# Commercial Sublease

**Dated**: 10th day of January, 2018

**Subleasee**: The Turnion Corporation
Po Box 563
Girdwood, Alaska 99587

**Tenant**: Turnagain Manufacturing Company
Po Box 994
Girdwood, Alaska 99587

1. Lease Premises:

In consideration of the covenants and agreements herin contained, Subleasee does hereby lease, let and demise unto Tenant for a term of three (3) years the real property described as:

PROPERTY: A Portion of a building located in Lot 7E & 7D, Block 2, Interair Subdivision, Alaska
UNIT: 524 E 48th Avenue, Unit 1 Anchorage Alaska 99503

2. Possession:

Tenant shall be entitled to possession of the premises as of January 10, 2018.

3. Basic Term:

The term of the Lease shall be three (3) years. The Tenant has the right to extend this Lease for an additional five (5) years at a monthly rate of TWENTY THOUSAND DOLLARS ($20,000) beginning January 2, 2020.

4. Rent and Security Deposit

Tenant shall pay to Subleasee a security deposit of TWENTY THOUSAND DOLLARS ($20,000) in addition to the first month's rent. Security deposit and rent payments to begin when Tenant receives their marijuana license from the State of Alaska.



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5. Utilities

Tenant will pay for their own gas and electricity.

6. Insurance

Tenant is liable for all insurance as it pertains to the property and their business. Amounts to be determined once construction is complete.

7. Payment of Rent

Basic monthly rent shall be payable on or before the first (1st) day of each calendar month during the term hereof, at Subleasee's address shown above or such other address designated in writing by Subleasee. Tenant shall pay any additional rent payable to Subleasee within ten (10) days after receipt of Subleasee's statement setting for the amount of additional rent payable.

8. Use

Tenant will use and occupy the premises for retail marijuana sales. Tenant will not in any manner deface the property, the building, or permit anything to be done upon the premises creating a nuisance, or to use or permit the use of the premises for lodging or sleeping purposes, or for any illegal purpose.

9. Repairs and Improvements

Tenant hereby agrees to maintain and keep the premises during the term of this Lease, at Tenant's own cost and expense, in good order and repair; reasonable wear and tear excepted. Any and all improvements must be performed by a licensed contractor.

10. Alteration of Premises

Tenant agrees that it will make no alterations, additions or improvements to or upon premises without the written consent of Subleasee first being obtained. Such consent shall not be unreasonable withheld. Any such alterations, additions and improvements consented to by Subleasee shall be made at Tenant's expense. Tenant shall secure all governmental permits required in connection with such work and shall hold Subleasee harmless from all liability and liens resulting therefrom. All alterations, additions and improvements, except trade



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fixtures and appliances and equipment which do not become permanently attached to the building, shall immediately become a part of the realty and the property of Subleasee without obligation or pay therefore, except that Subleasee may require removal of all or part there of by Tenant at the termination of the Lease, at Tenant's expense, and Tenant shall pay for or repair any damages to the premises, including, without limitation, any necessary patching, repainting and repairing caused by such removal. Upon removal of the trade fixtures and appliances and equipment which do not become attached to the building, Tenant shall restore the premises to the same condition that it was in prior to the installation of said items, including, without limitation, any necessary patching, repainting and repairing.

11. Landlord's Right of Entry

It shall be lawful for Subleasee, it's agents and representatives, at any reasonable time, upon five days written notice, to enter into or upon the premises for the purpose of examining the condition thereof, or any other lawful purpose. It is understood that such entry is only permitted once the Tenant, or one of it's agents, deems the individual(s) legal to enter the premises as a designated Visitor. Subleasee, it's agents and representatives, understands the legal prohibition to not enter a restricted access area until the Subleasee, it's agents and representatives, have first obtained a visitor's badge and is cleared to enter the premises under escort by the Tenant or one of it's agents. Subleasee access to premises is governed by State of Alaska marijuana laws.

12. Liens:

Tenant will not permit any mechanics', laborers', or materialmens' liens to stand against the leased premises or improvements for any labor or material furnished to Tenant or claimed to have been furnished to Tenant, or to Tenant's agents, contractors, or sub-leasees, in connection with work of any character performed or claimed to have been performed on said premises or improvement by or at the direction of sufferance of Tenant; such reasonable security as may be demanded by Subleasee to insure payment of such lien or such claim of lien. Tenant will pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Tenant's own expense. Tenant agrees to indemnify, hold harmless and to defend Subleasee and the leased premises from such liens. Tenant consents to the Subleasee's recording of the posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065.



