COMMERCIAL SUBLEASE AGREEMENT

between

GREAT NORTHERN CANNABIS, INC., AN ALASKA CORPORATION ("SUBLANDLORD")

and

GREAT NORTHERN MANUFACTURING, INC., AN ALASKA CORPORATION ("SUBTENANT")

7031 Arctic Boulevard, Suite 100, Anchorage Alaska

October 26, 2018

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COMMERCIAL SUBLEASE AGREEMENT

This Sublease Agreement ("Sublease") is made by and between Great Northern Cannabis, Inc., an Alaska Corporation (hereinafter, "Sublandlord"), and Great Northern Manufacturing, Inc., an Alaska Corporation (hereinafter, "Subtenant"). Sublandlord and Subtenant may be referred to herein individually as "Party" and collectively as "Parties".

1. BASIC LEASE INFORMATION.

1.1 "Building" shall mean the building located at 7031 Arctic Blvd., Anchorage, Alaska. The Building has a legal address of "Graham #3 B2L1A".

1.2 "Sublease Premises" shall mean the area referred to as "Suite 100", depicted on Attachment B, Form MJ-02 Diagram of Great Northern Manufacturing, Inc.

1.3 "Base Rent" means the Minimum base rent as described in the Master Lease payable by Subtenant to Sublandlord on or before the 1st of each Month during the Term.

1.4 "Additional Rent" means all sums (exclusive of Base Rent) that Subtenant is required to pay Landlord under this Lease (including, without limitation, Percentage Rent, Expenses, Taxes, all as defined and set forth below).

1.5 "Percentage Rent" means 2.50% of the Subtenant's annual Gross Sales (as defined in ¶ 4.2 below). Percentage Rent shall be due and payable monthly commencing January 1, 2019, except in the case of Cultivation Sales for which Percentage Rent shall commence on January 1, 2020 and continue throughout the remainder of the Term. Percentage Rent shall be payable as part of Additional Rent and paid to Landlord 30 days after the end of each calendar month. Of this Percentage Rent, Landlord intends to annually donate .50% to a non-profit, charitable organization in the name of both Subtenant and Landlord. Landlord shall be entitled to claim the charitable tax deduction for such donation.

1.6 "Term": The Sublease term shall be a period of 144 months full calendar months beginning on February 20, 2018, the Commencement Date of the underlying Master Lease, and continuing until the Termination Date.

1.7 The "Termination Date" shall, unless sooner terminated as provided herein, mean the last day of the Term.

1.8 "Date of Possession" shall mean on or about February 16, 2018.

1.9 "Master Lease": The underlying lease between Sublandlord and the Owner of the Building, attached hereto as Attachment A.

1.10 "Landlord" or "Owner" refers to the Landlord and Owner of the Building and party to the Master Lease with Sublandlord.

1.11 "Permitted Use": The operation of a cannabis business licensed by the State of Alaska. This operation may include the manufacturing of various cannabis products such as extracted cannabis oil, and edible cannabis products. The Property may include a cannabis oil extraction laboratory, a commercial kitchen for edibles production, and packaging facilities.

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1.12 "Notice Addresses":

SUBLANDLORD:
Great Northern Cannabis, Inc.
645 G. Street, Suite 100-907
Anchorage, AK 99501-3443

SUBTENANT:
Great Northern Manufacturing, Inc.
645 G. Street, Suite 100-907
Anchorage, AK 99501-3443

2 DEFINITIONS.

2.1 Alterations" means all present and future alterations, additions or improvements to the Premises (including, without limitation, all non-trade fixtures, light fixtures, pipes, ducts, conduits, plumbing, wiring, paneling, partitions, floors, floor and wall coverings and other additions and improvements) and installations of any Cable (as defined in Section 9.01) in the Premises or other portions of the Building.

2.2 "Claims" means, collectively, claims, charges, liabilities, obligations, losses, penalties, demands, causes of action, liens, damages, costs and expenses, including reasonable attorneys' and other expert and third-party fees and costs.

