Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	AM Frontier Inc	**License Number:**	10267		
License Type:	Retail Marijuana Store				
Doing Business As:	AM DELIGHT				
Physical Address:	3902 Spenard Road				
City:	ANCHORAGE	**State:**	AK	**Zip Code:**	99517
Designated Licensee:	Angela Robinson				
Email Address:	AMDelightAK@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Proof of Possession of proposed premises

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Received Date:		Payment Submitted Y/N:		Transaction #:	

COMMERCIAL BUILDING LEASE AGREEMENT

Parties

This lease agreement ("Agreement") is made and entered into by and between O'Neill Properties, Inc. ("Landlord"), an Alaska corporation, and Alaska Aurora Enterprises LLC("Tenant"), an Alaskan limited liability company.

Recitals

A. A commercial building and related improvements (collectively "Building") are located on the following real property ("Property"):

> Lot Eleven (11), Block Seven (7), of Conroy Rushton Subdivision, according to the official plat thereof in the office of the Anchorage Recording District, Third Judicial District, State of Alaska, shown more particularly in the attached Exhibit A. Commonly known as 3902 Spenard Road.

B. Landlord owns the Building and Property and wishes to lease to Tenant, and Tenant wishes to lease from Landlord, the space located in the Building ("Premises") with associated common space rights, shown cross-hatched in the attached Exhibit A, which consists of approximately 2,400 square feet, more or less.

Consideration

For good, valuable and sufficient consideration received and to be received, the parties have agreed, and hereby agree, as follows:

Terms and Conditions

1. Recitals and Exhibits. All of the Recitals in and Exhibits to this Agreement are hereby incorporated into this Agreement by reference, and this Agreement shall be construed in light thereof.

2. Demise.

2.1. Premises. Landlord hereby leases and lets to Tenant, and Tenant leases and takes from Landlord, the Premises.

2.2. Common Areas. None.

2.3. Parking Area. Prior to the expiration or sooner termination of this Agreement, Tenant shall have the non-exclusive license right to use the parking area ("Parking Area"), shown dotted on the attached Exhibit B, located on the Property for the normally required parking of its employees' and invitees' vehicles. Tenant's right to use to the Parking Area shall

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be on a non-assigned, non-exclusive and "first come, first served" basis with the other tenants of the Building and their respective invitees.

2.4. Inspection and Acceptance of Premises. Tenant hereby accepts the Premises and Parking Area "as is" and "with all faults" after a thorough inspection of them; and Landlord shall not be liable to Tenant for any defects in them provided that Landlord performs its maintenance and repair obligations under Section 6.5 of this Agreement.

3. Lease Term.

3.1. Original Lease Term. The term of this Agreement ("Lease Term") shall commence on the Effective Date of this Agreement and end twenty eight (28) months thereafter, unless extended or sooner terminated for good cause in writing by Landlord pursuant to the terms and conditions of this Agreement.

3.2. Extensions of Term. To be negotiated.

4. Rental Payments.

4.1. Initial Base Rent. Tenant shall pay Landlord an initial base rent per calendar month for the Lease Premises ("Base Rent") in the amount of

(a) [redacted] March 1, 2016 to July 31, 2016
August 1, 2016 to June 30, 2017
July 1, 2017 to June 30, 2018

; plus (b) any sales and use tax ("Tax") then in effect which Landlord is required to pay based upon such Base Rent. The rate of such Tax shall be the rate in effect on the date the Base Rent is due. The Base Rent has not been computed, and is not conditioned upon, the useable or rentable area of the Premises..

4.2. Base Rent Adjustment.

4.2.1. For Extension(s). Not Applicable.

4.3. Additional Rent. The following monthly charges, together with all other monetary obligations required to be paid by Tenant to or for the benefit of Landlord under this Agreement shall constitute additional rent ("Additional Rent") which is owed to Landlord with the next Base Rent payment due under this Agreement.

4.3.1. Operating Expense Pass Through. Tenant shall pay Landlord Additional Rent during the Lease Term equal to Tenant's proportionate share (forty percent(40%)) of all costs incurred by Landlord for: (a) operating and maintaining the Common Areas and Parking Area, which shall include, but are not limited to, (i) not applicable, (ii) all repairs and/or janitorial services in and to the Common Areas and Parking Area, and (iii) all garbage and/or snow

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removal; (b) all real property taxes assessed against the Building and Property in which the Premises are located; and (c) all insurance premiums for the Property and Building.

4.3.2. Percentage Rent Based on Gross Sales. None.

4.4. General Rental Provisions. All Base Rent shall be (a) paid in advance on or before the first (1st) day of each calendar month of the Lease Term and (b) prorated on a thirty (30)-day per month basis for any rental period of less than a full month. Unless otherwise directed by Landlord in writing, Tenant shall make all Base Rent payments to Landlord at Landlord's address set forth in this Agreement. All Rent shall be paid by Tenant in lawful currency of the United States of America and without deduction, setoff, counterclaim, recoupment or prior demand or notice by Landlord, which Tenant unconditionally and irrevocably waives its right to assert or require.