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13. Damage by Casualty, Fire & Duty to Repair

In the event of damage to the building on the premises by fire or other casualty to the extent of 50 percent or more of the sound value thereof, Tenant may or may not elect to terminate this Lease. Written notice of Tenant's said election shall be given Subleasee within 30 days after the occurrence of said damage. If said notice is not so given, Tenant conclusively shall be deemed to have elected not to terminate. If said building is partially destroyed and the damage so occasioned shall not amount to the extent indicated above, or if greater than such extent and tenant does not elect to terminate, as aforesaid, then Tenant shall repair such building as as soon as reasonably possible. For the period of time between the day of such damage and until such repairs have been substantially completed there shall be such abatement of rent as the nature of the injury or damage and its interference with the occupancy of the premises by Tenant shall warrant. However, if the premises are slightly injured and the damage so occasioned shall not cause any material interference with the occupation of the premises by Tenant then there shall be no abatement of rent.

14. Waiver of Subrogation Rights

Neither party shall be liable to the other for loss arising out of damage to or destruction of the premises, or any improvement of which the premises are a part, or the contents thereof, when such loss is caused by any of the perils which are or could be included within or insured against by a standard form of fire insurance with extended coverage. All such claims for any and all loss, however caused hereby are waived. Said absence of liability shall exist whether or not the damage or destruction is caused by the negligence of either Subleasee or Tenant or by any of their respective agents, servants, or employees.

15. Accidents to Personal Property

It is understood that the personal property kept on the premises by Tenant shall be kept at the risk of Tenant and Subleasee is not insurer of Tenant's personal property. However, Subleasee shall be responsible for any damage to Tenant's property caused by negligence of Subleasee. Tenant shall insure within the premises, its fixtures and contents against fire and other casualty, included in standard extended coverage by policies which shall include a waiver by the insurer of all right of subrogation against Subleasee or Tenant in connection with any loss or damage thereby insured against. Neither party, nor its agents, employees or guests shall be liable to the other for loss or damage caused by any risk covered by such insurance.



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16. Indemnification

Tenant shall defend and indemnify Subleasee and save it harmless from and against any and all liability, damages, costs, or expenses, including attorney's fees, arising form any act, omission, or negligence of Tenant or the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Tenant in or about the premises, or arising from any accident, injury, or damage, howsoever and by whosoever caused, to any person or property, occurring in or about the premises and which is due to the negligence of Tenant or its agents. Subleasee shall similarly indemnify and defend and hold harmless Tenant to the same degree for any acts, omissions or negligence of Subleasee or the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Landlord.

17. Eminent Domain

In case of condemnation or appropriation of all or any substantial part of the premises by any public or private corporation under the laws of eminent domain, this Lease may be terminated at the option of either party here to on 20 days written notice to the other. In case of termination pursuant to this paragraph, Tenant shall not be liable for any rent after the date of Tenant's removal from the premises.

18. Delivering up the Premises on Termination

At the expiration of the term of this Lease or upon any sooner termination hereof, Tenant shall quit and deliver up the premises and all future erections and additions to or upon the same, broom clean, to Subleasee or those having Subleasee's estate in the premises, peacefully quietly, and in as good order and condition, reasonable use and wear thereof and insured casualty excepted, as the same are now in, or will be upon completion of construction, or hereafter may be put in by Subleasee.

19. Removal of Property

In the event of any entry in or taking possession of the premises by Subleasee pursuant to the terms of this Lease, Subleasee shall have the right, but not the obligation, to remove from the premises all personal property located therein and may store the same in any place selected by Subleasee, including, but not limited to, a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, upon reasonable notice to Tenant, the proceeds of such sale to be applied first to the costs of such sale, second to the payment of charges for storage, if any, and third, to the payment of any other sums of money which may



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then be due from Tenant to Subleasee under any of the terms hereof, the balance, if any, to be paid Tenant. There shall be no removal of property from the premises until AMCO or an agent of the Marijuana Control Board has been contacted and given the Subleasee the authority to enter the restricted access areas.

