COMMERCIAL LEASE

THIS LEASE is made the date indicated below by and between 47th Avenue, LLC to be formed, ("Landlord") and Alaska Cannabis Exchange, LLC, an Alaska limited liability company or assigns ("Tenant").

1. **Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the "Premises" commonly known as 1805 and 1807 West 47th Avenue, Anchorage, Alaska, which consists of land and a building containing approximately 12,403+- square feet. The premises are legally described as:

> Lots 2(two) and 3(three), Block D-1, North Star Subdivision ADDITION NO. 1, according to the official plat thereof, filed under Plat No. P-220B, in the Anchorage Recording District, third judicial District, State of Alaska; and
>
> SUBJECT TO covenants, conditions, restrictions, reservations, easements, rights-of-way and agreements of record.

The Premises include, the building and all improvements situated thereon.

2. **Term.**

21 **Term.** The term of this Lease shall be +- sixty five (65) months from June 22, 2016 (the "Lease Commencement Date") through October 31, 2021, with an option to renew as provided below. Provided that Tenant is in compliance with its obligations arising pursuant to the terms of this Lease, possession of the Premises shall be provided to Tenant on the Lease Commencement Date.

> **Option to Renew.** If Tenant is not in default hereunder, Tenant, at its option, may obtain three (3) renewals "Extension Terms" of this Lease each for a further term of five (5) years each and upon the terms and conditions herein stated, except for the amount of the Rent. Tenant shall exercise this option to renew by giving Landlord written notice of intention to renew not less than 180 days prior to the expiration of the original term. The rent for the renewal period shall be the negotiated fair rental value of the Premises for the cultivation of cannabis in the Municipality of Anchorage at the time the renewal period is to commence. Fair market rental value shall be calculated using comparable properties in the Municipality of Anchorage being used in the Cannabis industry and shall include all payments including percentage rent. If the parties are not able to reach agreement on the rent to be paid for the Option Term, lessor shall obtain an assessment of the Fair Market Rental Value of the Premises for the full Option Term from an MAI certified or similarly qualified appraiser, and present the assessment to Lessee. Lessee may elect to accept the appraised value or obtain an appraisal of Lessee's own from a similarly qualified appraiser within 30 days of receiving lessor's appraisal. If, following the delivery of Lessee's appraisal, the parties are unable to reach agreement as to the rental value of the Premises, either

party may request that the two appraisers meet to appoint a third qualified appraiser, who shall be charged with determining a rate and annual increases that most closely reflects the Fair Market Rental Value of the Premises. The conclusion of the third appraiser shall be conclusive and the parties shall share the cost of the third appraisal equally. In the interim, while the new options rates are being determined, the base rent shall increase by 4% per annum until such time as the new rate is established. At such time an agreement is reached, as necessary, a credit adjustment will be made or additional rents owed will become due and payable within ten (10) days.

Early Termination. In the event Tenant, despite best efforts and at no fault of its own, is unable to obtain an Alaska state license and municipal use permit approvals for cannabis cultivation or there are changes in Alaska state or municipal law that make the business of Tenant illegal, Tenant may, at Tenant's election, be released from the terms of the Lease. This event, if at all, would occur prior to October 1, 2016 unless due to changes in Alaska State or Municipal Law after that date, which makes it illegal to continue to use the premises for cannabis cultivation. In such event, Landlord shall retain, as liquidated damages, all payments and deposits paid or due by or on behalf of the Tenant at the time of delivery of written notification. In the event that tenant has taken possession of the premises, tenant agrees to continue paying rent until Tenant has removed all personal property, made repairs and returned the premises to the Landlord in broom swept condition. This release provision is not applicable in any circumstances other than those expressly set forth in this paragraph.

3. Rent.

3.1 Base Monthly Rent. The Tenant shall pay to the Landlord at Landlord's address specified below, or at such other place as the Landlord may hereinafter designate, on or before the first (1) day of each month for which such rent is paid without offset or deduction the following amounts as Base Monthly Rent for the Premises:

June 20, 2016 to June 30, 2016: Abated
July 1, 2016 to October 31, 2016: $5581.00 per month.
November 1, 2016 to October 31, 2017: $13,395.00 per month.
November 1, 2017 to October 31, 2018: $14,015.00 per month.
November 1, 2018 to October 31, 2019: $14,635.00 per month.
November 1, 2019 to October 31, 2020: $15,255.00 per month.
November 1, 2020 to October 31, 2021: $15,875.00 per month.

All lease payments to the Landlord shall be made in a form that is acceptable to an insured bank.

3.2 Guarantors; Financial Statements. Contemporaneously with the execution of this Lease by Tenant, Richard M. Hobbs, II, Andrea S. Hobbs, Aaron Christopher Ralph, and Thomas Powell Cowen, III have executed unconditional personal guaranties of

Tenant's obligations arising pursuant to the terms of this Lease. Tenant represents and warrants that it has no Members other than those who have executed these personal guaranties.

3.3 **Late Charges.** In addition to all other remedies available for nonpayment, if the amount due from the Tenant is not received by the Landlord on or before the 5th day following the date upon which such amount is due and payable, a late charge of 10% of the amount due plus 10% annual interest starting on the 6th day, shall become due and payable as additional rent hereunder.

4. **Security Deposit.** Contemporaneously with the Tenant's execution of this Lease, Tenant has deposited with Landlord a security deposit in the amount of Fifteen Thousand Dollars ($15,000.00). On September 1, 2016 Tenant shall pay an additional $13,395.00. On November 1, 2016 Landlord shall apply $13,395.00 of this security deposit to rent due for November 2016 and the security deposit amount shall then be reduced to $15,000.00. If Tenant fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Lease, Landlord 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 to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby.

5. **Landlord's Title — Quiet Enjoyment.**

5.1 **Landlord's Authority.** Landlord represents and warrants to Tenant that it has the power and authority to execute and deliver this Lease and to carry out and perform all covenants to be performed by it hereunder.