5. Security Deposit. **Three thousand dollars($3,000.00)**

6. Use of Premises.

6.1. Permitted Use. Tenant shall have the right, power and authority to use the Premises **any legal** activities directly incidental and related thereto (together "Permitted Use"). Each such Permitted Use shall be subject to all of the restrictions and requirements of this Agreement.

6.2. Compliance with Applicable Laws. Tenant shall comply with all local, state and federal laws, statutes, ordinances, rules, regulations, decrees, injunctions, orders and codes now or hereafter applicable to the Premises and/or Tenant's possession, occupancy or use of the Premises, regardless of whether they are of legislative, administrative or judicial origin or implement a new or changed governmental policy, including all of those which address planning, zoning, use, subdivision, occupancy, building, construction, maintenance, repair, health, safety, insurance, environmental conservation, environmental pollution and/or hazardous substances.

6.3. Required Permits. Tenant shall obtain and maintain, at its expense and throughout the Lease Term, all licenses, permits, approvals, consents and certificates (together "Required Permits") from local, state and federal authorities that may be necessary or appropriate for the Permitted Use of the Premises. This lease is void if required permits are not issued by September 30, 2016. Tenant warrants all reasonable efforts will be made to acquire required permits. All such Required Permits shall be issued to Tenant; provided, however, that Landlord shall have the option to acquire from Tenant, at no expense to Landlord, any or all such Required Permits, other than cannabis, liquor, wine and beer licenses, which are transferable to Landlord upon the expiration or sooner termination of this Agreement.

6.4. No Waste/Abuse. Tenant shall neither commit nor suffer waste on or abuse of the Premises, Common Areas or Parking Area. Upon the expiration or sooner termination of this Agreement, Tenant shall quit and peacefully surrender the Premises, Common Areas and Parking Area to Landlord in a condition at least as good as existed at the commencement of the Lease Term, normal wear and tear excepted. If Tenant causes any abnormal wear and tear or abuse

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or waste of or to the Premises, Common Areas or Parking Area, Tenant shall, at its expense and upon demand by Landlord, immediately eliminate such abnormal wear and tear or abuse or waste and pay for the restoration of the affected area(s).

6.5. Maintenance/Repairs.

6.5.1. By Landlord. Landlord shall, at its expense, maintain and repair in a good, safe and clean condition all parts of the Building and Property, including the outer walls, roofs and mechanical, plumbing and electrical systems of and in the Building. However, if Landlord is required to make any repairs that are caused by any negligent or wrongful intentional acts or omissions of Tenant or any of Tenant's representatives, agents, employees, licensees or invitees, Landlord may charge the reasonable cost of such repairs to Tenant as Additional Rent due in its entirety with the next monthly Rent payment..

6.5.2. By Tenant. Tenant shall, at its expense, maintain and repair in a good, safe and clean condition the Premises and all of its personal properties, fixtures, furniture and equipment located in and on the Premises, including, without limitation, all mechanical, plumbing and electrical systems including the interior ceilings, walls, windows, doors and floors of the Building. Tenant will maintain and replace all broken plate glass.

6.6. Parking Area. Subject to Section 4.3.1 of this Agreement, Landlord shall, at its expense: (a) maintain and repair the Parking Area; and (b) keep the Parking Area reasonably free and clear of snow and ice obstructions. Tenant acknowledges, accepts and assumes the risk, however, that the Parking Area may not always be sanded in the winter season and may be slippery.

7. Taxes and Assessments. Tenant shall be responsible for and promptly pay when due all personal property taxes and assessments levied against Tenant's personal properties, fixtures, furniture and equipment located in or about the Premises. Subject to Section 4.3.1 of this Agreement, Landlord shall be responsible for and promptly pay when due all real property taxes and assessments levied against the Property, including the Premises.

8. Utilities and Services. Subject to Section 4.3.1 of this Agreement, Landlord shall procure and pay for all exterior lighting. Tenant shall procure and pay for all other utilities and services required for the operation of the Premises, including, without limitation, all utilities electric, natural gas, telephone, telecommunications, data services and janitorial utilities and services for the Premises. Landlord shall not be liable to Tenant for any loss or damage caused by or resulting from any variation, interruption or failure of utilities or services required to be provided by Landlord arising from any cause, condition or event whatsoever; and no variation, interruption or failure of such utilities or services incident to the making of repairs, alterations or improvements, or arising from any casualty loss or damage, accident, strike, lockout or other labor dispute, condition, cause or event in whole or in part beyond the reasonable control of Landlord shall be deemed an actual or constructive eviction of Tenant or relieve Tenant from any obligation hereunder.