2.3 "Interest" means interest at a rate per annum equal to 2 percentage points above the rate of interest then most recently publicly announced by a federally insured bank selected by Sublandlord in the state in which the Building is located as its "prime rate" or "base rate" (the "Prime Rate"). If accrual or payment of such interest should be unlawful, then Interest shall be computed at the maximum legal rate.

2.4 "Sublandlord Related Parties" means Sublandlord and its Affiliates and their respective trustees, members, principals, beneficiaries, partners, officers, directors, shareholders, employees and agents.

2.5 "Law(s)" means, given the Permitted Use, all applicable laws, statutes, codes, ordinances, orders, requirements, rules and regulations of any municipal or governmental entity or quasi-governmental authority.

2.6 "Lease Year" or "Partial Lease Year" shall mean a period of 12 consecutive calendar months. The first Lease Year shall commence on the Commencement Date if the Commencement Date is the first day of a calendar month and otherwise on the first day of the first full calendar month following the Commencement Date. Each succeeding Lease Year shall commence on the anniversary date of the first Lease Year. Any portion of the Term which is less than a Lease Year shall be deemed a Partial Lease Year, except that if the Commencement Date occurs on a date other than the first day of a calendar month, then the period commencing on the Commencement Date and ending on the last day of the calendar month in which the Commencement Date occurs shall be included in the first Lease Year.

2.7 "Owner" means the person(s) or entity(ies) that holds legal title (whether fee or leasehold) to the Building or the portion thereof in which the Premises is located. The terms "Owner" and "Landlord" have the same meaning for purposes of this Lease and may be used interchangeably.

2.8 "Property" means the Building and the parcel(s) of land on which it is located.

2.9 "Rent" means all Base Rent and Additional Rent.

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2.10 "Subtenant Related Parties" means Subtenant and its Affiliates and their respective trustees, members, principals, beneficiaries, partners, officers, directors, shareholders, contractors, business invitees, employees and agents.

2.11 "Subtenant's Property" means all movable trade fixtures, moveable equipment, furniture, inventory and other personal property belonging to Subtenant within the Premises.

3 **SUBLEASE PREMISES AND LICENSE.** Subject to the terms, covenants and conditions of this Sublease, Sublandlord (i) subleases to Subtenant the Sublease Premises, as shown on Attachment B, and (ii) confers upon Subtenant an exclusive license to enter and use the Sublease Premises. Sublandlord leases the Premises to Subtenant and Subtenant leases the Premises from Sublandlord. Sublandlord hereby notifies Subtenant that as of the date of this Lease, the Premises has not undergone inspection by a "Certified Access Specialist" to determine whether the Premises meet all applicable construction-related accessibility standards under any applicable law of Alaska, Anchorage, or otherwise. Subtenant alone is responsible for compliance with any and all accessibility laws, including the Americans with Disabilities Act.

4 **CONDITION OF SUBLEASE PREMISES.** Subtenant acknowledges and agrees that the Sublease Premises are being subleased subject to the Master Lease and all applicable Laws, and Subtenant acknowledges that neither Sublandlord, nor any of its Agents, have made any representations or warranties, express or implied, concerning any aspect of the Building or Sublease Premises.

5 **COMPLIANCE WITH MASTER LEASE.**

5.1 Relationship of Master Lease to Sublease. This Sublease is subject and subordinate to the Master Lease. Subtenant's estate shall in all respects be limited to, and construed in a fashion consistent with, the estate granted to Sublandlord. The terms and conditions of the Master Lease are incorporated herein by reference as if fully set forth herein, and shall, as between Sublandlord and Subtenant (as if they were the landlord and tenant, respectively, under the Master Lease), constitute the terms of this Sublease, except to the extent that they are inapplicable to, inconsistent with, or modified by the terms of this Sublease.