5.2 **Quiet Enjoyment.** Landlord covenants that Tenant, upon paying the rent and all other charges herein provided for and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the term of this Lease.

5.3 **Memorandum Lease.** Landlord and Tenant shall, upon request by either, simultaneously with execution of this Lease, execute a Memorandum of this Lease which may be recorded by either party immediately after execution at the expense of the party requesting the recording.

5.4 **Covenant of Use.** Landlord makes no representations or warranties to Tenant as to the suitability of the Premises for Tenant's intended purposes. Tenant is responsible for confirming that Tenant's intended use is authorized by applicable law; covenants, conditions, restrictions and easements affecting title, which may appear in the public record, including those shown on any recorded plat or survey; and the Municipality of Anchorage Municipal Code. With regard to all such matters, Tenant is relying on its own investigations and such inspections and studies as it chooses to conduct.

6. **Utilities.** Tenant shall pay promptly when due all charges for water, holding tank

or sewer, as may apply, garbage disposal, telephone, electricity, cable, heat, gas, power, and any other utilities or services and like charges, including any fire protection or security charges, furnished to or consumed upon the leased Premises. Landlord shall not be liable for any failure or interruption of utilities or other services to the Premises, unless such failure is caused by the sole negligence of Landlord, or Landlord's agents or employees.

7. Taxes Insurance and Assessments.

7.1 Real Estate Taxes and Assessments. As applies to 1801, 1805 and 1807 West 47th Ave, Tenant shall pay to Landlord, sixty-seven (67) per cent of all real estate taxes, insurance, sprinkler alarm, assessments, and all other operating expenses on the Premises as triple net (NNN) charges. These charges are to be paid monthly with the rent and shall commence upon execution of this lease. The estimated charges at the commencement of the lease are $1364 per month.

If Tenant fails to pay triple net (NNN) expenses when due the first of every month, but not later than the 5th, Landlord may, at its option, charge interest at 10% per year.

Landlord shall provide to Tenant, upon request, all documents and notices concerning change in value (for real estate tax purposes) of the Premises. Tenant, at Tenant's expense, may contest any such real property taxes or assessments in any manner permitted by law, in Tenant's name, and, whenever necessary and required by law, in Landlord's name. Landlord shall cooperate with Tenant and execute any documents or pleadings required for such purposes, provided that Landlord shall be satisfied that the facts set forth in such documents or pleadings are accurate, and that such execution or cooperation does not impose any obligations, expense or liability on Landlord.

7.2 Additional Taxes. Should there presently be in effect or should there be enacted during the term of this Lease any law, statute, or ordinance levying any tax (other than Federal or State income taxes) directly or indirectly, in whole or in part, upon rents or the income from real estate or rental property, or increasing any such tax, Tenant shall reimburse Landlord monthly, as additional rent, at the same time as minimum rental payments are due hereunder, for the actual amount of all such taxes paid.

8. Repairs, Maintenance and Condition of Premises.

8.1 Condition of Premises. Tenant acknowledges that it has inspected the leased Premises and that the leased Premises are in good condition and suitable for Tenant's intended use. Tenant accepts the Premises "as is" in their current condition. No warranties or representations concerning the condition or suitability of the Premises for intended uses have been made. Landlord will provide the Premises to Tenant "broom clean" and free of debris. Tenant shall have use of racking, cooler and freezer at own risk. Condition is accepted "as is" and is without warrantee.

8.2 Maintenance and Repair. Landlord shall be responsible for maintaining the structural integrity of the building, the roof (except where tenant may have made modifications) and plumbing external to the building. Landlord recommends that tenant install a

holding tank monitoring system to prevent overflow. Under no circumstances shall Tenant hold Landlord responsible for damage due to the holding tank or sprinkler system. Landlord has no other maintenance or repair obligations.

Tenant shall, at its own expense, at all times keep all other aspects of the Premises and all other systems in good order and repair, maintained, and, upon termination of this Lease, Tenant shall deliver the leased Premises to Landlord in as good a condition as when delivered to Tenant. Tenant shall be responsible for snow and ice removal, sanding, and maintaining landscaping. If the Tenant does not make such repairs promptly and adequately, or fails to maintain the Premises in good repair, Landlord may (but is not required to) make repairs on ten (10) days' notice to the Tenant, and Tenant shall pay promptly the cost thereof, as additional rent, on the next rent date thereafter. The right of Landlord to make such repairs shall be without prejudice to any rights it may have because of Tenant's failure to make such repairs.

8.4 **Alterations.** Tenant, at its sole cost and expense, may make alterations, additions, and improvements to the Premises (including without limitation upgrades to the power service) with Landlord's prior written consent, which shall not be unreasonably withheld. Tenant shall submit all plans to Landlord for written approval prior to submitting applications for permits. Landlord shall review and return Tenant's proposed plans within ten (10) business days after actual receipt of the proposed plans from Tenant.

In the performance of such work, Tenant shall hold Landlord harmless from any damage, loss or expense, and shall comply with all laws, ordinance, rules and regulations of any public authority, obtaining all necessary permits, approvals or authorizations. All such alterations, additions and improvements to the Premises (except trade fixtures and Tenant's installed heating and cooling systems) shall be the property of Landlord, and shall be surrendered with the Premises upon termination of the Lease. However, if Landlord indicated in writing at the time that it consented to any particular alteration, addition or improvement, that Landlord would require removal of such alteration, addition or improvement at the time of termination of the Lease, then upon demand by Landlord given at least thirty (30) days prior to the end of the Lease term, Tenant shall remove any alterations, additions or improvements made by Tenant, designated by Landlord to be removed, at Tenant's sole cost and expense. In such event, Tenant shall repair any damage to the Premises caused by such removal, and as far as possible, return the Premises to their condition prior to making of any such alterations, improvements or additions.