9. Liens and Encumbrances. Tenant shall have no right, power or authority to subject the Premises to any liens or title encumbrances, including, without limitation, mechanics' and

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materialmen's liens, mortgages and deeds of trust arising out of its use, improvements, additions, alterations or possession of the Premises.

10. Improvements, Alterations and Trade Fixtures.

10.1. Initial Improvements. Landlord is not required to make any improvements to the Premises.

10.2. Additional Improvements or Alterations. Tenant may make improvements or alterations to the Premises only with Landlord's prior written approval, which approval shall not be unreasonably delayed or withheld. Tenant is responsible for paying for (a) any and all such improvements or alterations made by or on behalf of Tenant and (b) all electrical, mechanical, plumbing and other Building upgrade costs necessitated by Tenant's improvements or alterations.

10.3. Ownership, Possession and Use of Permanent Improvements or Alterations. All permanent alterations or improvements to the Premises shall immediately become and remain the property of Landlord, subject to Tenant's right to possess and use them during the Lease Term, and shall remain in and on the Premises at the end of the Lease Term or sooner termination of this Agreement.

10.4. Notice of Non-Responsibility. Prior to commencing any improvements or alterations to the Premises Tenant shall obtain from Landlord and duly post and record an appropriate notice of Landlord's non-responsibility for such improvements and alterations, pursuant to AS 34.35.065. Tenant shall, upon the completion of any improvements or alterations to the Premises, promptly give and record an appropriate notice of completion respecting all such improvements and alterations, pursuant to AS 34.35.071.

11. Indemnification. Tenant shall defend, indemnify and save Landlord harmless from and against any and all claims, causes of action, suits, actions, proceedings, damages, losses, injuries, deaths, liabilities, judgments, awards, costs, expenses, interest and fees, including, without limitation, reasonable actual costs and attorneys fees, suffered or incurred by Landlord as a result of any act or omission by Tenant or its representatives, agents, servants, employees, invitees, licensees, contractors or subcontractors in, on or about the Premises, but only to the extent that Landlord's negligence or willful misconduct was not the legal cause thereof.

12. Insurance.

12.1. Liability Insurance. Tenant shall procure and maintain, at its expense: (a) commercial public liability insurance coverage, which includes coverage for (i) blanket contractual liability for all risks assumed by Tenant under this Agreement, (ii) property damage, and (iii) premises and operations. All such insurance shall: (a) name Tenant as the insured and Landlord as an additional insured; and (b) provide them with single limits coverage of at least One Million Dollars ($1,000,000) per occurrence and in the aggregate for those sums that the named insured and/or additional insured becomes legally obligated to pay because of bodily or personal sickness, illness or injury, death, property damage and/or economic loss or damage occurring in, on about or with respect to the Premises, the Building or any operations thereon or uses thereof.

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12.2. Property Damage Insurance. Tenant may obtain, maintain and keep, at its expense, throughout the Lease Term, all-risks physical damage insurance coverage on Tenant's furniture, equipment, fixtures and personal properties located in, on or about the Premises, but neither Tenant nor Landlord shall be required to do so.

12.3. Employers Liability/Workers Compensation Insurance. Tenant shall procure and maintain, at its expense in a form acceptable to the State of Alaska, employers' liability and workers' compensation insurance coverage for its activities and operations in, on, about and with respect to the Premises. Such employers' liability insurance shall provide coverage in at least the amount of the liability insurance coverage required in Section 12.1 and such workers compensation insurance shall provide coverage in at least the amount of the statutorily required limits.

12.4. General Requirements. All such insurance: (a) shall be issued by a responsible insurance company that (i) is licensed to do business in Alaska or is a surplus carrier then approved by the State of Alaska and (ii) then has general policyholder's rating of at least "B" in *Best's Key Rating Guide*; (b) shall continue in effect until the expiration of the Lease Term; and (c) shall provide by endorsement (i) that such insurance is primary with respect to all other insurance, and without right of contribution from any other insurance, that may be carried or issued to or for the benefit of Landlord, (ii) that no such insurance shall be canceled or materially changed as respect the interests of Landlord on less than thirty (30) days prior written notice to Landlord at its address in Section 23.17, except in the case of war and allied risks for which seven (7) days prior written notice or such lesser period as may be specified in the policy conditions shall be given. Tenant shall, within thirty (30) days after the Effective Date of this Agreement, and thereafter whenever Landlord may reasonably require, provide Landlord with the policies evidencing such coverage or, alternatively, a current written certificate(s) issued by an authorized representative or agent of Tenant's insurer(s), which states with specificity that each and every one of the foregoing insurance coverages is in full force and effect. Prior to Tenant using or occupying any portion of the Premises, Tenant shall provide Landlord with a written binder evidencing that all such coverage is in full force and effect.

