A L A S K A

2021-000558-0
Recording Dist: 413 - Barrow
12/30/2021 09:37 AM Pages: 1 of 2

Lindsay Wolter • 4164 Pennock St., Ste. A • Homer, AK 99603 • T: (907)235-2717 • F: (907)235-2715

QUITCLAIM DEED

This QUITCLAIM DEED is made this 18 day of Dec, 2021, by and between LARRY M. ALRED, a married man, whose address is 2443 Kachemak Dr., Ste. 11, Homer, Alaska 99603, Grantor, and ROBERT ALRED and FLORENCE ALRED, Husband and Wife, whose address is PO Box 426, Barrow, Alaska 99723, Grantees.

Grantor, for and in consideration of the sum TEN and NO/100 DOLLARS ($10.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, hereby grants, conveys and quitclaims to Grantees all interest which he has, if any, in the following described real property:

> Lot Three (3), Block Thirty-Eight (38), U.S. Survey 4615, Barrow Townsite, in the Barrow Recording District, Second Judicial District, State of Alaska;
>
> TOGETHER WITH all buildings, fixtures and appurtenances thereto; and
>
> SUBJECT TO reservations, restrictions and easements, of record, if any.

IN WITNESS WHEREOF, Grantor affixes his signature on the date first above written.

Larry M. Alred, Grantor

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STATE OF ~~ARIZONA~~ Pennsylvania)
) ss.
Wayne COUNTY)

THIS IS TO CERTIFY that on this 18 day of December 2021, before me, the undersigned, a Notary Public in and for the State of Pennsylvania duly commissioned and sworn as such, personally appeared Larry M. Alred, known to me to be the individual who executed the foregoing instrument, and acknowledged to me that said person signed the same freely and voluntarily for the uses and purposes therein described.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date first above written.

Notary Public in and for Pennsylvania
My Commission Expires: 02/02/2022

Return to: Mike and Colleen Alred
2443 Kachemak Dr., Ste. 11
Homer, Alaska 99603

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Alred Estate LLC **Po Box 426 Barrow Alaska**

Attn: Robert Alred 907-852-4000

as LANDLORD

&

Arctic Cannabis An Alaskan LLC Corporation **476 A Egasak Street Unit A Barrow Ak 99723 Attn: Managing Member Robert Alred**

as TENANT

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TERM LEASE

This Lease is effective on the 6 day of Febuary 2022, by and between Alred E state LLC hereinafter called "Landlord"; and ***Arctic Cannabis An Alaskan LLC Corporation*** hereinafter referred to as the "Tenant":

W I T N E S S E T H:

1. Property. Landlord leases approximately 40 22 square feet of Retail space to Tenant and yard space as needed located at 476 A E gasak Street Unit A Barrow AK 99723 (the "Property"). Landlord warrants that it owns the Property and has obtained all necessary consents to lease the Property to the Tenant.

2. Term and Option to Renew. This Lease shall commence on 6 day of Febuary 6 2022 and expire November 30, 2028

(a) Should Tenant hold over and remain in possession of the Property after the expiration of this Lease without Landlord's written consent, it shall not be deemed or construed to be a renewal or extension of this Lease but shall only operate to create a month-to-month tenancy which may be terminated by Landlord at the end of any month upon at least thirty (30) days prior written notice to Tenant. The rental rate for the holdover period only shall be 120% of the prior rental rate, plus all other charges payable under the terms of the Lease, and all the other terms of the Lease shall be applicable.

3. Rent. Beginning 12 day of November 2021 and expire November 30, 2021. Tenant shall pay to Landlord a fixed monthly rent amount of Nine THOUSAND Five Hundred NO/100 DOLLARS ($9,500.00). Rent shall be payable on the Delivery of Space , made payable to Alred E state LLC. and sent to the address specified for Landlord in the Notice provision of this Lease.

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4. Security & Utility Deposit . Tenant will deposit $5,000.00 prior to occupancy with Landlord as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of the Lease, Lessor may use, apply, or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum for which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount herein above stated, and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned, without payment of interest or other increment for its use, to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the Term and after Lessee has vacated the Property. Any mortgagee of Lessor or purchaser of the Property shall not be relieved and not released from any obligation to return said deposit in the event such mortgagee or purchaser becomes the owner of the Property by reason of foreclosure or trustee's sale (including deed in lieu thereof or proceeding in lieu of foreclosure or trustee's sale).