5.2 Interpretation of Master Lease. For purposes of incorporation herein, the terms of the Master Lease are to be interpreted as follows: (a) In all provisions of the Master Lease requiring the approval or consent of Landlord, Subtenant shall be required to obtain the approval or consent of Sublandlord and Landlord. (b) In all provisions of the Master Lease requiring the Tenant to submit, supply or provide evidence, certificates, or other items to the Landlord, Subtenant shall submit, supply or provide such evidence, certificates or other items to Landlord and to Sublandlord. (c) Sublandlord agrees that Subtenant shall be entitled to receive all services and repairs to be provided by Landlord under the Master Lease, and otherwise be the beneficiary of, all of the Landlord's obligations under the Master Lease with respect to the Sublease Premises. Sublandlord

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and Subtenant shall jointly look solely to Landlord for all such services, repairs and other obligations to be performed by Landlord, and Subtenant shall not make any claim upon Sublandlord for any damages or losses which may arise by reason of Landlord's default under the Master Lease. In the event of any such default by Landlord, Sublandlord and Subtenant shall cooperate in all enforcement and remedial actions against Landlord, and each shall be responsible for their own costs and expenses in connection therewith. (d) As between Sublandlord and Subtenant, Sublandlord agrees that this Sublease shall be interpreted as providing Subtenant with the same rights and benefits as those available to the Tenant under the Master Lease, and as providing Subtenant with the same obligations as those required of Tenant under the Master Lease, in so far as they relate to the Sublease Premises. (g) Subtenant covenants and agrees that all obligations to Master Landlord under the Master Lease shall be done or performed by Subtenant in so far as they relate to or affect the Sublease Premises and the Shared Rooms and Facilities.

5.3 Compliance with Master Lease. Neither Sublandlord nor Subtenant shall do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

6 **RENT.** As consideration for this Lease, Subtenant, or its designated Representative, shall pay Sublandlord rent payments, without any setoff or deduction, the total amount of Base Rent and Additional Rent due for the Term pursuant to this Lease. Subtenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent under applicable Law. Base Rent and recurring monthly charges of Additional Rent shall be due and payable monthly, in advance on the first day of each calendar month without notice or demand. Unless otherwise set forth in this Lease, all other items of Rent shall be due and payable by Subtenant or its designated Representative on or before 30 days after billing by Sublandlord. All payments of Rent shall be made by check or electronic money transfer in accordance with Sublandlord's written instructions regarding the same or by such other means or method of payment as Sublandlord may direct in writing. In addition to constituting a default hereunder, if Subtenant fails to pay any item or installment of Rent when due, Subtenant shall pay Sublandlord an administration fee equal to 5% of the past due Rent. If the Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, the Base Rent and any Additional Rent payable in monthly installments for such month shall be prorated based on the number of days in such calendar month. Sublandlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. No endorsement or statement on a check or letter accompanying a check or payment shall be considered an accord and satisfaction, and either party may accept the check or payment without prejudice to that party's right to recover the balance or pursue other available remedies. Subtenant's covenant to pay Rent is independent of every other covenant in this Lease.

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Any delay or failure of Sublandlord in billing any Base Rent or Additional Rent shall not constitute a waiver of or in any way impair the continuing obligation of Subtenant to pay same.

7 GROSS SALES STATEMENTS.

7.1 Subtenant, within 25 days after the end of each calendar month during the Term, shall furnish Sublandlord a statement certified by an executive officer or authorized representative of Subtenant setting forth the amount of Gross Retail and Wholesale Sales, in dollars and quantity, made during the preceding calendar month and the amount of, and an itemization of, deductions or exclusions from Gross Sales for such month taken pursuant to Section 4.02(f) below. The certification contained on the monthly statement of Gross Sales shall state that the executive officer or authorized representative has read the statement, knows the contents thereof and that the contents are true and correct.