Notwithstanding the above, if Tenant has fully performed this Lease and is not in default, then prior to the end of the term of this Lease, Tenant shall have the right to remove all trade fixtures, including, without limitation, heating and cooling systems located on the Premises which were installed by the Tenant. However, in such event, Tenant shall repair all damage caused to the Premises by such removal, returning the Premises, as far as possible, to their condition prior to installation of such trade fixtures.

Further, trade fixtures shall not be deemed to include any building structures, ventilation, plumbing or electrical equipment previously installed on the premises. Trade fixtures shall also not be deemed to include any fixtures relating primarily to general usage of the building or premises, as opposed to fixtures specifically used for the operation of the tenant's particular type

of business.

8.5 **Entry and Inspection.** Upon no less than twenty-four hours notice, Tenant will permit Landlord or its agents to enter the Premises during business hours, hereinafter defined as from 9:00 a.m. to 5:00 p.m. on weekdays and from 9:00 a.m. to 3:00 p.m. on Saturdays, excluding legal holidays to inspect, clean, repair, alter, or improve the Premises, or to show the Premises to prospective Purchasers or tenants. In exercising its rights under this section, Landlord will not unreasonably interfere with the conduct of Tenant's business.

8.6 **Americans with Disabilities Act.** During the term of this Lease, it is the sole responsibility of the Tenant to manage and operate the Premises in compliance with all applicable Americans with Disabilities Act ["ADA"] requirements. Landlord is specifically, and in all ways, to be indemnified, defended, and held harmless by Lessee in regard to any ADA non-compliance claims, issues, building modifications or mitigation required to the Premises as the result of the Americans with Disabilities Act.

9. Use of Premises.

9.1 **Nature of Use.** Tenant shall use the Premises for production and processing of Cannabis and other directly related products and purposes performed in accordance with Alaska State law and the Municipality of Anchorage Municipal Code, and for no other uses except as Landlord may approve in writing. Tenant shall not make or permit any use of the Premises which may be dangerous to persons or property, or which may increase the premium costs or invalidate any policy of insurance covering the Premises or its contents. In case of any such increase in premium resulting from Tenant making or permitting any such use, Tenant shall pay the amount thereof, without prejudice to any other right or remedy of Landlord.

9.2 Hazardous Substances.

9.2.1 **Presence and Use of Hazardous Substances.** Unless otherwise set forth in this Section 9.2, Tenant shall not, without Landlord's prior written consent, keep on or around the Premises or Common Areas, for use, handling, disposal, treatment, generation, storage or sale, any "Hazardous Substance" hereinafter defined as any "Permitted Hazardous Substances" as defined below, which are hazardous or toxic substance, or waste, regulated pursuant to any federal, state or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act, and the Occupational Safety and Health Act due to its potential harm to health, safety or welfare of humans or the environment.). With respect to any such Hazardous Substance, Tenant shall;

9.2.1.1 Comply promptly, timely, and completely with all governmental requirements for reporting, keeping and submitting manifests, and obtaining and keeping current identification numbers;

9.2.1.2 Submit to Landlord true and correct copies of all reports,

manifests and identification numbers within ten (10) days of request as they are required to be and/or are submitted to the appropriate governmental authorities;

9.2.1.3 Within ten (10) days of Landlord's request, submit written reports to Landlord regarding Tenant's use, handling, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to Landlord of Tenant's compliance with the applicable government regulations;

9.2.1.4 Allow Landlord or Landlord's agent or representative to come on the Premises during business hours and upon reasonable notice to check Tenant's compliance with all applicable governmental regulations regarding Hazardous Substances;

9.2.1.5 Comply with minimum levels, standards or other performance standards or requirements which may be set forth or established for certain Hazardous Substances (if minimum standards or levels are applicable to Hazardous Substances present on the Premises, such levels or standards shall be established by an on-site inspection by the appropriate governmental authorities and shall be set forth in an addendum to this Lease); and

9.2.1.6 Comply with all applicable governmental statutes, ordinances, rules, regulations, management plans and requirements regarding the proper and lawful use, handling, sale, transportation, generation, treatment, and disposal of Hazardous Substances.

9.2.1.7 Tenant may store and use any hazardous, toxic, infectious or dangerous substances lawfully permitted and generally recognized as necessary and appropriate for the Permitted Use as (i) such storage and use is in the ordinary course of operating a Permitted Use; and (ii) such storage and use is performed in compliance with all applicable laws, rules, or regulations, and in compliance with commercially reasonable standards prevailing in the industry for storage and use of such substances ("Permitted Hazardous Substances"). In addition to the foregoing, Tenant will comply with any inspection requirement required by any federal, state or local regulatory agencies because of the Tenant's use of such Permitted Hazardous Substances. Tenant acknowledges the use of the following "Permitted Hazardous Substances" as part of Tenant's Permitted Use include: fertilizers and other nutrients for the production and growing of marijuana and Co2 for use in growing and processing cannabis. Tenant hereby agrees not to add to or materially alter the type or quality of the items on the list for Permitted Hazardous Substances, without notifying Landlord of such additions or material alterations.

In the event of Tenant's non-compliance with this section, Tenant agrees to pay Landlord's attorney's fees and costs, which shall be Additional Rent and shall be due and payable to Landlord immediately upon demand by Landlord.

9.2.2 <u>Cleanup Costs, Default and Indemnification</u>.

9.2.2.1 Tenant shall be fully and completely liable to Landlord for

any and all cleanup costs, and any and all other charges, fees, penalties (civil and criminal) imposed by any governmental authority with respect to Tenant's use, handling, disposal, transportation, generation and/or sale of Hazardous Substances, in or about the Premises, Common Areas, or the building of which the premises are a part.

9.22.2 Tenant shall indemnify, defend and save Landlord harmless from any and all of the costs, fees, penalties and charges assessed against or imposed upon Landlord (as well as Landlord's attorneys' fees and costs) as a result of Tenant's use, handling, disposal, transportation, generation and/or sale of Hazardous Substances.

