GRADUATED COMMERCIAL LEASE AGREEMENT

This *Graduated Commercial Lease Agreement* (hereinafter the "Agreement") is entered into between Glen Creek Group, LLC (hereinafter the "Lessor") and Greatland Ganja, LLC (hereinafter the "Lessee").

ARTICLE I

1.1 **Term**. The term of this lease shall be for ten (10) years, renewable at the option of the parties to this Agreement. The term shall begin as of the date of execution of this Agreement.

1.2 **Renewal**. Should the parties to this Agreement fail to renew the term of this lease at the expiration of ten (10) years, this Agreement shall remain in effect on year-to-year basis.

1.3 **Written Agreement**. Should the term of this lease pursuant to this Agreement be renewed on any other basis than a year-to-year basis as provided in Paragraph 1.2, the renewed lease shall be in writing and appended to this Agreement.

ARTICLE II

2.1 **Property**. The property to be leased by Lessor to Lessee is owned by Lessor and more particularly described as Lot 3 Spruce Hills Subdivision, 56475 Sterling Highway, Kasilof, Alaska 99610. Lessor shall lease all real property and improvements contained thereon to Lessee at this location.

ARTICLE III

3.1 **Payments**. All amounts due and payable under this Agreement from Lessee to Lessor shall be comprised of $1.00 per month or a percentage lease-rent agreement, as provided for in 3 AAC 306.015(e)(B)(i), which shall be good and valuable consideration for and in exchange for the responsibilities and obligations under this lease and may be modified or more specifically delineated in an amendment to this Lease, as agreed to in writing by the parties, derived from Lessee's business operations at Lot 3 Spruce Hills Subdivision, 56475 Sterling Highway, Kasilof, Alaska 99610. Given the new nature of this industry, the Parties agree it is impracticable to assign a fair market value rental rate and agree to negotiate a more defined and substantial rental rate, as allowed under 3 AAC 306.015(e)(B)(i) as the Lessee's business commences operation and generates revenue.

3.2 **Payments Due**. All payments due from Lessee to Lessor shall be made no later than the fifth day following the conclusion of a quarter and each payment shall be accompanied by an accounting of Lessee's net profits, sufficiently detailed but without disclosing any confidential, proprietary or trade secret information, such that Lessor may determine with certainty that Lessee has properly computed the lease payment.

3.3 **Inspection of Records**. Should Lessor desire to inspect the financial records of Lessee in more detail and for the purpose of ensuring that any lease payment has been properly calculated

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and remitted by Lessee, Lessor may do so upon reasonable, written notice. Any inspection of financial records by Lessor shall be done confidentially and Lessor shall not disclose any of Lessee's confidential, proprietary or trade secret information. Upon Lessor's request under this Paragraph, Lessee shall not unreasonably restrict Lessor's access to its financial records.

ARTICLE IV

4.1 **Covenants**. Lessor hereby covenants to Lessee that the property to be leased under this Agreement is in reasonably good condition and suited for the purpose for which it was built. Lessee shall not be prohibited by Lessor from peaceably using and enjoying the property.

4.2 **Repairs**. Lessee accepts the property under this Agreement as-is and hereby assumes responsibility for all costs associated with maintenance and repairs to the property, as any items of maintenance or repair become necessary.

4.3 **Inspection**. Prior to executing this Agreement, Lessee hereby acknowledges and affirms that it has inspected the property and finds the property in suitable condition for Lessee's intended use.

ARTICLE V

5.1 **Termination**. Should Lessee or Lessor desire to terminate the lease under this Agreement prior to the expiration of the lease term, for any reason, then the terminating party must give no less than 3 months' notice, in writing, to the non-terminating party.

5.2 **Notice**. Notice, whether required by Paragraph 5.1 or for any other reason, shall be given in writing addressed to the parties' respective addresses listed in the signature block of this Agreement. Notice given via electronic mail shall be sufficient under this Agreement.

5.3 **Required Payments**. Should Lessee terminate the lease under this Agreement prior to the expiration of the lease term, Lessee shall remain liable for all amounts due under this Agreement through the date of termination. No penalty shall be imposed upon Lessee due to early lease termination.

ARTICLE VI

6.1 **Choice of Law**. This Agreement shall be construed in accordance with the laws of the State of Alaska.

6.2 **Amendments**. This Agreement may be amended when determined necessary and through written agreement between Lessor and Lessee.

6.3 **Severability**. If any provision of this Agreement is determined invalid, illegal or unenforceable, the remaining provisions shall be fully enforceable and binding.

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6.4 **Assignment**. This Agreement shall not be assignable by Lessee nor shall Lessee be allowed to sublease to any person or entity, absent written consent from Lessor and so long as any assignment or sublease is otherwise in compliance with all applicable laws and regulations.

6.5 **Dispute**. Should any dispute arise under this Agreement, the parties hereby affirm that they will engage in good faith and informal discussions to resolve any such dispute. Should any good faith and informal discussions fail to resolve any dispute, then any party to this Agreement shall have the right to seek resolution in a court of law possessing jurisdiction over the parties and subject matter of this agreement. Any award of attorneys fees to the prevailing party shall be in accordance with any applicable law, rule or regulation.

NOTICE: THIS AGREEMENT WAS DRAFTED BY THE JDW, LLC LAW FIRM AS AN ACCOMMODATION TO THE PARTIES. JDW, LLC LAW FIRM DOES NOT REPRESENT EITHER PARTY WITH RESPECT TO THE DRAFTING, NEGOTIATION, OR EXECUTION OF THIS AGREEMENT. THE PARTIES ARE ADVISED TO SEEK INDEPENDENT REPRESENTATION TO REVIEW AND ADVISE ON THE EXECUTION OF THIS AGREEMENT.

GLEN CREEK GROUP, LLC - LESSOR

Leif B. Abel

Leif Abel, Its President, Manager and Founding Member

P.O. Box 534 Kasilof, AK 99610

Address

4/4/2016

Date

GREATLAND GANJA, LLC - LESSEE

Arthur B. Abel

Arthur Abel, Its Manager

Box 534 Kasilof, AK 99610

Address

4/4/2016

Date

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AMENDMENT TO COMMERCIAL LEASE AGREEMENT

THIS AMENDMENT is entered into between Lessor and Lessee effective as of the 18 day of June, 2018 under that certain Commercial Lease originally dated April 4, 2016, related to the property commonly known as 56475 Sterling Hwy, Kasilof, Alaska 99518.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS ACKNOWLEDGED BY BOTH LANDLORD AND TENANT, THE PARTIES HEREBY AGREE THAT THE LEASE IS AMENDED AS FOLLOWS.

Use of Premises: Landlord acknowledges and understands that the premises is used for a licensed marijuana establishment.

Default: Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access to the licensed premises if Tenant cannot be reached, abandons the property, or similar event.

Except to the extent that the terms and conditions of this Lease Amendment are to the contrary, all other terms and conditions of the original Lease Agreement and any amendments thereto remain in full force and effect.

DATED effective as of the year and date above set forth.

LANDLORD:
Glen Creek Group, LLC

By: _____
Leif Abel

TENANT:
Greatland Ganja, LLC

By: _____
Arthur Abel

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