5. Possession. Landlord shall deliver possession of the Property to Tenant upon the commencement of the term, free and clear of all tenants and occupants having rights inconsistent with the rights of Tenant.

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6. Use of Property. Tenant shall use the Property as Retail Sale of Various Cannabis Products , and storage purposes. Landlord has not made any representation or warranty as to the suitability of the Property for the conduct of Tenant's business. Condition of the Property. Tenant hereby acknowledges that it has inspected the Property and will accept the Property in its present condition and configuration; however, Landlord warrants, and Tenant assumes, that all major mechanical systems, roof, structure and parking areas are in reasonable operating order and Tenant is not responsible to repair or remedy any deficiencies.

8. Improvements. Tenant shall not make any improvements, alterations, additions, utility installations, or modifications of any kind to the Property, which includes the erection of signs, without the prior written consent of Landlord, which consent shall not unreasonably be withheld, and all required permits and authorizations, if any, of governmental entities; provided however, that Landlord's consent is not required for nonstructural alterations costing less than $1,000 individually or in the aggregate. Tenant shall timely pay for any improvement authorized and shall maintain the Property free and clear of liens arising from any improvements on the Property. At Landlord's option, all improvements affixed to the Property that are not removed by the Tenant prior to the termination of this Lease shall become the property of Landlord on termination of this Lease without any obligation of Landlord to pay Tenant for the improvements. Landlord shall notify Tenant in writing 90 days prior to termination of the Lease to remove specific improvements which were made by the Tenant which the Landlord does not elect to retain.

9. Compliance with Laws/Environmental Provisions.

(a) General Compliance. Tenant at all times during the Lease term, at its own

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expense, and with all due diligence, shall observe and comply with all laws, ordinances, rules, and regulations which are now in effect or may later be adopted by any governmental authority, and which may be applicable to the Property or any improvement on it or any other use of it.

(b) Environmental Laws. In furtherance and not in limitation of the foregoing

paragraph, Tenant must, at its own expense, comply with all laws, ordinances, regulations and administrative agency or court orders relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. In the event any discharge, leakage, spillage, emission or pollution of any type, or other release of hazardous materials occurs upon or from the Property during the Lease term or any holdover thereafter which is deemed attributable to Tenant's use and occupancy of the Property, but which shall not include discharge, leakage, spillage, emission, or pollution of any type or other release of hazardous material from unknown sources or sources unrelated to Tenant's use and occupancy of the Property, such as from adjacent parcels of land, Tenant shall immediately notify Landlord, and Tenant shall, at Tenant's own expense, clean and restore the Property to the satisfaction of Landlord and any governmental body or court having jurisdiction of the matter. Tenant shall be responsible for all fines, penalties, assessments or charges that shall be assessed for the disposal, discharge, or release of hazardous materials attributed to Tenant.

(c) Hazardous Materials on Property. Tenant shall be permitted to have hazardous materials to be brought upon, kept or used in or about the Property by Tenant, its agents, employees, contractors or invites, in compliance with all applicable laws and regulations. Landlord gives permission as long as Tenant demonstrates to the

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reasonable satisfaction of Landlord that such hazardous material is necessary or useful to Tenant's business and will be used, kept and stored in a manner that complies with all laws regulating any such hazardous materials so brought upon or used or kept in or about the Property.

(d) Environmental Indemnity. Tenant agrees to indemnify, hold harmless, and defend Landlord against all liability, cost and expense, including without limitation, any fines, penalties, diminution in value of any of the Property, assessment and clean-up costs, judgments, litigation costs and attorney's fees incurred by or levied against Landlord as a result of Tenant's breach of these environmental provisions or as a result of any discharge, leakage, spillage, emission or pollution on or discharged from the Property as a result of Tenant's use and occupancy of the Property, without regard to whether such liability, cost or expense arises during or after the Lease term; provided, however, that Tenant shall not be required to indemnify Landlord under this paragraph if the parties agree or a court of competent jurisdiction determines that such liability, cost or expense is caused directly and solely by the negligence of Landlord or other persons. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. The foregoing indemnity shall not apply to any discharge, leakage, spillage, emission or pollution, which was caused by Landlord (if any) who occupied the Property before commencement of this Lease, or who occupies the Property after the termination of this Lease.