12.5. Waiver of Subrogation Rights. Landlord and Tenant hereby mutually release each other from all liabilities and claims and waive all rights of recovery and remedies against each other for and to the extent of their respective insurance coverages for such liabilities and claims, including any extended coverage and endorsements thereto; provided, however, that this release and waiver shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of either Landlord or Tenant

13. Damage to Building. In the event that the Premises that is necessary for the Permitted Use is damaged by fire, earthquake or other casualty, Landlord shall have the option to forthwith repair such damages, if such repairs can, with ordinary efforts (not including overtime) be made within ninety (90) days after such damages occur. Provided that such damage is not caused by Tenant's willful or negligent act or omission, there shall be a proportional abatement of Tenant's Rent obligations based upon the extent to which Tenant's normal occupancy and use of the Premises is curtailed or interfered with during the period when such repairs are being made.

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Otherwise, there shall be no Rent abatement for such curtailment or interference. In the event that the Premises are destroyed or such repairs cannot, with ordinary efforts (not including overtime), be made within ninety (90) days after such damages occur, Landlord (and Tenant if such damage is not caused by Tenant's willful or negligent act or omission) shall each have the option to terminate this Agreement, provided that the party exercising the option gives written notice of its exercise of the option to the other party within thirty (30) days following the date the casualty occurred.

14. Condemnation. If any part of the Premises that is necessary for the Permitted Use should be taken under power of eminent domain, or by a purchase in lieu thereof, whether by a public, quasi-public or private entity, this Agreement shall, at the time of such condemnation, or, at the option of Landlord, at the time of the taking, terminate; and the Rent for the calendar month in which the Lease Term so ends shall be prorated between Tenant and Landlord. Otherwise, this Agreement shall continue in effect with no reduction in Rent. In either case, all compensation for the taking shall belong exclusively to Landlord, irrespective of whether such compensation is awarded for the decrease in the value or the taking of the leasehold estate or the reversionary fee interest. However, Tenant may make separate claim for moving expenses and the value of any of its personal property which has been condemned.

15. Default. In the event that Tenant should fail to observe any condition it is required to observe or should default in the performance of any of its obligations or in the satisfaction of any of its liabilities under or with respect to this Agreement, including the timely payment of Rent, Landlord shall give Tenant notice of the particulars of such default. If (a) within ten (10) days after the giving of any such notice, Tenant has not completely cured all defaults in the payment of Rent and (b) within twenty (20) days after the giving of such notice, Tenant has not completely cured, or commenced to cure and be diligently proceeding toward a complete cure of, all of its other defaults, Landlord may elect, but is not required to elect, among the following remedies.

15.1. If Tenant Has Not Abandoned Premises.

15.1.1. Remedy With Termination. If Tenant has not abandoned the Premises and Landlord elects this remedy, Landlord shall so notify Tenant. This Agreement shall thereupon terminate; Landlord may thereupon evict and dispossess Tenant from the Premises; and Tenant shall thereupon pay Landlord all unpaid Rent and all damages suffered by Landlord as a result of such default, which rights and remedies shall survive such termination.

15.1.2. Remedy Without Termination. If Tenant has not abandoned the Premises and Landlord elects this remedy, Landlord shall so notify Tenant. This Agreement shall not terminate; and Tenant shall thereupon pay Landlord: (a) all unpaid Rent and damages which it then owes to Landlord; and (b) the present value, computed at a discount rate of six percent (6%) per annum, of the Rent payable for the remainder of the Lease Term, which shall thereupon be accelerated and become due and owing. Landlord may proceed immediately against Tenant to collect all such Rent (including accelerated Rent) and damages. If Tenant pays Landlord all such Rent (including accelerated Rent) and does not further default under this Agreement, Tenant may continue to possess and use the Premises for the remainder of the Lease Term. Otherwise, Landlord may evict and dispossess Tenant from the Premises by appropriate legal proceedings

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without terminating this Agreement; in which case Landlord shall attempt to mitigate Tenant's damages by seeking to relet the Premises for Tenant's account to a new tenant during the remainder of the Lease Term on such terms and conditions as may be commercially reasonable under the circumstances, including for more or less rent, for more or less space, as a whole or in parcels, for a shorter or longer term, and/or to itself or to an affiliate. If Landlord is successful in reletting the Premises, all rental payments received by Landlord from the new tenant during the Lease Term shall be duly credited against the Rent (including accelerated Rent) and damages Tenant then owes to Landlord. However, Tenant's liability to Landlord for such Rent (including accelerated Rent) and damages shall not be delayed or reduced by anticipated future rental payments from any new tenant. At the end of the Lease Term, Landlord shall reimburse Tenant for the excess (if any) of the net rent it collects during the Lease Term for reletting the Premises which exceeds the total Rent (including accelerated Rent) and damages Tenant owes Landlord (if any). No re-rental of all or a portion of the Premises to Landlord or any affiliate for Tenant's account shall cause any termination of this Agreement or merger of Landlord's and Tenant's respective reversionary and leasehold estates.