9.22.3 Upon Tenant's default under this Section, in addition to the rights and remedies set forth elsewhere in this Lease, Landlord shall be entitled to the following rights and remedies:

(i) At Landlord's option, to terminate this Lease immediately;

(ii) To recover any and all damages associated with the default, including, but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by Landlord, any and all damages and claims asserted by third parties and Landlord's attorneys' fees and costs.

9.23 **Landlord Indemnification.** Landlord shall indemnify, defend and hold harmless the Tenant, its successors and assigns, from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including without limitation any and all sums paid for settlement, claims, attorneys' fees, consulting and expert fees) in connection with the presence or suspected presence of Hazardous Substances in or on the Premises, to the extent that the Hazardous Substances were present on the Premises prior to the commencement of the Lease term.

9.3 **Disposal of Non-Hazardous Waste Materials.** All non-hazardous waste materials shall be disposed of by Tenant properly and in accordance with all applicable laws and regulations.

9.4 **Compliance With Law.** Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any state law, statute, zoning restriction, ordinance or governmental rule or regulation or requirements of duly constituted public authorities now in force or which may hereafter be enacted or promulgated. Tenant shall at its sole cost and expense promptly comply with all state laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises. Notwithstanding the foregoing, Landlord understands and agrees that Tenant intends to use the property for the production and processing of cannabis and cannabis related products as allowed by Alaska State law and the regulations promulgated thereunder

10. Insurance; Indemnity.

10.1 **Public Liability Insurance.** Tenant, at its own expense, shall procure and maintain in effect comprehensive public liability insurance coverage with limits of not less than two

Million Dollars ($2,000,000.00) for bodily and personal injury or death to any one person; with minimum limits of not less than Three Million Dollars ($3,000,000.00) for bodily and personal injury or death to more than one person; and with limits of not less than Three Hundred Fifty

Thousand Dollars ($350,000.00) with respect to damage to property. In no event shall the limits of said policies be considered as limiting the liabilities of Tenant under this Lease. The above-stated minimum policy limits shall be subject to periodic review by the Landlord. Proof of such insurance will be provided to Landlord prior to Tenant taking possession and shall name Landlord as additional insured.

10.2 **Casualty Insurance.** Landlord shall maintain in effect, as Landlord deems prudent a policy(s) of fire and extended coverage insurance covering the building located on the premises. Tenant shall reimburse Landlord for this premium as calculated under triple net (NNN) expenses. The Tenant shall provide insurance against sprinkler damage, vandalism and malicious mischief as well as for all personal property, merchandise and improvements. The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair or replace the Premises, leasehold improvements, fixtures, equipment and plate glass so insured.

10.3 **Workman's Comp** Tenant agrees to maintain at Tenants cost, Worker's Comp. Insurance as required by the State of Alaska on each employee and hereby agrees to indemnify Landlord from any claims.

10.4 **Insurance Policies.** All insurance policies (except the fire and extended coverage insurance on Tenant's personal property) shall name Landlord as additional insured and shall be with companies and with loss-payable clauses satisfactory to Landlord, and copies of policies or certificates evidencing such insurance shall be delivered to Landlord by Tenant. No such policy shall be cancelable or amendable except after thirty (30) days' written notice to Landlord.

LANDLORD WILL NOT CARRY ANY INSURANCE ON TENANTS PROPERTY. ALL PERSONAL PROPERTY ON THE PREMISES SHALL BE AT THE RISK OF THE TENANT AND LANDLORD SHALL NOT BE OBLIGATED TO REPAIR ANY DAMAGE THERETO OR REPLACE THE SAME. TENANT SHOULD PURCHASE ITS' OWN INSURANCE COVERING TENANT'S PROPERTY IN OR ON THE PREMISES FOR ITS OWN PROTECTION.

Whenever In Landlord's reasonable business judgment, good practice and changing conditions indicate a need for additional and /or different types of insurance coverage, upon mutual acceptance, Tenant shall obtain such insurance at its expense upon request from Landlord.

If Tenant does not maintain or procure required insurance, after 10 days written notice to Tenant, Landlord may [but is not required to] procure and obtain such insurance. The cost of any such insurance obtained by Landlord shall be additional rent which will be due and payable upon demand.

10.5 **Waiver of Subrogation.** Landlord and Tenant mutually agree to waive their right of recovery against each other, and their respective officers, employees or agents, for losses or damages occurring to the Premises, improvements, contents, other property of the waiving party or under its control, or business interruptions related to the loss or damage to such property. However, the parties agree that this waiver applies only to losses covered by valid and

collectible insurance, and only to the extent that such insurance applies, and not in excess of the amount collectible from such insurance. The waiver shall not apply to damages in excess of the amount collectible from such insurance. Permission to grant this waiver is to be included in the provisions of the insurance policies now carried by both Landlord and Tenant. The continuation of this mutual waiver of subrogation is subject to the insurance continuing to grant this option on renewal policies.

10.6 **Indemnification of Landlord.** Landlord shall not be liable for any loss, injury or death to persons or damage to property, in or about the Premises, from any cause, which at any time may be suffered by Tenant or by its invitees or employees or agents, except to the extent caused by the gross negligence or willful misconduct of Landlord, its employees, agents and contractors. The Tenant agrees to indemnify, defend, and save Landlord, its employees and its agents, harmless from any and all claims and expenses, including reasonable attorney's fees and costs, and litigation-related expenses arising out of such injury, death, or damage, however occurring, on or about the Premises.