20. Default

If Tenant at any time during the term of this Lease (and regardless of any pending bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal) shall:

(a) fail to make payment of any installment of rent or any other sum herein specified to be paid by Tenant, and Tenant fails to cure such default within ten days after such failure to make payment; or

(b) fails to observe or perform any of Tenant's other covenants, agreements or obligation hereunder, and if within thirty (30) days after Subleasee shall have given to Tenant written notice specifying such default or defaults, Tenant shall not have commenced to cure such default and proceed diligently to cure the same; or

(c) file a Petition for an Arrangement under Chapter 11 of the Bankruptcy Act, 11 USC 701 et seq., or a voluntary petition under any other provision of said Bankruptcy Act, or if Tenant finally and without further possibility of appeal or review:

(1) is adjudicated as bankrupt or insolvent; or

(2) has a receiver appointed for all of substantially all of its business or assets on the ground of Tenant's insolvency; or

(3) has itself appointed as debtor-in-possession; or

(4) has a Trustee appointed for it after a petition has been filed for Tenant's reorganization under the Bankruptcy Act of the United States known as the Chandler Act or any future law of the United States having the same general purpose; or

(5) if Tenant shall make an assignment for the benefit of its creditors, then in any such event Subleasee shall have the right at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Tenant notice of Subleasee's intention to terminate this Lease and all Tenant's right hereunder, on a date specified in such notice, which date shall not be less than ten days after the date of giving such notice, and on the date specified in such notice, the term of this Lease and all rights granted Tenant hereunder shall come to an end as fully as if the Lease then expired by its own terms, and Tenant hereby covenants peaceable and quietly to yield up and surrender to Subleasee the premises and all structures, buildings, and improvements located thereon, and to execute and deliver to Subleasee such instrument or instruments as shall be required by Subleasee as will properly evidence



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termination of Tenant's rights hereunder or its interest therein. In the event of termination of this Lease as in this paragraph above provided, Subleasee shall have the right to repossess the premises and such structures, buildings, and improvements either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Tenant, including damages for rent not then accrued, provided that Subleasee and Tenant agree that Subleasee's damages shall not exceed (a) the sum of basic monthly rental reserved hereunder from the date Tenant vacates the premises until the date as a new tenant has been or, with the exercise of reasonable diligence on the part of Landlord, could have been, secured; (b) reasonable advertising and brokerage commission expenses associated with securing a new tenant and reasonable expenses for maintaining the premises while vacant; and (c) the difference (at net present value) between the basic monthly rental of this Lease and the new lease, if less, and if negotiated in good faith.

21. Assigning and Subletting

Tenant shall have no right to assign this Lease or sublet the premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to occupy the premise or any portion thereof.

22. Modification

This lease shall not be altered, changed or varied in any manner whatsoever, except by a writing signed by Subleasee and Tenant or their duly authorized agents.

23. Rights and Remedies

Except insofar as this is inconsistent with or contrary to any provision of this Lease, no right or remedy herein conferred upon or reserved to Subleasee is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right to remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

24. Waiver and Forbearance

Except to the extent that Landlord may have otherwise agreed in writing, no waiver by Landlord of any breach by Tenant of any of its obligations, agreements or covenants



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hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by Subleasee to seek a remedy for any breach of Tenant be deemed a waiver by Subleasee of its rights or remedies with respect to such breach.

25. Holding Over

In the event that Tenant holds over at or after the end of the term, the tenancy shall be deemed a month-to-month tenancy commencing on the first day of the holdover period. The terms of such holdover tenancy shall be as specified by this Lease except that the Tenant may terminate the tenancy at any time provided thirty days prior notice is given Subleasee.

26. Quiet Enjoyment

Subleasee warrants that Tenant shall be able to quietly enjoy the beneficial use of the premises during the entire basic Lease term and any renewal thereof and Subleasee shall defend Tenant's right to do the same.

27. Marginal Titles and Headings

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

28. Entire Agreement

This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior or contemporaneous agreements, oral or written, between the parties not included herein.

29. Applicable Law

This Lease and the respective rights and obligations of the parties shall be construed and interpreted in accordance with the laws of the State of Alaska.



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30. Severability

The invalidity or unenforceability of any particular provision of this Lease shall not affect the remaining and hereof, and, in any such event, this Lease shall be construed and interpreted in all respects as if such invalid or unenforceable provisions were omitted.

31. Gender and Plurality

Unless the context of this Lease 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 all references to the singular shall also include the plural, and vice versa.

32. Counterparts

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

33. Action or Suit

If either party institutes any suit or action to collect the amounts due hereunder or to enforce any covenant or agreement hereof, or to obtain any of the remedies herein provided, the prevailing party shall be entitled to recover such sum of money as the court may adjudge reasonable as attorney's fees in such suit or action, including any appeals taken by either party in such suit or action.

34. Notices

All notices, requests, demands and other communications under this Lease shall be in writing and shall be deemed to have been duly given on the date of service, if served personally on the party to whom notice is to be given, or on the third day after mailing, if mailed to the party to whom notice is to be given, by certified mail, postage prepaid, and properly addressed to the address stated above. Any party may change its address for purposes of this Lease by giving the other party written notice of the new address in the manner set forth above.