15.2. <u>If Tenant Has Abandoned Premises</u>.

15.2.1. <u>Remedy With Termination</u>. If Tenant has abandoned the Premises and Landlord elects this remedy, Landlord shall notify Tenant of such election and Landlord's acceptance of Tenant's resulting offer to surrender the Premises. This Agreement shall thereupon terminate; and Tenant shall thereupon pay Landlord all unpaid Rent and damages suffered by Landlord as a result of such default, which rights and remedies shall survive such termination.

15.2.2. <u>Remedy Without Termination</u>. If Tenant has abandoned the Premises, and Landlord elects this remedy, Landlord shall notify Tenant of such election. Such notice shall imply, and need not state, that Landlord has declined to accept Tenant's resulting offer to surrender the Premises. This Agreement shall not terminate and Tenant shall thereupon pay Landlord: (a) all unpaid Rent and damages owed to Landlord by Tenant through such termination; and (b) the present value, computed at a discount rate of six percent (6%) per annum, of the Rent payable for the remainder of the Lease Term, which shall thereupon be accelerated and become due and owing. Landlord may proceed immediately against Tenant to collect all such Rent (including accelerated Rent) and damages. Landlord shall attempt to mitigate Tenant's damages by seeking to relet the Premises for Tenant's account during the remainder of the Lease Term on terms and conditions that are commercially reasonable under the circumstances, including for more or less rent, for more or less space, as a whole or in parcels, for a shorter or longer term, and/or to itself or to an affiliate. If Landlord is successful in reletting the Premises, all rental payments received by Landlord from the new tenant during the Lease Term shall be duly credited against the Rent (including accelerated Rent) and damages Tenant then owes to Landlord. However, Tenant's liability to Landlord for such Rent (including accelerated Rent) and damages shall not be delayed or reduced by anticipated future rental payments from any new tenant. At the end of the Lease Term, Landlord shall reimburse Tenant for the excess (if any) of the net rent it collects during the Lease Term for reletting the Premises which exceeds the total Rent (including accelerated Rent) and damages Tenant owes Landlord (if any). No re-rental of all or a portion of the Premises to Landlord or any affiliate for Tenant's account shall cause any termination of this Agreement or merger of Landlord's and Tenant's respective reversionary and leasehold estates.

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15.3. No Surrender/Waiver/Release. No surrender of this Agreement and no waiver or release of any of Landlord's rights or remedies or of Tenant's obligations under this Agreement or termination of this Agreement shall occur as a result of any act, error, omission or conduct, verbal or nonverbal, on the part of Landlord or its agents or representatives in the absence of an express notice from Landlord to Tenant that Landlord has agreed to such surrender, waiver, release or termination.

15.4. Other Remedies. Nothing contained in this Agreement shall require Landlord to elect one of the remedies provided for in this Agreement. Landlord may initially or subsequently elect any other remedy it may have in equity or at law. All overdue sums owed by Tenant to Landlord under or with respect to this Agreement shall bear interest at the legal rate provided in AS 45.45.010(a) or its successor ("Legal Rate").

15.5. Specific Occurrences Constituting Default by Tenant. A material default by Tenant under this Agreement shall include, without limitation: (a) any failure by Tenant to fully, faithfully and timely pay all or any part of the Rent due under this Agreement, provided however, Tenant shall be given written notice thereof and such failure continues for ten (10) business days after receipt of the notice before such failure constitutes a default hereunder; (b) any failure by Tenant to fully, faithfully and timely perform any other material duties or obligations under this Agreement provided however, Tenant shall be given written notice thereof and such failure continues for twenty (20) business days after receipt of the notice before such failure constitutes a default hereunder; (c) any failure to procure or maintain the insurance coverage required under this Agreement; (d) any repudiation or anticipatory breach by Tenant of any of its material duties or obligations under this Agreement; and (e) the filing of any voluntary petition in bankruptcy by Tenant or the filing of any involuntary petition in bankruptcy against Tenant that is not dismissed within ten (10) days.

16. Quiet Enjoyment. Provided that Tenant fully, faithfully and timely performs its obligations to Landlord under this Agreement, Tenant shall quietly enjoy the use of the Premises, Common Areas and Parking Area during the Lease Term on the terms and conditions of this Agreement.