7.2 Subtenant, within 45 days after the end of each Lease Year or Partial Lease Year during the Term shall furnish Sublandlord a statement (the "Yearly Statement") certified by a certified public accountant licensed by the state where the Building is located, setting forth the Gross Sales in dollars andquantity made during the preceding Lease Year or Partial Lease Year and the amount of, and an itemization of, deductions or exclusions from Gross Sales for such Lease Year or Partial Lease Year taken pursuant to Section 4.02(f) below.

7.3 Subtenant shall furnish Sublandlord a copy of all forms submitted to the city and state where the Building is located to determine sales and use tax liability resulting from Gross Sales, whether based on dollar amounts or another metric, within 10 days of submission to the city and state.

7.4 The fact that Subtenant submits Gross Sales statements to Sublandlord shall not, nor shall any other provision of this Lease be construed to, create the relationship of principal and agent, or a partnership, enterprise or joint venture between Sublandlord and Subtenant or make Sublandlord in any way responsible for the debts or losses of Subtenant.

7.5 The term "Gross Sales" shall include (as of the date of the transaction): (a) the dollar aggregate of the price charged or allowed for all goods, wares, merchandise, edibles, oils, accessories, cannabis products of any kind and any other commodity sold, leased or licensed, and the income, receipts, revenues, reimbursements and charges of and for all services or other operations or businesses sold or rendered at, in, on or from the Premises by Subtenant (including any assignees and Subtenants of Subtenant) whether for cash or on a charge, credit, or time basis or otherwise, whether on a retail or wholesale basis, without reserve or deduction for inability or failure to collect; (b) all service, finance or interest charges imposed by Subtenant on any type of account or note receivable, to the extent that the principal amount thereof consists of monies which were or should have been included in Gross Sales; and (c) all gross income received by Subtenant from its

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operations in, at, on or from the Premises (including, without limitation, the type of transactions described above) which Subtenant, in the ordinary course of business, would credit or attribute to its business upon the Premises and which are neither included in nor excluded from Gross Sales by the other provisions of this Lease, but without any duplication; and in all cases without deduction or allowance for cost of goods sold, or other costs, charges or expenses of purchasing, selling, transportation, overhead or franchise fees, capital stock tax, tax based upon assets or net worth or gross receipt tax, income or similar tax based on income or profits or otherwise.

7.6 There shall not be included, or if included in the calculation of Gross Sales, there shall be deducted, as the case may be, provided that specific record is made at the time of each transaction: (i) the actual net amount of refunds, credits or allowances actually made or allowed by Subtenant in accordance with reasonable business practices upon transactions included within Gross Sales where the item is returned by the purchaser to and accepted by Subtenant (provided that anything given in exchange for returned items and any such credits to customers shall be included in Gross Sales when used); (ii) sales or retailer's excise taxes which are separately added by Subtenant to the sales price, paid directly by the customer, collected by Subtenant and actually paid over by Subtenant to the governmental taxing authorities, but not deducting from Gross Sales any other tax of any nature; (iii) Municipality of Anchorage (MOA) Retail Sales Tax directly calculated on and related to transactions included in the Gross Sales figure reported, (iv), State Excise Tax directly calculated on and related to transactions included in the Gross Sales quantity figure reported, (v) the exchange of merchandise between the stores of Subtenant where such exchanges are made solely for the convenient operation of Subtenant's business and not for the purpose of consummating a sale which has been made at, on, in or from the Premises; (vi) returns to shippers or manufacturers for credit; and (vii) sales of fixtures which are not part of Subtenant's stock in trade.