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35. Parties Affected

The rights, liabilities and remedies provided for herein shall extend to the successors and assigns of the parties hereto. The words "Subleasee" and "Tenant" and their accompanying verbs and pronouns, whenever used in this Lease, shall apply equally to all persons, firms and corporations that may be or become parties hereto.

36. Memorandum

The parties shall execute a memorandum of this Lease in recordable form that identifies the parties, the premises, the basic term and the renewal term, provided that Tenant will subordinate this Lease to Subleasee's construction or permanent financing for the premises.

37. Financing

Tenant agrees to furnish such documents and information as are reasonably necessary to assist Landlord in securing financing. In order to obtain financing, Subleasee may assign this Lease, provided, however, that Subleasee shall remain obligated to perform Subleasee's obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first hereinabove written.

**The Turnion Corporation**

**Subleasee:** _____
Seth Molen, President

**Turnagain Manufacturing Company**

**Tenant:** _____
Greg Hugunin, Vice President



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# COMMERCIAL LEASE

**DATED:** 15th day of April, 2017.

**LANDLORD: EGEMO PROPERTIES, INC.**
12901 Atherton Road
Anchorage, Alaska 99516
(907) 529-9343

**TENANT: THE TURNION CORPORATION**
P. O. Box 563
Girdwood, Alaska 99587
(907) 306-0925

1. Lease of Premises:

In consideration of the covenants and agreements herein contained, Landlord does hereby lease, let and demise unto Tenant for a term of three (3) month the real property described as:

> 12,929 square feet of a building located at 524 East 48th Avenue, Anchorage, Alaska, located within Lot 7D, Block 2, Interair subdivision, Anchorage Recording District, Third Judicial District, State of Alaska.

Together with the completed building and an area of adequate size per zoning rules for parking (hereinafter all of the above is refereed to as the "premises").

2. Possession:

Tenant shall be entitled to possession of the premises as of April 15, 2007.

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3. Basic Term:

The term of the Lease shall be three (3) months. The Tenant has the right to extend this Lease for an additional thirty six months (36) months at a monthly rate of **FIFTEEN THOUSAND DOLLARS ($15,000)** beginning July 15, 2017 for three (3) years. Additionally, the Tenant is granted an additional 36-month extension with an increase in rent to **SIXTEEN THOUSAND DOLLARS ($16,000)** for the next three years.

4. Rent and Security Deposit:

Tenant shall pay to Landlord basic three (3) monthly rents of **FORTY FIVE THOUSAND DOLLARS ($45,000)** for the April 15, 2017 to July 15, 2017 period-of-time. There shall also be a security deposit of **FIFTEEN THOUSAND DOLLARS ($15,000)** in addition to the first month's rent.

5. Utilities:

The Landlord will pay for the premises' common water and sewer meter and snow removal. If the monthly service charge is more than a ten percent (10%) increase, the Tenant agrees to pay said increase.

Landlord shall not be liable for any loss or damage caused by or resulting from any variation, interruption or failure of utilities or services, arising from any cause, condition or event beyond the reasonable control of Landlord, and the same


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shall not be deemed an eviction of Tenant or relieve Tenant from any obligation hereunder.

The tenant will pay for their own gas and electric.

6. Insurance:

Cost of insurance; the premium on the fire insurance on the building as of **TWO MILLION DOLLARS ($2,000,000)** and general liability of **ONE MILLION DOLLARS ($1,000,000).**

7. Payment of Rent:

Basic monthly rent shall be payable on or before the fifteenth (15th) day of each calendar month during the term hereof, at Landlord's address shown above or such other address designated in writing by Landlord. Tenant shall pay any additional rent payable to Landlord within ten (10) days after receipt of Landlord's statement setting forth the amount of additional rent payable.

8. Use:

Tenant will use and occupy the premises for marijuana production. Tenant will not in any manner deface or injure the building situated on the demised premises or any portion thereof, or permit anything to be done upon the premises creating a nuisance, or to use or permit the use of the premises for lodging or sleeping purposes, or for any illegal purpose.



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9. Repairs and Improvements:

Tenant hereby agrees to maintain and keep the premises during the term of this Lease, at Tenant's own cost and expense, in good order and repair; reasonable wear and tear excepted. At the beginning of this lease, tenant will upgrade electric, insulation, HVAC and security, and install a bathroom. Before work, plans must be approved by the landlord. All improvement remains the property of the landlord at the termination of this lease. All improvements must be performed by a licensed contractor.