17. Inspection. Landlord shall have the right to inspect and/or repair the Premises during such reasonable times as may be mutually arranged between the parties, unless there is an emergency, in which event Landlord may enter the Premises at any time to secure or repair the same.

18. Holding Over. In the event that Tenant remains in possession of the Premises after the expiration of the Lease Term with Landlord's permission, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant and using the Common Areas and Parking Area as a month-to-month licensee, subject to all of the terms and conditions of this Agreement and the law, insofar as they may be applicable thereto.

19. Estoppel Certificate. Within twenty (20) days after written request therefor by Landlord, Tenant shall deliver to Landlord in recordable form a certificate provided by Landlord

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or a person or entity designated by Landlord, addressed to any person designated by Landlord which: (a) certifies (i) that this Agreement is valid, enforceable and in full force and effect and (ii) that there are no defenses or offsets available to Tenant under or against it; or (b) states (i) why this Agreement is not valid, enforceable and in full force and effect and (ii) all defenses and offsets available to Tenant under or against it.

20. Attornment. In the event any proceedings are brought for the foreclosure of or exercise of any power of sale under any mortgage, deed of trust or security interest covering the Premises, Common Areas and/or Parking Area, Tenant shall, within twenty (20) days after written request therefor by Landlord or its successor, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Agreement.

21. Subordination. Landlord reserves the irrevocable and unconditional right to unilaterally subject and subordinate the Premises to the lien of any mortgage, deed of trust or security interest now or hereafter placed upon Landlord's right, title or interest in or to the Premises, Common Areas and/or Parking Area, the Property or the Building and to all advances made or hereafter to be made upon the security thereof, provided that Landlord adequately protects Tenant's interest in the Premises, Common Areas and/or Parking Area by an appropriate non-disturbance agreement. Tenant shall within twenty (20) days after written request therefor by Landlord execute and deliver such further instruments evidencing such subordination as Landlord may request. Tenant hereby irrevocably appoints Landlord as its attorney in fact to execute and deliver any and all such instruments as Tenant fails or refuses to execute and deliver, which appointment shall survive the death/dissolution of Tenant and is coupled with an interest in Landlord.

22. Sale/Transfer of Premises. In the event of a sale or other transfer of the Property by Landlord to any other person or entity, Landlord shall have the right to transfer and assign this Agreement to the vendee or transferee; and, upon the assumption of this Agreement by such vendee or transferee, Landlord shall be thereafter released from all of Landlord's obligations and liabilities to Tenant under this Agreement or otherwise with respect to the Premises, Common Areas and Parking Area. Landlord shall provide Tenant with written notification of transfer of the security deposit.

23. General Provisions.

23.1. Time of Performance. Time is of the essence of this Agreement. It is the express intention of all of the parties to this Agreement that no extensions or grace periods beyond the deadlines set forth in this Agreement shall be provided, because all intended extensions and grace periods have been taken into consideration in establishing such deadlines.

23.2. Parties Bound and Benefitted. The covenants, terms and conditions contained in this Agreement shall be binding upon and inure to the benefit of the heirs, devisees, administrators, executors, representatives, assigns and successors in interest of the respective parties hereto. No third parties are intended to be benefited by this Agreement.

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23.3. Amendment/Novation. No amendments, deletions or additions or other forms of amendment or novation to or of this Agreement shall be effective unless they are completely and unambiguously contained in a writing executed by all of the parties to this Agreement.

23.4. Marginal Titles and Headings. The marginal titles, subtitles, headings and subheadings of the paragraphs, subparagraphs, sections and subsections herein are intended to be for reference and for the sake of convenience only and shall not be construed to narrow or broaden the scope of or affect whatever interpretation or construction would otherwise be given to the plain and ordinary meanings of the words herein.

23.5. Entire Agreement. This written Agreement has been fully integrated, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all other prior or contemporaneous agreements, contracts, representations, promises, acknowledgments, warranties and covenants, oral or written, by and between the parties with respect to such subject matter which are not included herein.

23.6. Applicable Law. This Agreement and the respective rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Alaska and the United States of America.

23.7. Exclusive Jurisdiction and Venue. In the event that a question, dispute or requirement for interpretation or construction should arise with respect to this Agreement, the jurisdiction and venue therefor shall lie exclusively with the courts for the Third Judicial District for the State of Alaska, at Anchorage, Alaska, or, alternatively, with the United States District Court for the District of Alaska, at Anchorage, Alaska, unless a nonwaivable federal or state law should require to the contrary.

23.8. Limited Waivers. Any failure or delay by any party to object to a default or exercise any rights or remedies under this Agreement shall not constitute a waiver of the right to do so in the future, unless such failure is accompanied by an express written waiver by such party.

23.9. Gender. Unless the context of this Agreement clearly requires a different interpretation or construction, all references to the masculine, feminine or neuter genders shall be construed to refer to all such genders and vice versa.