10.7 **Waiver.** THE LANDLORD AND TENANT SPECIFICALLY AGREE THAT THE PROVISIONS OF THIS SECTION 10 ALSO APPLY TO ANY CLAIM OF INJURY OR DAMAGE TO THE PERSONS OR PROPERTY OF THE TENANT'S EMPLOYEES, AND TENANT ACKNOWLEDGES AND AGREES THAT AS TO SUCH CLAIMS, TENANT, WITH RESPECT TO LANDLORD, DOES HEREBY WAIVE ANY RIGHT OF IMMUNITY WHICH TENANT MAY HAVE UNDER INDUSTRIAL INSURANCE AND UNDER ANY SUBSTITUTE OR REPLACEMENT STATUTE). THIS WAIVER AND AGREEMENT WAS SPECIFICALLY NEGOTIATED BY LANDLORD AND TENANT AND IS SOLELY FOR THE BENEFIT OF LANDLORD AND TENANT AND THEIR SUCCESSORS AND ASSIGNS AND IS NOT INTENDED AS A WAIVER OF TENANT'S RIGHTS OF IMMUNITY UNDER SAID INDUSTRIAL INSURANCE OF ANY OTHER PURPOSE.

Date: JUNE 24, 2016

Tenant

Date: June 24, 2016

Landlord

11. Reconstruction and Restoration.

11.1 **Minor Damage.** If during the term hereof, the Premises are damaged by fire or other perils covered by the fire and extended coverage insurance on the Premises, and such damage is not "substantial," Landlord shall promptly repair such damage at Landlord's expense after the application of all insurance proceeds, and this Lease shall continue in full force and effect.

11.2 **Substantial Damage.** If during the term hereof the Premises are destroyed or damaged by fire or other perils covered by the insurance, and if such damage is

"substantial," Landlord may at its option either (a) promptly repair such damage at Landlord's

expense after the application of all insurance proceeds, in which event this Lease shall continue in full force and effect, or (b) cancel this Lease as of the date of such damage, by giving Tenant written notice of its election within thirty (30) days after the date Tenant notifies Landlord of such damage.

Notwithstanding any other provision in this Section, if damage to the Premises is caused by Tenant, then Tenant shall be responsible for repair and rent shall not abate during the repair period.

11.3 Abatement of Rent.

11.3.1 If the Premises are destroyed or damaged and Landlord repairs or restores them under this section, Tenant shall continue the operation of this business in the Premises to the extent reasonably practicable, and the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the proportion of usable Premises space compared to the total Premises space. The Tenant shall have no claim against Landlord for any damage suffered by Tenant by reason of such damage, destruction, repair or restoration.

11.3.2 If Landlord shall be obligated to repair or restore the Premises under this Section and shall not commence such repair or restoration within ninety (90) days after such obligation shall accrue, of if the estimated repair time is greater than 180 days, Tenant may at its option cancel this Lease as of the date of occurrence of such damage by giving landlord notice of its election to do so at any time prior to the commencement of such repair or restoration and/or sue for damages caused Tenant by Landlord's breach, and/or obtain an order specifically enforcing Landlord's obligations to repair and restore. All of said remedies shall be cumulative.

11.4 Definition of "Substantial." For the purpose of this Section 11, "substantial" damage to the Premises shall mean damage to the Premises of fifty percent (50%) or greater of the existing space, of which the estimated cost of repair exceeds fifty percent (50%) of the cost to improvements to the Premises.

12. Assignment and Subletting. Tenant shall not either voluntarily or by operation of law assign, sell, or otherwise transfer this Lease or any of Tenant's rights hereunder, or sublet the Premises or any portion thereof without Landlord's written consent in each instance, which shall not be unreasonably denied but may incur an additional charge or insurance adjustment. Subletting prior to November 1, 2016 will incur a charge for additional rent. The sale or assignment of any stock or interest in Tenant (for other than security purposes) in the aggregate in excess of forty-five percent (45%) in any two-year period, shall be deemed an assignment within the meaning and provisions of this Section. Tenant agrees to reimburse Landlord for Landlord's reasonable costs and attorney's fees incurred with the documentation of such assignment, subletting or other transfer of this Lease or Tenant's interest in and to the Premises. Landlord agrees, in the event of an assignment, partial or otherwise, to release the assigning Tenant of all financial obligations under this Lease, upon Landlord's review and approval of the replacement Tenant's financial statement. Landlord shall approve or disapprove of any such assignment within a 30 day period. Such release and approval shall not be unreasonably

withheld.

13. Condemnation.

13.1 Entire or Substantial Taking. If the entire Premises, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business (notwithstanding restoration by Landlord as herein provided) shall be taken under the power of eminent domain, this Lease shall automatically terminate on the date the condemning authority takes possession.

13.2 Partial Taking. In the event of any taking under the power of eminent domain which does not so result in a termination of this Lease, the monthly rental payable hereunder shall be reduced, effective on the date the condemning authority takes possession, in the same portion as the value of the Premises after the taking relates to the value of the Premises prior to the taking. Landlord shall promptly, at its sole expense, restore the portion of the Premises not taken to as near its former condition as is reasonably possible, and this Lease shall continue in full force and effect.

13.3 Awards. Any award for taking of all or any part of the Premises under the power of eminent domain shall be the property of the Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for taking of the fee. Nothing herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to or cost of removal of Tenant's trade fixtures and removable personal property, or for damages for cessation or interruption of Tenant's business.

14. Liens and Encumbrances. Tenant agrees that it will pay all costs for work done or caused to be done by it on the Premises, and Tenant will keep the Premises free and clear of all mechanic's and other liens on account of work done for Tenant or persons claiming under Tenant. Should any claim of lien be filed against the Premises or any action affecting the title to such property be commenced, the party receiving notice of such lien or action shall promptly give the other party written notice thereof. In the event a dispute between Tenant and a third party having lien rights arising from work performed for Tenant, results in litigation to enforce such lien right in which Landlord or any party deriving rights from Landlord is named a party defendant, defense of such action shall, at Landlord's option immediately be assumed by Tenant. Tenant shall appear and defend Landlord and any parties deriving interest through Landlord or shall pay any costs or attorney's fees incurred by Landlord or parties deriving interest through Landlord in respect to their own defenses to such action and shall indemnify and hold Landlord and parties deriving interest through Landlord harmless from any judgment arising out of such litigation.