(e) Hazardous Material. For purposes of this Lease, the term "hazardous material" means any hazardous or toxic substances, material, or waste, including but not limited to those substances, materials, and wastes listed or defined as such in federal, state, or local law, regulation or ordinance, including but not limited to, in the following: U.S. Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101);

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regulations of the U.S. Environmental Protection Agency (including 40 C.F.R. Part 302; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. and its implementing regulations; the Solid Waste Disposal Act of 1984; 18 Alaska Administrative Code § 2601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq.); and as a petroleum product or oil as defined in 33 U.S.C. § 1321.

10. Quiet Possession. Upon paying the rent and performing the covenants of this Lease, Tenant shall quietly have, hold, and enjoy the Property and all rights granted to Tenant by this Lease during its term.

11. Utilities. Tenant shall be responsible to pay for utilities directly attributable to the space including heating (natural gas), electric, water, refuse service, sewer holding tank pumping, phone, data, building maintenance ,snow plowing if needed and shall be deducted from the Security & Utility Deposit after move out Landlord to pay for property taxes

12. Maintenance and Repairs.

(a) Tenant shall keep the interior /exterior portions of the Property, including ceiling, walls, floor, lighting, doors, all furnishings, appliances, and improvements, in good order, condition, and repair, and make or cause to be made all necessary repairs, alterations and replacements. All such repairs, alterations, or replacements shall be of good quality. Tenant shall bear all costs of repairs and maintenance and hold Landlord harmless from any claims, liens, or encumbrances, which may be created or attached to the Property because of such repairs, alterations, or replacements.

(b) If Tenant fails to perform Tenant's obligations under the above paragraph, Landlord, at its option, and after ten (10) days advance written notice to Tenant, may enter upon the Property and put the Property in good order, condition and repair.

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Tenant shall pay the cost of Landlord's repair at the time of Tenant's next rental payment upon receipt of an invoice from Landlord.

(c) Tenant shall pay for all damage to the Property, as well as damage to other tenants or occupants, caused by Tenant's misuse or neglect of the Property, its apparatus or appurtenances.

(d) Tenant shall maintain and repair all plumbing lines and equipment installed for the general supply of hot and cold water, heat, ventilation and electricity. Tenant shall be responsible for any and all maintenance and repairs attributable to obstructions or objects deliberately or inadvertently introduced or placed in the fixtures, lines or equipment by Tenant, its employees, agents, licensees or invites. Tenant shall further be responsible for repair and maintenance to the exterior of the building, including the parking lot, and common areas.

(e) Landlord shall not be responsible or liable at any time for any loss or damages to Tenant's equipment, fixtures or other personal property or to Tenant's business except to the extent attributable to Landlord's own gross negligence or to Landlord's own intentional tortuous conduct.

(f) Landlord shall not be responsible or liable to Tenant or to those claiming by,

through, or under Tenant for any loss or damages to either the person or property of Tenant that may be occasioned by or through the acts or omissions of persons occupying other portions of the Property.

(g) Subject to Paragraph 7 of this Lease, Tenant is taking the Property "AS IS" with all faults. Landlord shall not be responsible or liable for any condition of the Property, or for any defect, latent or otherwise, in the improvements situated on the

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Property, or any of the equipment, machinery, utilities, appliances or apparatus therein, nor shall it be responsible or liable for any injury, loss or damage to any person or to any property of Tenant or other person caused by or resulting from bursting, breakage or by or from leakage, steam, or snow or ice, running or the overflow of water or sewerage in any part of the Property, the building or the surrounding area, or for any injury or damage caused by or resulting from acts of God or the elements, or for any injury or damage caused by or resulting from any defect in the occupancy, construction, operation or use of any of the leased Property, building, machinery, apparatus or equipment by any occupant of the Property, unless Landlord itself is grossly negligent.