23.10. Plurality. Unless the context of this Agreement clearly requires a different interpretation or construction, all references to the singular shall also include the plural and vice versa.

23.11. Risk of Loss and Damage. Until Tenant first enters the Premises to beneficially use or occupy such Premises, all risk of loss and damage to the Premises shall remain with Landlord. Thereafter, it shall pass to Tenant.

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MFY LJS.

23.12. Counterparts. This Agreement may be executed in counterparts so long as each of the parties to this Agreement executes at least one counterpart; and all such executed counterparts shall collectively constitute one and the same original instrument.

23.13. Warranties by Landlord. Landlord, and each individual executing this Agreement on its behalf, acknowledges, warrants and represents: (a) that Landlord is an Alaska corporation that has been duly formed, organized and capitalized; (b) that each individual executing this Agreement for and on behalf of Landlord is duly authorized and empowered to do so; (c) that all necessary and appropriate action authorizing Landlord to enter into, execute and perform this Agreement and the transactions called for and contemplated herein has been obtained; and (d) that all steps have been taken and acts performed that are conditions precedent to making this legal instrument valid, enforceable and binding against Landlord.

23.14. Warranties by Tenant. Tenant, and each individual executing this Agreement on its behalf, acknowledges, warrants and represents: (a) that Tenant is a Alaska individual that has been duly formed, organized and capitalized; (b) that each individual executing this Agreement for and on behalf of Tenant is duly authorized and empowered to do so; (c) that all necessary and appropriate action authorizing Tenant to enter into, execute and perform this Agreement and the transactions called for and contemplated herein has been obtained; and (d) that all steps have been taken and acts performed that are conditions precedent to making this legal instrument valid, enforceable and binding against Tenant.

23.15. Independent Counsel. Each party to this Agreement acknowledges that it has enjoyed the advice and representation of competent independent legal counsel in negotiating, entering into and executing this Agreement, or has waived its right to do so; and the fact that this Agreement may have been drafted in whole or in part by one such party's counsel shall not cause any part of this Agreement to be construed against such party.

23.16. Severability. In the event that any term or condition of this Agreement is declared by a court of competent jurisdiction to be void or unenforceable, the remaining terms and conditions shall nevertheless be valid and enforceable; and such void or unenforceable term shall be modified to the minimum extent necessary to be valid and enforceable to the fullest extent permitted by applicable law and enforced as such.

23.17. Notices. Each notice required under this Agreement or by law shall: (a) be in writing; (b) contain a clear and concise statement setting forth the subject thereof and the reasons therefor; and (c) be personally delivered, duly mailed by certified mail, or return receipt requested, to each party to this Agreement at its following address or to such other address as such party may notify the other party of from time to time:

Landlord:

O'Neill Properties, Inc.
Attn: Lowell J. Shinn, President
P.O. Box 241605
Anchorage, Alaska 99524-1605

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MEY LS.

Tenant:

Alaska Aurora Enterprises LLC
Marius Yinh, member
5328 Caribou Ave
Anchorage, Alaska 99508

23.18. Attorneys Fees and Legal Costs. All of the attorneys fees and legal costs incurred by the respective parties in negotiating and entering into this Agreement shall be borne by the respective parties. All legal costs and attorneys fees actually incurred by any party to this Agreement to enforce any duties or obligations of any other party under this Agreement or any instruments executed in connection herewith shall be paid to the prevailing party by the other party and shall bear interest at Legal Rate.

23.19. Assignment/Sublease/Encumbrance. Tenant shall have no right, power or authority to assign, transfer, encumber, sell, convey or sublet any rights in or to this Agreement or the Premises without the express prior written consent of Landlord, except Tenant shall have right to sublease to AM Frontier Inc.(doing business as AM Delight). Such consent shall not be unreasonably delayed or withheld. A change in the control of a corporate Tenant under AS 10.06.990(12) (similarly applied for a non-corporate Tenant) shall constitute a prohibited transfer of Tenant's rights in the Premises and this Agreement, provided, however, that for the purposes of this Agreement, the percentage of ownership or voting power referred to in AS 10.06.990(12)(a) shall be changed to fifty percent (50%) or more.

23.20. Signs. Tenant shall be allowed one two foot high by six foot wide sign above the Tenant front door. All fees and costs associated with Tenant's sign shall be the responsibility of Tenant, including the costs to remove such sign at the expiration or sooner termination of this Agreement. Tenant shall place no other signs in or about the Building.

Formation

In witness whereof, the parties have entered into, executed and delivered this Agreement, effective the First day of March, 2016 ("Effective Date").

