Commercial Lease Agreement

LEASE, between Hite, Inc., P O Box 80708, Fairbanks, AK 99708 as "Landlord" and Boreal Inc., address P O Box 82282, Fairbanks, AK 99708. Email akborealinc@gmail.com as "Tenant".

1. PREMISES, TERM AND USE – Landlord agrees to lease to Tenant the shop at 2770 Picket Place #2., Fairbanks, for a period beginning July 1, 2021 and ending on June 30, 2022 for use and occupancy.

    a. RENT – Tenant shall pay the monthly rental of $3500.00 (Three Thousand Five Hundred Dollars), due and payable on the first of each month. Tenant agrees to pay the difference in insurance rates and property taxes, due to the expanded price of coverage from abnormal usage purposes. Rent shall be considered late after 3 days. A $75.00 late fee will apply. Deposit shall be made to Hite, Inc. at Denali State Bank, Routing number [redacted] account number [redacted]

2. RATE ADJUSTMENT – Rental rate shall be adjusted on the one year anniversary of this lease, at the rate of the Anchorage consumer price index or market conditions, whichever is highest, and shall be adjusted each year thereafter.

3. SECURITY – Tenant has deposited with Landlord $3,500.00 (Three Thousand Five Hundred Dollars), which shall be used as security deposit, provided the tenant has fully and faithfully carried out all of said terms and conditions on the Tenant's part to be performed.

4. CARE OF PREMISES, ALTERATIONS, ETC. – Tenant shall take good care of the Premises and any fixtures which are and shall remain the property of the Landlord which may be located or situated on, in or made a part of the Premises and shall, at Tenant's own cost and expense make all repairs to the Premises caused by Tenant. At the end of the term of this Lease, Tenant shall deliver the Premises in good order and condition.

    a. The Tenant shall promptly execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of any governmental authority, including departments, bureaus and the like, having jurisdiction applicable to the Premises, for the correction, prevention, and abatement of violations, nuisances or other grievances, in, upon, or connected with the Premises during the term of this Lease, at the Tenant's own cost and expense.
    b. Tenant or his administrators shall not make any alterations to the Premises without the Landlord's consent. Taxes from any alterations that increase the tax burden shall be borne by the tenant.
    c. Landlord is exempt from any and all liability for any damage or injury to person or property caused by or resulting from any activities of the Tenant.
    d. Floor drains are solely for the disposal of water. Tenant understands that units with septic systems are unable to handle excessive water disposal and Tenant agrees to be responsible for any damage, repair, or pumping.

5. UTILITIES - Tenant is to pay for all utilities. Tenant is to pay for water softener salt, trash removal, snow removal, janitorial, sewer, electricity, light, heat, gas, power, fuel and any other expenses which may occur from time to time. All delivered fuel is to be contained in a satisfactory double skinned tank.

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6. INSURANCE – Tenant agrees to maintain in full force and effect during the entire term of this Lease, liability insurance insuring Landlord against any loss or damage sustained or to which Landlord may be subject by reason of Tenant's occupancy and use of the Premises. Tenant agrees to furnish the Landlord, prior to the effective date of this Lease, a binder or other such certificate evidencing such insurance coverage.
    a. Tenant agrees that it will, at its own cost and expense, keep its furniture, fixtures, equipment, records, and personal property insured against loss or damage by fire or other peril.

7. NO WAIVER BY LANDLORD – The failure of the Landlord to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any rights or remedies that Landlord may have.

8. QUIET POSSESSION – Landlord covenants that Tenant, on paying the rent, and faithfully performing the covenants required or imposed upon may enjoy the Premises for the term of this Lease without hindrance from Landlord.

9. BINDING EFFECT – It is mutually understood and agreed that the covenants and agreements contained in this Lease shall be binding upon the parties hereto and upon their administrators.

10. Marijuana Acknowledgement – I approve the use of said premises being used as a marijuana establishment.
    Initials: LH

11. Marijuana Removal – I will not remove any marijuana or marijuana products and will contact the State of Alaska – AMCO in the event the premises is repossessed.
    Initials: LH

By _____
Loren Hite - Hite, Inc.

By _____
Kris Thompson – Boreal Inc.

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