10. Alteration of Premises:

Tenant agrees that it will make no alterations, additions or improvements to or upon premises without the written consent of Landlord first being obtained. Such consent shall not be unreasonably withheld. Any such alterations, additions and improvements consented to by Landlord shall be made at Tenant's expense. Tenant shall secure all governmental permits required in connection with such work and shall hold Landlord harmless from all liability and liens resulting therefrom. All alterations, additions and improvements, except trade fixtures and appliances and equipment which do not become permanently attached to the building, shall immediately become a part of the realty and the property of Landlord without obligation or pay


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therefore, except that Landlord may require removal of all or part thereof by Tenant at the termination of the Lease, at Tenant's expense, and Tenant shall pay for or repair any damages to the premises, including, without limitation, any necessary patching, repainting and repairing caused by such removal. Upon removal of the trade fixtures and appliances and equipment which do not become attached to the building, Tenant shall restore the premises to the same condition that it was in prior to the installation of said items, including, without limitation, any necessary patching, repainting and repairing.

11. Landlord's Right to Modify:

Landlord reserves the right to provide a corridor on the south side of the leased premises if the other tenant vacates its leasehold. The rent shall be adjusted between the parties.

12. Landlord's Right of Entry:

It shall be lawful for Landlord, its agents and representatives, at any reasonable time, upon five days written notice, to enter into or upon the premises for the purpose of examining the condition thereof, or any other lawful purpose.

13. Liens:

Tenant will not permit any mechanics', laborers' or materialmens' liens to stand against the leased premises or improvements for any labor or materials furnished to Tenant or


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claimed to have been furnished to Tenant, or to Tenant's agents, contractors, or sub-lessees, in connection with work of any character performed or claimed to have been performed on said premises or improvement by or at the direction of sufferance of Tenant; such reasonable security as may be demanded by Landlord to insure payment of such lien or such claim of lien. Tenant will pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Tenant's own expense. Tenant agrees to indemnify, hold harmless and to defend landlord and the leased premises from such liens. Tenant consents to the Landlord's recording of the posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065.

14. Insurance:

Tenant further agrees at all times during the term hereof, to maintain, keep in effect, furnish and deliver to Landlord, liability insurance policies and fire insurance policies with extended coverage endorsement, in form and with an insurer satisfactory to landlord, insuring both Landlord and Tenant. The amount of said fire insurance shall be for the full replacement value of the premises. The amount of said liability insurance shall be not less than **FIVE HUNDRED THOUSAND DOLLARS ($500,000)** for injury to one person, **ONE MILLION DOLLARS ($1,000,000)** for



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injuries arising out of one accident, and **TWO MILLION DOLLARS ($2,000,000)** for property damage. All policies shall provide for not less than ten days written notice to Landlord prior to cancellation.

15. Current Condition

Tenant takes the property "where is, as is" with all fault. After a roof plumbing drain failure, on lease site 524 E. 48th Street, in February of 2015, an asbestos test was done on a sheetrock overhead joint; and a negligible amount of asbestos was found in the joint compound of the sheetrock within the warehouse ceiling joint AKOSH (1910.1001(j)(3)(i). The area of concern was completely abated and immediately sealed over per applicable OSHA and EPA regulations. Baseline air tests were done before and after to show a safe work environment. For this reason, all tenants within the building are being made aware of this happening AKOSH (1910.1001(j)(3)(iii).

16. Damage by Casualty, Fire & Duty to Repair:

In the event of damage to the building or buildings on the premises by fire or other casualty to the extent of 50 percent or more of the sound value thereof, Tenant may or may not elect to terminate this Lease. Written notice of Tenant's said election shall be given Landlord within 30 days after the occurrence of said damage. If said notice is not so given,


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Tenant conclusively shall be deemed to have elected not to terminate. If said building or buildings are partially destroyed and the damage so occasioned shall not amount to the extent indicated above, or if greater than such extent and tenant does not elect to terminate, as aforesaid, then Tenant shall repair such building or buildings as soon as reasonably possible. For the period of time between the day of such damage and until such repairs have been substantially completed there shall be such abatement of rent as the nature of the injury or damage and its interference with the occupancy of the premises by Tenant shall warrant. However, if the premises are slightly injured and the damage so occasioned shall not cause any material interference with the occupation of the premises by Tenant, then there shall be no abatement of rent.

17. Waiver of Subrogation Rights:

Neither party shall be liable to the other for loss arising out of damage to or destruction of the premises, or any building or improvement of which the premises are a part or with which they are connected, or the contents thereof, when such loss is caused by any of the perils which are or could be included within or insured against by a standard form of fire insurance with extended coverage. All such claims for any and all loss, however caused hereby are waived. Said absence of liability


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shall exist whether or not the damage or destruction is caused by the negligence of either Landlord or Tenant or by any of their respective agents, servants, or employees.