13. Risk of Loss and Insurance.

(a) Tenant, as a material part of the consideration for this Lease, hereby waives all claims against Landlord for damage to personal property in, upon, or about the Property, from any causes arising from other than Landlord's gross negligence at any time during the term of this Lease.

(b) Tenant, at its own cost and expense, shall secure and maintain liability insurance of not less than TWO MILLION DOLLARS ($2,000,000.00) for each person injured as a result of an accident or occurrence, with a reputable insurance company qualified to do business in Alaska, and a financial rating of at least A- as rated in the current Best Insurance Reports. The liability insurance policy shall name Landlord as an interested party. Tenant shall provide a copy of the insurance policy or a certificate of insurance to Landlord before taking possession of the Property and proof of renewal or replacement of the insurance policy at least twenty (20) days prior to the expiration of such coverage.

(c) Landlord shall secure and maintain standard fire and extended coverage insurance.

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15. Assignment or Subleasing.

(a) Tenant shall not assign, sublease, pledge, or otherwise encumber this Lease, either voluntarily or through operation of law, without the written consent of Landlord, which consent shall not unreasonably be withheld. All such unauthorized assignments, subleases, and encumbrances shall be void, and this Lease shall terminate automatically without notice.

(b) Assignment is defined as the creation of any lien, encumbrance, or other interest in this Lease.

(c) The consent to one assignment, mortgage, sublease, pledge or encumbrance shall not be deemed to be any subsequent assignment, mortgage, sublease, pledge or encumbrance. Any attempt to assign, mortgage, sublease, pledge or encumber without the prior written approval of Landlord will constitute a breach of this Lease and convey no rights or interest in the Lease or Property. Landlord's consent to any assignment, mortgage, sublease, pledge or encumbrance of the Lease by the Tenant, which consent shall not unreasonably be withheld, shall be subject to Landlord's option to increase the rental to the amount per square foot of rental for similar lease of commercial space in the vicinity. Even if Landlord consents to an assignment or sublease, Tenant shall remain primarily responsible to pay the rent and perform all of Tenant's other obligations under this Lease.

(d) Landlord shall have the right to assign this Lease at any time without the consent of Tenant and the assignee or assigns, if any, of Landlord shall take subject to all the terms and conditions of this Lease.

16. Unlawful Use. Tenant shall not make or suffer any use or occupancy of the Property contrary to any law or ordinance now or hereafter in effect.

17. Hold Harmless. Tenant shall indemnify, defend, and hold Landlord

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and its agents, representatives, trustees, employees, brokers, and attorneys harmless against all claims, damages, losses, costs, and expenses, including attorney's fees, for or on account of any injury or damage to any persons or property caused by or resulting from Tenant's possession, use or occupancy of the Property or the activities, work, or things done, permitted or allowed by any of Tenant's employees, contractors, invitees or agents.

18. Landlord's Access. Landlord shall at all reasonable times during Tenant's business hours have access to the Property to view the condition of the Property or to post notices of non responsibility. Landlord shall also be entitled to put "to lease" or "for lease" signs in and about the Property, and to show the Property to prospective Tenants, during the last ninety (90) days of the Lease term and any extended term, and during any period of time after Landlord has given Tenant a notice of intention to terminate.

19. Waiver of Subrogation. Landlord and Tenant each waive any and all rights of recovery against the other, for loss or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage, to the extent of such insurance coverage, only.

20. Tenant's Default. If Tenant shall at any time be in default in the payment of rent or other payments due under the terms of the Lease, or one of the following events occurs:

(a) Abandonment of the Property and/or Tenant ceases to occupy the Property for a period exceeding FIFTEEN (15) days;

(b) The making by Tenant of any general arrangement for the benefit of its creditors, the filing by or against Tenant of a petition in bankruptcy including reorganization or arrangement, unless, in the case of a petition filed against tenant, the same

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is dismissed within thirty (30) days, or the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Property or of Tenant's interest in the Lease;

(c) Tenant fails to perform any of the covenants, terms, conditions or provisions of this Lease; or

(d) Tenant's interest in this Lease is assigned by operation of law.

