Premises free and clean of obstructions including snow and slippery ice.

Landlord shall be responsible for maintenance and repairs of the roof, foundation, exterior walls and all common areas unless the damage is due to the negligence of Tenant, its agents, and employees. Landlord shall keep the Premises parking area free from snow and slippery ice.

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13. SURRENDER OF PREMISES. At the expiration or sooner termination of this Lease, Tenant shall return the Premises to the Landlord in good and clean condition, reasonable wear and tear and damage by fire caused by Tenant or unavoidable casualty for which the Premises has insurance coverage excepted. If Tenant made alterations, additions or improvements, Tenant shall, upon Landlord's request, at its own expense, remove all alterations, additions or improvements at the termination of the Lease, unless Landlord provides otherwise in writing. Tenant shall pay for or repair any damages to the Premises caused by such removal. Upon removal of trade fixtures, appliances and equipment that are not attached to the Premises, Tenant shall restore the Premises to the same condition it was in prior to the installation of such fixtures, appliances, and equipment. Any trade fixtures, appliances, equipment or other property not removed from the Premises by Tenant upon termination of the Lease shall be deemed abandoned by Tenant, provided that Tenant shall save and hold Landlord harmless from any liability, loss, cost, or damage arising from Tenant's failure to remove such items.

Under no circumstances shall Landlord take into its possession or remove any abandoned marijuana or marijuana product. If Tenant fails to remove marijuana or marijuana products from the premises, Landlord shall contact the State of Alaska Alcohol and Marijuana Control Office, or other appropriate authority, for instructions regarding removal of such property.

14. HOLDOVER. Tenant's holdover beyond the expiration of the Lease Term of Lease is prohibited. However, failure to vacate Premises at expiration of the Lease shall constitute a tenancy from month-to-month on the same terms and conditions set forth in this Lease, and such month-to-month tenancy may be terminated upon either party giving one month's advance notice to the other party.

15. DEFAULT. The occurrence of any of the following shall constitute a default by Tenant:

A. Failure to Pay Rent. The failure to make payment when due of any installment of the monthly base rent or of any other sum herein specified to be paid by Tenant, if such default shall not be cured within five (5) days after written notice has been given to Tenant, shall be a default.

B. Failure to Perform Covenants. The failure to observe or perform any of Tenant's covenants, agreements, or obligations hereunder, other than for the payment of rent, if any such default shall not be cured within ten (10) days after written notice has been given to Tenant, shall be a default.

16. LANDLORD'S REMEDIES ON DEFAULT. In the event of a default under Section 15, Landlord shall have the following remedies in addition to all other rights and remedies allowable by law or equity, to which Landlord, in its sole and absolute discretion, may resort cumulatively or in the alternative:

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A. Recovery of Rent. Landlord shall be entitled, at Landlord's election, to each installment of Base Rent or to any combination of installments for any period before termination, plus interest.

B. Damages. Landlord shall be entitled, at Landlord's election, to damages in an amount that would have fallen due as Bae Rent between the time of termination of this Lease and the time of the claim, judgment or other award, less the avails of all relettings and attornments, plus interest, late charges, and costs of collection, including attorneys' fees.

C. Compensation for Repair. Landlord may, at Landlord's election, require Tenant to reimburse Landlord for all damages to the Premises due to Tenant's business, activities, or absence.

18. VACATION AND STORAGE. If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises or the Building at the termination of this Lease or after notice to quit, or when Landlord has the right of reentry, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may, at its option, sell or permit to be sold any or all of such property at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant, and shall apply the proceeds of such sale as follows: first, to the cost and expense of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of any other money which may then be or thereafter become due Landlord from Tenant under any terms of this Lease; and the balance, if any, to Tenant.

Any marijuana, as defined by AS 17.38, left on the premises will be considered forfeited by Tenant. Notwithstanding the foregoing, under no circumstances shall Landlord take possession of any such marijuana. In case of such event, Landlord shall contact the State of Alaska Alcohol and Marijuana Control Office, or other appropriate authority, for instructions regarding removal of the marijuana from the Premises. Landlord shall then, without liability for loss thereof or damage thereto, transfer the marijuana to state or local law enforcement authorities or otherwise dispose or the marijuana pursuant to instructions from the relevant authority.

19. ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent, which shall not be unreasonably withheld, Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, Tenants, or workers. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

Landlord acknowledges that, because the Premises is being utilized by Tenant as a licensed marijuana establishment, applicable laws and regulations require that a Tenant representative be present to serve as an escort to Landlord and Landlord's agents during any entry and that Landlord will comply with Tenant's visitor policies. If Tenant is not

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personally present to permit entry, cannot be reached, or does not provide access, and an entry is necessary or permissible, Landlord shall contact the State of Alaska Alcohol and Marijuana Control Office, or other relevant government authority prior to any access of the Premises. Acting under guidance and direction received therefrom, Landlord may enter the same by master key or may forcibly enter the same, without rendering Landlord liable therefore. Nothing contained herein shall be construed to impose upon Landlord any duty of repair of the building except as specifically provide for herein.

20. DAMAGE BY FIRE

A. Fire Unrelated to Tenant's Use of Premises. In the event the Premises is destroyed or damaged by a fire and that fire is not caused by or in any way related to Tenant's operation, use or lease of the Premises, Tenant or Landlord may terminate the Lease. In the event both parties elect not to terminate the Lease, the rent shall be abated until such time as the Premises is again fit for occupancy.

B. Fire Related to Tenant's Use of Premises. Landlord may immediately terminate the Lease in the event the Premises is destroyed or damaged by a fire that is caused or related to Tenant's operation, use or lease of the Premises.

C. No Waiver of Liability. Nothing in this section shall be construed to release Tenant from liability, under the Lease or otherwise, in the event loss or damage by fire is caused by acts or omissions or arising from acts or omissions by Tenant, their agents, employees, representatives, or patrons.

21. HAZARDOUS MATERIALS. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

Tenant agrees that neither Tenant nor any of Tenant's agents, employees, contractors, invitees, assignees, or sub-Tenants shall cause any hazardous material to be brought on, kept, or used in, on, or about the Premises, or transported to or from the premises without the prior written consent of Landlord, which Landlord shall not unreasonably withhold so long as Tenant demonstrates to Landlord's satisfaction that the hazardous material: (a) is necessary or useful to Tenant's business; (b) would be used, kept, stored, and disposed of in a manner that fully complies with all laws, rules, statutes, ordinances, orders, requirements, or policies of any governmental agency or authority or any fire insurance underwriters applicable to any such hazardous material; and (c) would not substantially increase the risk of fire or other casualty to the Premises.

22. WAIVER

A. No acceptance by the Landlord of any amount less than the full amount owed for Base Rent will be taken to operate as a waiver by the Landlord for the full amount of Base Rent due, or in any way to defeat or affect the rights and remedies of the Landlord to pursue the full amount of Base Rent owed.

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B. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or nonperformance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.

23. DISPUTE RESOLUTION. The Parties will attempt to resolve any dispute arising out of this Lease through negotiations amongst the Parties and agree to meet and discuss in good faith any such dispute. If the Parties are unable to reach a mutual written resolution of the dispute within fifteen (15) days of meeting, then the Parties are free to pursue any and all remedies available to them in equity and at law.

24. CONSTRUCTION OF AGREEMENT. The rule of construction that an instrument shall be construed more strictly against the party who drafted the same shall not apply to this Lease since both parties have had legal counsel available or have had the opportunity to seek independent advice.

25. GOVERNING LAW. This Lease shall be governed and construed by the laws of the State of Alaska.

26. AMENDMENTS. The parties agree to make any amendments to the Lease that are reasonably necessary to avoid failing to satisfy the requirements of state or federal guidelines regarding marijuana enforcement, as those guidelines and laws may be amended from time to time. All amendments to this Lease shall be in writing and subscribed to by the parties hereto.

27. ENTIRE AGREEMENT. This Lease contains the entire agreement between the parties as of this date, and supersedes all prior written or oral agreements regarding this subject matter.

EACH AND EVERY CLAUSE AND CONDITION HEREIN CONTAINED SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF THE HEIRS, EXECUTORS, ADMINISTRATORS AND SUCCESSORS OF ALL THE PARTIES HERETO.

IN WITNESS WHEREOF, the parties hereto have executed this instrument on this 28 day of April, 2021

Signature Page Follows

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LANDLORD: **CARSON INVESTMENTS, LLC**

By: CRAIG CARSON
Its: Member Representative

TENANT: **BHRZ, LLC**

By: ANDREW BURTON
Its: Member Representative

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