18. Accidents to Personal Property:

It is understood that the personal property kept on the premises by Tenant shall be kept at the risk of Tenant and Landlord is not insurer of Tenant's personal property. However, Landlord shall be responsible for any damage to Tenant's property caused by negligence of Landlord. Tenant shall insure within the premises, its fixtures and contents against fire and other casualty, included in standard extended coverage by policies which shall include a waiver by the insurer of all right of subrogation against Landlord or Tenant in connection with any loss or damage thereby insured against. Neither party, nor its agents, employees or guests shall be liable to the other for loss or damage caused by any risk covered by such insurance.

19. Indemnification:

Tenant shall defend and indemnify Landlord and save it harmless from and against any and all liability, damages, costs, or expenses, including attorney's fees, arising from any act, omission, or negligence of Tenant or the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Tenant in or about the premises, or arising from any


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accident, injury, or damage, howsoever and by whomsoever caused, to any person or property, occurring in or about the premises and which is due to the negligence of Tenant or its agents. Landlord shall similarly indemnify and defend and hold harmless Tenant to the same degree for any acts, omissions or negligence of Landlord or the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Landlord.

20. Eminent Domain:

In case of condemnation or appropriation of all or any substantial part of the premises by any public or private corporation under the laws of eminent domain, this Lease may be terminated at the option of either party hereto on 20 days written notice to the other. In case of termination pursuant to this paragraph, Tenant shall not be liable for any rent after the date of Tenant's removal from the premises.

21. Signs:

All signs or symbols placed in the windows or doors of the premises or upon any exterior part of the building by Tenant shall be subject to the prior written approval of Landlord which shall not be unreasonably withheld. It is agreed by the parties hereto that Tenant shall be entitled to a reasonable number of signs adequate to identify its business from the nearest public highway. Any signs so placed on the premises shall be so placed


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upon the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Tenant, then Landlord may have same removed at Tenant's expense.

22. Delivering up the Premises on Termination:

At the expiration of the term of this Lease or upon any sooner termination hereof, Tenant shall quit and deliver up the premises and all future erections and additions to or upon the same, broom clean, to Landlord or those having Landlord's estate in the premises, peaceably, quietly, and in as good order and condition, reasonable use and wear thereof and insured casualty excepted, as the same are now in or hereafter may be put in by Landlord.

23. Removal of Property:

In the event of any entry in or taking possession of the premises by Landlord pursuant to the terms of this Lease, Landlord shall have the right, but not the obligation, to remove from the premises all personal property located therein and may store the same in any place selected by Landlord, including, but not limited to, a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, upon reasonable notice to Tenant, the proceeds of such sale to


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be applied first to the costs of such sale, second to the payment of charges for storage, if any, and third, to the payment of any other sums of money which may then be due from Tenant to landlord under any of the terms hereof, the balance, if any, to be paid Tenant.

24. Default:

If Tenant at any time during the term of this Lease (and regardless of any pending bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal) shall

(a) fail to make payment of any installment of rent or of any other sum herein specified to be paid by Tenant, and Tenant fails to cure such default within ten days after such failure to make payment; or

(b) fails to observe or perform any of Tenant's other covenants, agreements or obligation hereunder, and if within thirty (30) days after landlord shall have given to Tenant written notice specifying such default or defaults, Tenant shall not have commenced to cure such default and proceed diligently to cure the same; or

(c) file a Petition for an Arrangement under Chapter 11 of the Bankruptcy Act, 11 USC 701 et seq., or a voluntary petition under any other provision of said Bankruptcy Act, or if


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Tenant finally and without further possibility of appeal or review:

(1) is adjudicated as bankrupt or insolvent; or

(2) has a receiver appointed for all or substantially all of its business or assets on the ground of Tenant's insolvency; or

(3) has itself appointed as debtor-in-possession; or

(4) has a Trustee appointed for it after a petition has been filed for Tenant's reorganization under the Bankruptcy Act of the United States known as the Chandler Act or any future law of the United States having the same general purpose; or

(5) if Tenant shall make an assignment for the benefit of its creditors, then in any such event Landlord shall have the right at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Tenant notice of Landlord's intention to terminate this Lease and all Tenant's right hereunder, on a date specified in such notice, which date shall not be less than ten days after the date of giving such notice, and on the date specified in such notice, the term of this Lease and all rights granted Tenant hereunder shall come to an end as fully as if the Lease then expired by its own terms, and Tenant hereby covenants peaceably and quietly to yield up and surrender to Landlord the premises and all