15. Surrender of Premises.

15.1 Surrender of Premises. Tenant shall promptly surrender possession of the Premises to Landlord upon the expiration or prior termination of the Lease. The Premises shall be surrendered in the same condition as they were at the commencement of the Lease term, normal wear and tear excepted, damages covered by insurance excepted, and acts of God or the elements excepted.

15.2 **Holding Over.** Subject to first completing the terms and conditions outlined in Section 2.2, any holding over by Tenant after the expiration or termination of the Lease shall be construed to be a tenancy for a month-to-month, on all of the terms and conditions set forth herein, to the extent not inconsistent with a month-to-month tenancy. During such tenancy, the Tenant agrees to pay the Monthly Rental in effect immediately prior to commencement of the holding over, at 125% of the last monthly rent base rate.

15.3 **Sub-Tenancies.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, terminate all and any existing sub-tenancies, or may, at the option of Landlord, operate as an assignment to it of any and all such sub-tenancies.

16. Default by Tenant.

16.1 **Default.** The occurrence of any one or more of the following events shall constitute breach of this Lease by Tenant.

16.1.1 **Failure to Pay Rent.** The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of five (5) business days after written notice thereof by Landlord is received by Tenant.

16.1.2 **Failure to Perform.** The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than payment of rent, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord is received by Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

16.1.3 **Bankruptcy.** The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or by the filing by or against Tenant of a petition to have Tenant adjudged bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days filing); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days after appointment of said trustee or receiver, or the filing of a petition for the appointment of the same, whichever shall first occur.

16.2 **Remedies in Default.** In the event of any such default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

16.2.1 **Terminate Lease.** Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall

immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from the Tenant all past due rents and other charges; the expenses of re-letting the Premises, including necessary renovation and alteration of the Premises, reasonable attorneys' fees and costs; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges called for herein for the balance of the Lease Term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission paid by Landlord and applicable to the unexpired Lease Term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten percent (10%) per annum; or

1622 **Continue the Lease.** Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned or vacated the Premises. In such event Landlord shall be entitled to enforce all Landlord's right and remedies under this Lease, including the right to recover past due rents and other charges, the rent and any other charges as may become due hereunder, and at Landlord's option, to recover the worth at the time of the award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges called for herein for the balance of the Lease Term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided.

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1623 **Re-letting for Tenant's Account.** Landlord may reenter and must try to re-let without terminating this Lease and remove all persons and property from the Premises With the exception of Marijuana and Marijuana Products and Landlord will notify The Marijuana Control Board, The Marijuana Control Board will determine the removal of marijuana products at the board's discretion. (All other property may be removed and stored in a public warehouse or elsewhere at the cost and risk of, and for the account of, Tenant), all without service of notice or resort to legal process and without being deemed guilty of trespass, or any liability of Landlord for any loss or damage which may be occasioned thereby. If Landlord, without terminating this Lease, either (1) elects to reenter the Premises and attempt to re-let, or (2) takes possession of the Premises pursuant to legal proceedings, or (3) takes possession of the Premises pursuant to any notice provided by law, then Landlord may, from time to time, make such alterations and repairs as may be reasonably necessary in order to re-let the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rent and other terms as Landlord in its reasonable discretion deems advisable. Upon such re-letting, all rents received by Landlord from such re-letting shall be applied, first, to the payment of any indebtedness of Tenant (other than any rents due hereunder) to Landlord; second, to the payment of any costs and expenses of obtaining possession and any such re-letting, including expense of reasonable alterations and repairs, brokerage fees and attorneys' fees; third, to the payment of any rents due and unpaid hereunder. If such rents and any other amounts received from such re-letting during any month be less than that to be paid during that month by Tenant, Tenant shall immediately pay such deficiency to Landlord. No such reentry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a notice of such intention be given to Tenant. Notwithstanding any such re-letting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, Landlord may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Premises, reimbursement of any

brokerage fees incurred by Landlord in connection with Tenant's Lease and all rent (accrued or to accrue during the term of the Lease) which, at Landlord's election, shall be accelerated and be due in full on demand.

16.24 **Other Remedies.** Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State in which the Premises are located, including but not limited to the right to assess against Tenant an amount equal to the reasonable attorneys' fees incurred by Landlord in collecting any rent or other payment due hereunder, which amount shall be due in full within ten (10) days of Tenant's receipt of the assessment by Landlord.

17. **Default by Landlord.** If Landlord shall be in default for more than thirty (30) days after receipt of Tenant's notice specifying such default, Tenant may incur any expense necessary to perform any obligation of Landlord specified in such notice and deduct such expense from any sums payable by Tenant under this Lease thereafter to become due or pursue any other remedy available at law, equity or by statute, including, but not limited to, damages and/or the right to terminate said Lease. Provided, however, if Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be deemed in default if it commences such performance within such thirty (30) day period and diligently prosecutes the same to completion.

Irrespective of anything contained in this Section 17, Tenant may not deduct any expenses against any sums payable by Tenant to landlord under this Lease unless Tenant gave Landlord at least thirty (30) days' notice in writing of the default and Tenant's intention to incur expense to cure said default. In any event, Tenant may only deduct the reasonable cost of curing said default. Provided, further, Tenant's inability to deduct said expense against any sums payable by Tenant to Landlord under this Lease shall not affect any other right or remedy of Tenant.

