COMMERICAL LEASE FOR 159 S. FRANKLIN STREET BUILDING

This lease is between Mike T. Adams and Bettye J. Adams, husband and wife, hereinafter called lessor, and Alaskan Kush Company, LLC., doing business as Alaskan Kush Company, herein called Tenant.

WITNESSETH:

Landlord/lessor may not remove from the premises or take possession of marijuana or marijuana products, and AMCO enforcement will be contacted.

1. **Lessor leases to Tenant and Tenant leases from Lessor the building at 159 S. Franklin st., Juneau, Alaska; excluding the area outside the building except for its use as a fire exit. It is understood that the owners of the building will continue to do construction in and on this back area outside of the building. Access for this construction will be through the Alaskan, the alley way, or off Gastineau Ave.**

2. The premises shall be used for the purpose of selling cannabis, on site consumption, packaging of bulk purchases of processed marijuana flower, and a gift shop with no other purpose without the written consent of the lessor. There will be no manufacturing of edibles, concentrates or use of extraction techniques (no butane, alcohol or co2 use). This lease is binding weather of not the Tenant obtains a cannabis license (s).

3. **The term of the lease will be for two (2) years starting on the first of November 2017 and terminating on the 30th of November 2019. This lease will be extended if the tenants are in current in all financial obligations to lessor and in general good standing. The lease extensions will be on a 2 year basis with a rate adjustment on the rent at this renewal time based on the CPI in Alaska in anchorage.**

4. **The Tenant has paid to the Lessor, the deposit of $4600.00 (this is not to be used as a last month's rent) and it will be transferred to the new extension of the lease as the current deposit. The monthly lease rate is $4950. It is understood that the tenant will continue to be pay for all the utilities on the building at 159 S. Franklin. All expenses incurred for this construction will be paid by the Tenant. Including, but not limited to flooring, electrical, plumbing, lighting, heating, painting, signage and fixtures. The tenant will obtain building permits for any painting, signage or construction that is required by law. All of the monthly rent has to be paid within 5 days of the due date. If the rent is paid after this date or is the check bounces, it will be considered late. All such rents will be assessed a late penalty of $100 and interest of 18% per year on the balance owed. The post mark no the envelope will be considered the date when the rent was paid.**

5. **Tenant shall, at his own expense and at all times, keep and use the premises neat, clean, and sanitary condition, and secure and keep and use the premises in accordance with applicable laws,**

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ordinances, and regulations of governmental authorities. Tenant will permit no waste, damage or injury to the premises. Tenant at its sole cost and expense will keep all drainage pipes free and open and will protect water, heating and other lines serving the premises so that they will not freeze or become clogged and will repair all leaks, and will also repair all damages caused by leaks that occur as a consequence of the pipes becoming frozen . The Tenant is responsible for the shoveling of (or generally keeping clean) the sidewalks and parking spaces in front of the building. The Lessor is responsible for shoveling the roof and other general repairs. The At the termination of this lease, Tenant will quit and surrender the said premises in a neat and 'broom' clean condition, and deliver all keys belonging to said premises to the Lessor.

6. Tenant agrees to keep in their name and pay for all of the utilities (electricity, oil, water sewer, and trash).
7. Lessor shall not be liable for any injury or damage to persons or property sustained by Tenant or others in or about the premises. Tenant aggress to defend and hold Lessor harmless from any claim, action and/ or judgment for damages to property or injury to persons suffered or alleged to be suffered on the premises by any person, firm, or corporation.
8. Tenant shall at all times keep and use the premises in accordance with all laws and regulations. Tenant will permit no waste, damage or injury to the premises and will not use or permit in said premises anything that will increase the rate of fire insurance, nor will Tenant maintain anything that may be dangerous to life or limb; or overload the floors, or permit anything to be done in the premises that will tend to create a nuisance or disturb any neighbor.
9. Tenant shall keep the leased premises free from any liens arising our of any work preformed, materials furnished or obligations incurred by Tenant and hold the Lessor harmless there from including all costs and attorney's fees. In the event Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidation officer is appointed for the business of the Tenant, then the Lessor may cancel this lease at Lessor's option and the Tenant shall nevertheless be liable for any further losses or damages sustained by Lessor so caused by the Tenant.
10. Tenant shall not assign this lease or any part thereof or let or sublet the whole or any part of the premises without the written consent of Lessor. Said consent shall not be unreasonable withheld. This lease shall not be assignable by operation of law. If Tenant is a corporation, then any transfer of this lease from Tenant by merger, consolidation, liquidation or any change in the ownership of, the majority of its outstanding stock shall constitute and assignment for the purposes of this paragraph. In the event of any assignment or subletting consented to by Lessor, Tenant shall pay a minimum chare of 10% of one month's rent to Lessor, as consideration for consenting to such assignment or subletting. Any assignment of the lease shall not extinguish the liability of the Tenant herein. Consent once given by the Lessor to the assignment or subletting shall not relieve Tenant from obtaining written consent to any new or future assignment or subletting as required herein.
11. Tenant will allow Lessor or Lessor's agent access at all reasonable times to said premises for the purposes of inspection, cleaning, or making repairs, additions or alterations to the premises or to any property owned by Lessor. The Lessor will need to be given a key to the premises and ~~have unlimited access to the boiler~~. The Lessor shall have the right to place and maintain "for

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rent" signs in a conspicuous place on said premises and to show premises to prospective Tenants for 30 days prior to the expiration of this lease.