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structures, buildings, and improvements located thereon, and to execute and deliver to landlord such instrument or instruments as shall be required by landlord as will properly evidence termination of Tenant's rights hereunder or its interest therein. In the event of termination of this Lease as in this paragraph above provided, Landlord shall have the right to repossess the premises and such structures, buildings, and improvements either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Tenant, including damages for rent not then accrued, provided that Landlord and Tenant agree that Landlord's damages shall not exceed (a) the sum of basic monthly rental reserved hereunder from the date Tenant vacates the premises until the date as a new tenant has been or, with the exercise of reasonable diligence on the part of Landlord, could have been, secured; (b) reasonable advertising and brokerage commission expenses associated with securing a new tenant and reasonable expenses for maintaining the premises while vacant; and (c) the difference (at net present value) between the basic monthly rental of this Lease and the new lease, if less, and if negotiated in good faith.


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25. Assigning and Subletting:

Tenant shall have no right to assign this Lease or sublet the premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to occupy the premise or any portion thereof.

26. Modification:

This Lease shall not be altered, changed or varied in any manner whatsoever, except by a writing signed by Landlord and Tenant or their duly authorized agents.

27. Rights and Remedies:

Except insofar as this is inconsistent with or contrary to any provision of this Lease, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right to remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

28. Waiver and Forbearance:

Except to the extent that Landlord may have otherwise agreed in writing, no waiver by Landlord of any breach by Tenant of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall



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any forbearance by Landlord to seek a remedy for any breach of Tenant be deemed a waiver by Landlord of its rights or remedies with respect to such breach. With respect to the matters covered in this paragraph, Tenant shall have the same rights with respect to Landlord as Landlord has with respect to Tenant.

29. Holding Over:

In the event that Tenant holds over at or after the end of the term, the tenancy shall be deemed a month-to-month tenancy commencing on the first day of the holdover period. The terms of such holdover tenancy shall be as specified by this Lease except that the Tenant may terminate the tenancy at any time provided thirty days prior notice is given Landlord.

30. Quiet Enjoyment:

Landlord warrants that Tenant shall be able to quietly enjoy the beneficial use of the premises during the entire basic Lease term and any renewal thereof and Landlord shall defend Tenant's right to do the same.

31. Marginal Titles and Headings:

The marginal titles, subtitles, headings and subheadings of the paragraphs and subparagraphs herein are intended to be for reference and for the sake of convenience only and should not be construed to narrow or broaden the scope of or modify, amend or


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affect whatever interpretation or construction would otherwise be given to the plain and ordinary meanings of the words herein.

32. Entire Agreement:

This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior or contemporaneous agreements, oral or written, between the parties not included herein.

33. Applicable Law:

This Lease and the respective rights and obligations of the parties shall be construed and interpreted in accordance with the laws of the State of Alaska.

34. Severability:

The invalidity or unenforceability of any particular provision of this Lease shall not affect the remaining and hereof, and, in any such event, this Lease shall be construed and interpreted in all respects as if such invalid or unenforceable provisions were omitted.

35. Gender and Plurality:

Unless the context of this Lease 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 all references to the singular shall also include the plural, and vice versa.


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36. Counterparts:

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

37. Action or Suit:

If either party institutes any suit or action to collect the amounts due hereunder or to enforce any covenant or agreement hereof, or to obtain any of the remedies herein provided, the prevailing party shall be entitled to recover such sum of money as the court may adjudge reasonable as attorney's fees in such suit or action, including any appeals taken by either party in such suit or action.

38. Notices:

All notices, requests, demands and other communications under this Lease shall be in writing and shall be deemed to have been duly given on the date of service, if served personally on the party to whom notice is to be given, or on the third day after mailing, if mailed to the party to whom notice is to be given, by certified mail, postage prepaid, and properly addressed to the address stated above. Any party may change its address for purposes of this Lease by giving the other party written notice of the new address in the manner set forth above.



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39. Parties Affected:

The rights, liabilities and remedies provided for herein shall extend to the successors and assigns of the parties hereto. The words "Landlord" and "Tenant" and their accompanying verbs and pronouns, whenever used in this Lease, shall apply equally to all persons, firms and corporations that may be or become parties hereto.

40. Memorandum:

The parties shall execute a memorandum of this Lease in recordable form that identifies the parties, the premises, the basic term and the renewal term, provided that Tenant will subordinate this Lease to Landlord's construction or permanent financing for the premises.