LANDLORD:

O'Neill Properties, Inc.
An Alaska corporation

By Lowell J. Shinn
O'Neill Properties, Inc.
Lowell J. Shinn
Its President

DATED: August 4, 2016

TENANT:

Alaska Aurora Enterprises LLC
Marius Yinh, member

By

DATED: Aug 4, 2016

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LJS
MEY

LEASE AGREEMENT

This lease (this "lease") is made effective as of March 1, 2016 between Alaska Aurora Enterprises LLC (the "lessor"), AM Frontier Inc dba AM Delight (the Lessee), PO Box 190856, Anchorage, AK 99519, and states the agreement of the parties as follows.

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The lessor shall lease the property listed below:

3902 Spenard Rd
Anchorage, AK 99517

Payment Terms The lessee shall make payments of $2500.00 each month for the total duration of the lease. Payments shall be due on the 1st day of each month. The lease payments shall be due whether or not the Lessee has received notice of payment due.

SERVICE CHARGE If any lease installment is not paid within thirty days after the due dates, the Lessee shall pay to the Lessor a service charge of $ 150.00

Lease TERMS This lease shall begin on the above effective date and shall remain valid for two years ending June 30, 2018 unless otherwise terminated in a manner consistent with the terms of this lease.

OPERATION OF PROPERTY The property may only be used in a careful and proper manner. Its use must comply with all laws, ordinances and regulations relating to the possession, use. Owner has given written permission for AM Delight to do business as a marijuana retail and cultivation but the building will only have a retail. Building is coded M for mercantile and will not be used as a cultivation facility.

ALTERATIONS Lessee shall make no alterations to the property without the prior written consent of the Lessor. All alterations shall be property of the Lessor and subject to the terms of the Lessee.

MAINTENANCE AND REPAIR The Lessee shall maintain at the Lessee's cost. Such costs shall include labor, material, parts, and similar items.

LESSORS RIGHT OF INSPECTION The Lessor shall have the right to inspect the property during Lessee's normal business hours with understanding of security procedure.

SIGNAGE: All signs must be attached to the building and none shall be erected in the lot or on top of the building.

Alaska Aurora Enterprises LLC

OPTION TO RENEW If the lessee is not in default upon the expiration o f this lease, the Lessee shall have the option to renew this Lease for a similar term on such terms as the parties may agree at the time of such renewal. This lease will be reviewed for renewal 90 days prior to June 30, 2018.

LESSOR:

Alaska Aurora Enterprises Date 28 Oct 2016

Marius Yinh- Alaska Aurora Enterprises LLC

Marius Yinh

Print Name

LESSEE:

AM Frontier Inc Date 10/28/16

Angela Robinson-AM Frontier Inc dba AM Delight

Angela Robinson

Print Name

STATE OF ALASKA
NOTARY PUBLIC
Kristina McDaniel
My Commission Expires: April 22, 2020

Notarized this day October 28 2016

Notary

Alaska Aurora Enterprises LLC

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To Whome it May Concern,

The following Lease agreement was signed prior to the current date. The signatures are now with printed names and business names to satify the request of the AMCO board. All lease agreements are still as standing in the original lease from the original date of the agreement.

Sincerely,

Marius Yinh- 28Oct 2016

Owner- Alaska Aurora Enterprises LLC

Subcribed and Sworn to before me, the undersigned Notary Public in and for the State of Alaska this 28th day of October, 2016.

My Commission Expires 4/22/20

STATE OF ALASKA
NOTARY PUBLIC
Kristina McDaniel
My Commission Expires: April 22, 2020

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MUNICIPALITY OF ANCHORAGE

Development Services Department
Addressing email: Addressing@muni.org

Phone: 907-343-8466
Fax: 907 249-7475

Mayor Ethan Berkowitz

April 4, 2016

To Whom It May Concern:

This letter is in regards to the official Municipal addresses assigned to:

010-123-01, CONROY RUSHTON Subdivision, Lot 11

010-123-01 has assigned "3900 Spenard Road" and "3902 Spenard Road". There are two separate addresses that are occupied by different businesses.

According to Municipal Property Records (which must be verified by Property Appraisal, Addressing has no authority over ownership information, we only see what is listed in the records) Ownership of Lot Lot 11 is "O'NEILL PROPERTIES INC".

If you need further information on Property Ownership you must verify that with Municipal Appraisal at 907-343-6700.

If you need any further information about Official addresses assigned to the properties above, please do not hesitate to contact us.

Regards,

Jennifer Benson
MSAG Coordinator

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March 22, 2016

O'Neill Properties Inc.
PO Box 241605
Anchorage, Alaska 99524

To Whom It May Concern:

O'Neill Properties, Inc., the owners of the commercial retail property at 3902 Spenard Road, acknowledges that AM Delight/AM Delight Cultivation is involved in the cannabis industry and has possession of the building.

Lowell Shinn
Lowell Shinn 3/22/2016
President Date

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