12. The Tenant shall get inventory insurance to protect Tenant's merchandise and hold Lessor harmless for lost income or merchandise in event of fire, landslide, earthquake, theft, structure collapse or any other damaging event that should befall the premises.
13. All signs placed by Tenant in the windows or upon any exterior part of the building, shall be subject to Lessor's prior written approval, which approval shall not be unreasonably withheld. Lessor may demand the removal of signs which are not so approved, and Tenant's failure to comply with said request within 48 hours will constitute a breach of this paragraph and will entitle Lessor to terminate this lease, or in lieu thereof, to cause the sign to be removed and the building repaired at the sole expense of the Tenant. At the termination of this lease, Tenant will remove all signs placed by it upon the premises, and will repair any damage caused by such installation or removal. All signs must comply with sign ordinance of the city and will be placed in accordance with the required permits.
14. Tenant shall not make any alterations, additions, or improvements are said premises without first obtaining the consent of Lessor in writing, which consent shall not be unreasonably withheld. All such alterations, additions, and improvements shall be at the cost and expense of Tenant (including any and all street front alteration and remodeling) and shall become the property of Lessor and shall remain in and be surrendered with the premises as a part hereof at the termination of this lease (with the exception of the Tennant's fixtures). Without disturbance or injury except for any improvements that Lessor may elect to request Tenant to remove. The Tenant agrees to restore to their original condition any walls removed or alteration that the Tenant makes if the Lessor so desires at the end of the lease. If the Tenant shall perform work with the consent of the Lessor, as aforesaid, Tenant agrees to comply with all laws, ordinances, rules and regulations of the appropriate city and any other authorized public authority. Tenant further agrees to hold Lessor harmless from damage, loss or costs arising out of the said work. Tenant agrees that Lessor has the right to make alterations to the premises and to the building in which the premises are situated and Lessor shall not be liable for any damage which Tenant might suffer by reason of such undertaking.
15. If any rents above , or any part thereof , shall be and remain unpaid when the same shall become due, or if Tenant shall violate or default in any of the covenants and agreements herein contained, them the Lessor may cancel this lease upon giving the notice required by law, and reenter said premises, using such force as may be required. Notwithstanding such reentry by the Lessor, the liability of the Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this lease, and Tenant covenants and agrees to make good to the Lessor any deficiency arising from a reentry and relenting of the premises at a lesser rental than agreed to herein. The Tenant shall pay such deficiency each month as the amount thereof is Ascertained by the Lessor.
16. The failure of the Lessor to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants of agreements, but the same shall be and remain in full force and effect.

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17. In the event of any reentry or taking possession of the leased premises for default, the Lessor shall have the right, but not the obligation, to remove from the leased premises all personal property located therein, and may store the same in any place selected by Lessor, 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, without notice to Tenant , after it has been stored for a period of 30 days or more. The proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for the storage, if any and third to the payment of any other sums of money which may then be due from Tenant to Lessor or under any of the terms hereof, the balance if any without interest to be paid to the Tenant. Tenant hereby waives all claims for damages that may be caused by Lessor's reentering and taking possession of the premises or removing and storing the property of Tenant as provided in this lease, and will hold Lessor harmless from loss, costs, or damages occasioned Lessor thereby. No such reentry shall be considered or construed to be a forcible entry.
18. If Lessor shall assign its interest under this lease or transfer its interest in the premises, Lessor shall be relieved of any obligation accruing hereunder after such assignment or transfer, and such transferee shall thereafter be deemed to be the Lessor hereunder.
19. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.
20. This lease is subordinate to all present and future mortgages, deeds of trust and other encumbrance's affection the demised premises or the property of which said premises are a part. Tenant agrees to execute, at no expense to Lessor, any instrument, which may be deemed necessary or desirable by the Lessor to further effect the subordination of this lease to any mortgage, deed of trust or encumbrance. Tenant irrevocable appoints and constitutes the Lessor as the true and lawful attorney-in-fact for Tenant at any time in Tenant's name place and stead to execute proper subordination agreements for this purpose.
21. The Lessor and Tenant hereby mutually release each other from liability and waive all rights of recovery against each other for any loss from fire or any other perils.
22. All notices to be given by the parties hereto shall be in writing and may be either served personally or may be mailed; and if so to Lessor, at 167 S Franklin St Juneau, Ak 99801
23. Tenant shall not dispose of or otherwise allow the releases of any hazardous waste or materials in, on or under the Leased premises, or any adjacent property. Tenant represents and warrants to Lessor that Tenant's intended use of the premises foes not involve the use, production, disposal; or bringing on to the Leased premises of any hazardous waste or materials. As used herein, the term "hazardous waste or materials" includes any substance, waste, or material defined or designated as hazardous, toxic or dangerous by any federal, state, or local statue, regulation, rule or ordinance now or hereafter in effect. Tenant acknowledges that the premises may contain asbestos materials and tenant accepts the premises and the building notwithstanding such materials.

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IN WITNESS WHEREOF, Lessor and Tenant have executed this lease today

_____.

Lessor

Bettye Adams

Tenant

Casey Wilkins, Alaskan Kush Company, LLC. (Member)

Herbert Smyth, Alaskan Kush Company, LLC. (Member)

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