41. Financing:

Tenant agrees to furnish such documents and information as are reasonably necessary to assist Landlord in securing financing. In order to obtain financing, Landlord may assign this Lease, provided, however, that Landlord shall remain obligated to perform Landlord's obligations hereunder.

42. SETH MOLEN Personal Liability:

**SETH MOLEN,** President of **TURNION CORPORATION** hereby personally guarantees the performance, conditions and requirements of this lease and he may be personally sued for


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non-compliance with any term or condition or requirement of this lease.

43. LEASE OPTION

Tenant is granted an option to lease the entire space in the structure as it becomes available when the Tenants terminate their leases. The price will be negotiated at the expiration of the other Tenant's lease. If this space becomes available, Tenant will have to take all space in the building before occupancy.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first hereinabove written.

**EGEMO PROPERTIES, INC**

**LANDLORD:** _____
**By: JOE EGEMO as President**

**THE TURNION CORPORATION**

**TENANT:** _____
**By: SETH MOLEN as President and Personal Guarantor**



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# COMMERCIAL LEASE ADDENDUM

**Date: The 8th day of January, 2018.**

**The purpose of this addendum is to amend the Commercial Lease Agreement between the below-note Landlord and Tenant (together, herein "the Parties") that was executed on the 15th day of April, 2017.**

**LANDLORD: EGEMO PROPERTIES, INC.**
12901 Atherton Road
Anchorage, Alaska 99516
(907) 529-9343

**TENANT: THE TURNION CORPORATION**
P. O. Box 563
Girdwood, Alaska 99587
(907) 306-0925

The Commercial Lease Agreement entered into by the Parties on the 15th day of April, 2017, is hereby amended as follows:

1. Paragraph 24 is amended to include sub-section "D" as follows:

   24. Default:

   (D) The Parties may not take possession or remove marijuana from the premises and the Alaska Marijuana Control Board will be contacted in the event of default.

2. Paragraph 25 is amended as follows:

   25. Assigning and Subletting:

   Tenant shall have no right to assign this Lease or sublet the premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to occupy the premise or any portion thereof, except to the following entities:

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**Turnagain Manufacturing Company**
Alaska Business License: 1052630
Seth Molen, President

Purpose: (Marijuana Product Manufacturing Facility)

Physical Address:
*524 East 48th Avenue, Unit 1*
*Anchorage, Alaska 99503*

Mailing Address:
*P. O. Box 994*
*Girdwood, AK 99587*

**Turnagain Horticulture Company**
Alaska Business License: 1052692
Seth Molen, President

Purpose: (Standard Marijuana Cultivation Facility)

Physical Address:
*524 East 48th Avenue, Unit 2*
*Anchorage, Alaska 99503*

Mailing Address:
*P. O. Box 994*
*Girdwood, AK 99587*

**AK Provisions Corporation, DBA Turnagain Herb Company**
Alaska Business License: 1032794
Seth Molen, President

Purpose: (Marijuana Retail Store)

Physical Address:
*524 East 48th Avenue, Unit 3*
*Anchorage, Alaska 99503*

Mailing Address:
*P. O. Box 994*
*Girdwood, AK 99587*

3. Paragraph 33 is amended as follows:

33. Applicable Law:

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The Parties acknowledge that the premises will be used as a marijuana establishment pursuant to State of Alaska Laws in effect at the time this lease instrument is signed by the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Addendum as of the date first hereinabove written.

**EGEMO PROPERTIES, INC**

**LANDLORD:** _____

**By: JOE EGEMO as President**

**THE TURNION CORPORATION**

**TENANT:** _____

**By: SETH MOLEN as President and Personal Guarantor**

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STATE OF ALASKA )
) ss.
Anchorage )
County )

The foregoing Commercial Lease was acknowledged before me this 17 day of January, 2018 by **SETH MOLEN**, as President of **THE TURNION CORPORATION** and Personal Guarantor.

"Official Seal"
Notary Public
B. Orloff
State Of Alaska
Commission #150819001 Expires 08/19/2019

**Notary Public in and for Alaska**
**My Commission Expires:**
08/19/2019

STATE OF FLORIDA )
) ss.
THIRD JUDICIAL DISTRICT )

The foregoing Commercial Lease was acknowledged before me this 8TH day of January, 2018 by **JOE EGEMO**, as President of **EGEMO PROPERTIES, INC.**

**Notary Public in and for Florida**
**My Commission Expires:**
March 6, 2018.

MELISSA CHACON
NOTARY
My Comm. Expires
March 6, 2018
No. FF 99352
PUBLIC
STATE OF FLORIDA



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