21. Default by Landlord. Tenant shall notify Landlord promptly of Landlord's default. Landlord shall not be in default unless Landlord fails to perform its obligations within thirty (10) days after receiving written notice from Tenant specifying the obligation Landlord has failed to perform. If the nature of Landlord's obligation, however, is such that more than thirty (10) additional days are required for performance, Landlord shall not be in default if Landlord commences performance within thirty (10) days of Tenant's written notice and thereafter completes Landlord's performance within a reasonable time.

22. Waiver and Forbearance. Except to the extent that the Landlord may otherwise agree in writing, no waiver by the Landlord of any breach by the Tenant of any of its obligations, agreements, or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by the Landlord to seek a remedy for any breach by the Tenant be deemed a waiver by the Landlord of its rights or remedies with respect to such breach. The acceptance of rent by Landlord shall not be a waiver of any preceding breach by Tenant of any provision of the Lease.

23. Estoppel Certificate. Tenant shall at any time upon reasonable notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing

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certifying that this Lease is unmodified and in full force and effect, the date to which the rent or other charges have been paid in advance, if any, and whether any defaults exist under the Lease.

24. Notices. Wherever in this Lease it shall be required or permitted that notices or demands be given or served by either party to the Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been given or served unless in writing and personally delivered or sent by certified mail or facsimile to the respective parties

25. Damage or Destruction.

(a) If at any time during the term of this Lease the Property is damaged to a

significant extent, it shall be the Landlord's option to either repair the damage as soon as reasonably possible, in which event this Lease shall continue in effect or to give the Tenant written notice within thirty (30) days after the date of the occurrence of such damage of Landlord's intention to cancel and terminate this Lease.

(b) If at any time during the term of this Lease the Property is totally destroyed by any cause, this Lease shall automatically terminate as of the date of such total

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destruction.

(c) If the Property is partially damaged, made inaccessible or totally destroyed, as of the date of the damage or inaccessibility, the rent payable shall be subject to abatement and/or proration based on the percentage of the Property which can be occupied.

26. Eminent Domain. If the Property or any material portion of it is taken or appropriated or condemned by reason of eminent domain, or sold under the threat of the exercise of such power, this Lease may be canceled at the option of either the Landlord or the Tenant, by either party giving thirty (30) days written notice to the other. Any award for the taking of all or any part of the Property under the power of eminent domain shall be the sole property of the Landlord; provided that the taking of a portion of the Property for street or sidewalk purposes exclusive of any portion of building shall not warrant any abatement or entitle Tenant to any abatement of rent.

27. Subordination and Nondisturbance. This Lease and all of the rights of Tenant are and shall be subject and subordinate to the lien of every security interest, deed of trust and every mortgage now or hereafter placed on the Property or any part thereof (except the property of Tenant and others stated to be removable under this Lease), and to any and all renewals, modifications, consolidations, replacements, extensions, or substitutions of any such security interest, mortgage or deed of trust ("encumbrances").

28. Successors and Assigns. The covenants and agreements of this Lease shall be binding upon the legal representatives, successors, and assigns of the parties.

29. Attorney's Fees. If, by reason of any default on Tenant's part in the performance of the terms and conditions or provisions of this Lease, Landlord deems it necessary to employ an attorney, Tenant shall pay all costs, expenses and attorney's fees

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expended or incurred by Landlord.

30. Headings. The headings used in this Agreement are inserted for convenience only and shall be disregarded in construing this Lease.

31. Rule of Construction. The rule of strict construction of a document against the drafter is waived in partial consideration for the other covenants contained herein, and all parties to this Lease recognize that they have been represented by separate counsel or have been afforded that opportunity in this transaction, and all terms and conditions herein have been negotiated at arms length.

32. Memorandum of Lease. Tenant agrees that Tenant will not record this Lease. At the request of either Landlord or Tenant, the parties shall execute a memorandum lease for recording purposes in lieu of recording this Lease (in such form as may be satisfactory to their respective attorneys).

Lessor _____ Date 2/6/22

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Date: 2/6/22

Tenant:

Signature: _____

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