18. **Landlord's Financing.**

18.1 **Priority of Lease.** This Lease shall automatically be subordinate to any deed of trust, mortgage and other security instruments now existing or hereafter placed on the leased Premises or any part thereof by the Landlord and all advances made or to be made thereunder. Within fifteen (15) days of presentation, Tenant shall execute, acknowledge, and deliver to Landlord (i) any subordination or nondisturbance agreement or other instrument that Landlord may require to carry out the provisions of this Section, and (ii) any estoppel certificate requested by Landlord, with any such mortgagee or beneficiary certifying in writing, if such be true, that Tenant shall be in occupancy and that the Lease is in full force and effect, and the dates to which the rent and other charges shall have been paid, and that there shall be no rental offsets or claims. Tenant shall not be obligated to execute any agreement in favor of any mortgagee or beneficiary to confirm the subordination of this Lease unless such agreement contains non-disturbance provisions reasonably acceptable to Tenant.

18.2 **Cure by Tenant.** If Landlord shall default in the payment of any such mortgage or otherwise fails to comply therewith, and notice of such default has been given Landlord by lender, Landlord shall have the obligation to immediately notify the Tenant of such default or failure and Tenant shall have the right and privilege of paying to the mortgagee any amount so in default, but shall have no obligation to do so. Upon tenant making any such payment, it shall be entitled to deduct the amount so paid from the rent due, until the amount of such payment shall have been fully repaid to the Tenant.

19. **Signage.** Prior to opening for business, Tenant may install a permanent exterior sign on the building in conformance with all local ordinances and rules. The design and plan for installation of all signs on or exposed to the exterior of the building shall be subject to prior written approval of Landlord which approval shall not be unreasonably withheld or delayed.. In the event Tenant shall install any sign in violation of this Paragraph, Landlord shall have the right, upon five (5) days prior written notice to Tenant, to enter upon the Premises, remove and store the subject sign and repair all damage caused by the removal of the sign all at Tenant's cost and expense, all without liability to Landlord. Tenant shall remove immediately any exterior signage, advertisement, decoration or similar thing which Landlord reasonably deems objectionable or offensive. If Tenant fails to do so, Landlord may enter upon the Premises and remove same at Tenant's cost and expense.

20. **Miscellaneous.**

20.1 **Waivers.** No waiver by either party of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by the breaching party of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of landlord's consent to or approval of any subsequent act by Tenant, whether or not similar to the act so consented to or approved.

20.2 **Notices.** All notices under this Lease shall be in writing and delivered in person or deposited in the United States mail, certified and postage prepaid and addressed to the address of Tenant or Landlord shown below or at such other address as may be designated by either party in writing.

LANDLORD'S ADDRESS:

47th Avenue, LLC
PO Box 111099
Anchorage, Alaska 995

TENANT'S ADDRESS:

Alaska Cannabis
Exchange, LLC
1807 West 47th Avenue
Anchorage, Alaska 99517

20.3 Interest on Past Due Obligations. Any amount due from Tenant to Landlord hereunder which is not paid when due shall bear interest at the rate of ten percent (10%) per annum from the date due until paid, but the payment of such interest shall not excuse or cure any default by Tenant.

20.4 Construction.

20.4.1 This Lease shall be construed and governed by the laws of the State of Alaska;

20.4.2 The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions hereof;

20.4.3 The Lease constitutes the entire agreement of the parties and supersedes all prior agreements or understandings between the parties with respect to the subject matter hereof;

20.4.4 This Lease may not be modified or amended except by written agreement signed and acknowledged by both parties;

20.4.5 Time is of the essence of this Lease in each and every provisions thereof; and

20.4.6 Nothing contained herein shall create the relationship of principal and agent or of partnership or of joint venture between the parties hereto and no provisions contained herein shall be deemed to create any relationship other than that of landlord and tenant.

20.4.7 Tenant has had the opportunity to have this document reviewed by counsel of its choice. Tenant agrees that no interpretation or construction shall be made with respect to this document based on which party drafted the document.

20.5 Successor. Subject to any limitations on assignments herein, all of the provisions of this Lease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

20.6 Costs and Attorneys' Fees. If by reason of any breach or default on the part of either party hereto it becomes necessary for the other party hereto to employ an attorney, then the non-breaching party shall have and recover against the other party in addition to costs allowed by law, reasonable attorneys' fees and litigation-related expenses. The non-breaching party shall be entitled to recover reasonable actual attorneys' fees and costs and expenses, as provided above, regardless of whether litigation is actually commenced.

20.7 Jurisdiction and Venue. The parties hereto do hereby consent to jurisdiction and venue of the Superior Court in Anchorage, Alaska.

20.8 Dispute Resolution.

20.8.1 Occasions for Arbitration. In the event of disputes between the parties, related to this agreement or the transactions or relationships contemplated hereby, except those related to the calculation of rents due on options after October 31, 2021, such disputes shall be resolved by arbitration in accordance with the provisions of this Article, and the parties waive the right to proceed in courts of law or equity as to these matters.

20.8.2 Procedure. In the event of such dispute as described in the preceding section, the dispute shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All arbitration hearings shall be conducted in Anchorage, Alaska. Prior to instituting an arbitration proceeding, the parties agree to attempt to settle such dispute or claim through non-binding mediation presided over by a mutually-agreeable mediator. The decision of said arbitrator shall be final and binding, and no appeal may be taken therefrom. Arbitration shall be conducted under the laws of the State of Alaska. Said decision may be confirmed by a court of law, if necessary, in accordance with the provisions of Alaska law.

20.8.3 Unlawful Detainer. Notwithstanding the above arbitration clause, in the event of a failure to pay rent or other failure to perform hereunder by Tenant, Landlord shall be entitled to commence eviction proceedings under the unlawful detainer statute.

20.9 Authority. Each individual executing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of Tenant, in accordance with a duly adopted resolution of the Manager and Members of Tenant authorizing and consenting to this Lease; authorizing the specific individuals signing this Lease to execute, acknowledge and deliver the same without the consent of any other Member of Manager; resolving that such action and execution is in accordance with the Operating Agreement of Tenant; and resolving that this Lease is binding upon Tenant in accordance with its terms.

20.10 Counterparts; Electronically Transmitted Signatures. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Each party agrees to promptly deliver an executed original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own electronically transmitted signature and shall accept the electronically transmitted signature of the other party to this Agreement.

20.11 Entire Agreement. This Lease constitutes and embodies the entire understanding and agreement of the parties hereto relating to the subject matter hereof and there are no other agreements or understandings, written or oral, in effect between the parties relating to such subject matter except as expressly referred to herein.

DATED this 24th day of June, 2016.

LANDLORD:
47th Avenue, LLC

By _____
Stephen D. Kulin
Its Principal

TENANT:
Alaska Cannabis Exchange, LLC or assigns

By _____
Richard M. Hobbs, II, Manager

By _____
Andrea S. Hobbs, Member

By _____
Aaron Christopher Ralph, Member

By _____
Thomas Powell Cowen, III, Member

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 24 day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Stephen Kulin, to me known, or satisfactorily proven to be the principal of 47th Avenue, LLC and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

ARIEL JOY KLEINSMITH
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 17, 2017
STATE OF ALASKA

Notary Public in and for the State of Alaska
My Commission Expires: 06/24/16

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Richard Hobbs, to me known, or satisfactorily proven to be the person of Richard M. Hobbs, II and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

Notary Public in and for the State of Alaska
My Commission Expires: May 5, 2017

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Andrea S. Hobbs, to me known, or satisfactorily proven to be the person of **Andrea S. Hobbs** and stated that she was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

Notary Public in and for the State of Alaska
My Commission Expires: May 5, 2017

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Aaron C. Ralph, to me known, or satisfactorily proven to be the person of **Aaron Christopher Ralph** and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

Notary Public in and for the State of Alaska

My Commission Expires: May 5, 2017

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Thomas P. Cowen III to me known, or satisfactorily proven to be the person of **Thomas Powell Cowen, III** and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

Notary Public in and for the State of Alaska
Comm. Expires: May 5, 2017

My Commission Expires: May 5 2017

GUARANTY

In consideration of the execution of said Lease by 47th Avenue, LLC ("Landlord"), for the premises located at 1805 and 1807 West 47th Avenue, Anchorage, Alaska, which consists of land and a building containing approximately 12,403+ square feet, the undersigned hereby unconditionally and irrevocably guarantee the full performance of each and all of the terms, covenants and conditions of said Lease to be kept and performed by said Alaska Cannabis Exchange, LLC or assigns ("Tenant"), including the payment of all rentals and other charges to accrue.

The premises are legally described as:
Lots 2(two) and 3(three), Block D-1, North Star Subdivision ADDITION NO. 1, according to the official plat thereof, filed under Plat No. P-220B, in the Anchorage Recording District, third judicial District, State of Alaska.

The undersigned further agrees as follows:

1. That this covenant and agreement on its part shall continue in favor of Landlord notwithstanding any extension, modification or alteration of said Lease entered into by and between Landlord and Tenant, or their successors and assigns, or notwithstanding any assignment of said Lease, with or without the consent of Landlord shall in any manner release or discharge the undersigned and the undersigned hereby consents to same, subject to the terms and conditions agreed to among the parties in section **12. Assignment and Subletting** of the attached Lease Agreement.

2. This Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of Tenant or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee of Tenant.

3. Landlord, may, without notice, assign this Guaranty in whole or in part and no assignment or transfer of the Lease shall operate to extinguish or diminish the liability of the undersigned.

4. The liability of the undersigned under this Guaranty shall be primary, and in any right of action which shall accrue to Landlord under the Lease, Landlord may at its option, proceed against the undersigned without having commenced any action, or having obtained any judgment against Tenant.

5. To pay Landlord's reasonably attorneys` fees and all costs and other expenses incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this Guarantee against the undersigned, individually and jointly.

6. The undersigned hereby waive notice of any demand by Landlord, as well as any notice of default in the payment of rent or any other amount contained or reserved in the Lease.

The use of the singular herein shall include the plural. The obligation of two (2) or more parties shall be joint and several. The terms and provisions of this Guaranty shall be

binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

1.

DATED this 24th day of June, 2016.

TENANT:
Alaska Cannabis Exchange, LLC, or assigns

By _____
Richard M. Hobbs, II, Manager,
Individually, Guarantor

By _____
Andrea S. Hobbs, Member,
Individually, Guarantor

By _____
Aaron Christopher Ralph, Member,
Individually, Guarantor

By _____
Thomas Powell Cowen, III, Member,
Individually, Guarantor

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Richard Hobbs, to me known, or satisfactorily proven to be the person of **Richard M. Hobbs, II** and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

_____
Notary Public in and for the State of Alaska
Commission Expires: May 5, 2017

My Commission Expires: May 5, 2017

STATE OF ALASKA)

) ss.

THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Andrea Hobbs, to me known, or satisfactorily proven to be the person of **Andrea S. Hobbs** and stated that she was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

Notary Public in and for the State of Alaska

My Commission Expires: May 5, 2017

STATE OF ALASKA)

) ss.

THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Aaron C. Ralph, to me known, or satisfactorily proven to be the person of **Aaron Christopher Ralph** and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

Commission Expires: May 5, 2017

Notary Public in and for the State of Alaska

My Commission Expires: May 5, 2017

STATE OF ALASKA)

) ss.

THIRD JUDICIAL DISTRICT)

On this 24th day of June, 2016, before me, a Notary Public in and for the State of Alaska personally appeared Thomas P Cowen, to me known, or satisfactorily proven to be the person of **Thomas Powell Cowen, III** and stated that he was authorized to execute the within and foregoing instrument as the free and voluntary act and deed of said corporation for the uses and purposes herein mentioned.

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

STATE OF ALASKA
NOTARY PUBLIC
G. Cruickshank
My Commission Expires: May 5, 2017

Notary Public in and for the State of Alaska

My Commission Expires: May 5, 2017