7.7 The business of Subtenant upon the Premises shall be operated so that a duplicate dated sales slip, dated invoice, readout totals, register receipt or similar evidence of payment, serially numbered, shall be issued with each sale, transaction or other event resulting in Gross Sales, in dollars and quantity, retail and wholesale, or exclusions therefrom. Subtenant shall keep and preserve at all times during the period required during the Term, at the Premises or at the home or regional office of Subtenant, sufficient original records which accurately summarize all transactions related to the Premises (including the sales of any Subtenant, licensee, assignee or concessionaire) including, without limitation: a general ledger, accounts receivable, bank statements, deposit slips, inventory records, purchase orders, receiving records, sales and cash receipts, sales documents and disbursement journals, sales returns and allowance details, sales records, manifests recording movement of product, city, state and any other agency tax reporting, and other supporting documentation, and full, complete and accurate non-consolidated books of account (i.e., books and records reflecting Subtenant's operations solely at the Premises). All such documentation shall conform to and be in accordance with generally

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accepted accounting principles consistently applied with respect to all operations of the business conducted in, at, to or from the Premises, and be kept and preserved in accordance with the foregoing for at least 3 years after the end of the period to which they pertain. Sublandlord shall have the right to request copies and inspect such records and any other documents that may support the accuracy of Subtenant's reporting of Gross Sales, at any time during the lease, upon 5 days' notice. The receipt by Sublandlord of a statement of Gross Sales shall not constitute an admission of its correctness.

7.8 Gross Sale Prices to Affiliate Companies shall not, on average per month, fall below 20% of the average gross sale prices of equivalent products to non-related customers. Should this occur, an adjustment shall be made to Gross Sales to increase the Gross Sales to Affiliates so that the average Gross Sales Price falls within the bound, for the purposes of calculating Percentage Rent.

7.9 If Subtenant shall fail to prepare and deliver any statement of Gross Sales as required under this Section 4.02 on the specified due date therefor, and does not cure such failure within 15 days after receipt of written notice of such failure from Sublandlord, in addition to all other rights and remedies of Sublandlord under this Lease and at Law and in equity Subtenant shall pay to Sublandlord, as Additional Rent, an amount equal to $750.00 per incident after the expiration of such 15-day period.

8 PAYMENT OF SUBTENANT'S EXPENSES AND TAXES.

8.1 Subtenant shall pay the total amount of Expenses (defined in Section 4.5) and Taxes (defined in Section 4.4) allocable or attributable to the Property for each calendar year during the Term. Sublandlord shall provide Subtenant with a good faith estimate of the total amount of Expenses and Taxes for each calendar year during the Term. On or before the first day of each month, Subtenant shall pay to Sublandlord a monthly installment equal to one- twelfth of Sublandlord's estimate of the total amount of Expenses and Taxes. If Sublandlord determines that its good faith estimate was incorrect by a material amount, Sublandlord may provide Subtenant with a revised estimate and bill Subtenant for any deficiency which may have accrued. After its receipt of the revised estimate, Subtenant's monthly payments shall be based upon the revised estimate. If Sublandlord does not provide Subtenant with an estimate of the total amount of Expenses and Taxes by January 1 of a calendar year, Subtenant shall continue to pay monthly installments based on the previous year's estimate until Sublandlord provides Subtenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Subtenant paid monthly installments based on the previous year's estimate. Subtenant shall pay Sublandlord the amount of any underpayment within 30 days after receipt of the new estimate. Any overpayment shall be refunded to Subtenant within 30 days or credited against the next due future installment(s) of Additional Rent.

8.2 As soon as is practical following the end of each calendar year, Sublandlord shall furnish Subtenant with a statement of the actual amount of Expenses and Taxes for the prior

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calendar year and Subtenant's Pro Rata Share of the actual amount of Expenses and Taxes for the prior calendar year. If the estimated amount of Expenses and Taxes for the prior calendar year is more than the actual amount of Expenses and Taxes for the prior calendar year, Sublandlord shall apply any overpayment by Subtenant against Additional Rent due or next becoming due, provided if the Term expires before the determination of the overpayment, Sublandlord shall refund any overpayment to Subtenant after first deducting the amount of Rent due. If the estimated amount of Expenses and Taxes for the prior calendar year is less than the actual amount of Expenses and Zone Taxes for such prior year, Subtenant shall pay Sublandlord, within 30 days after its receipt of the statement of Expenses and Taxes, any underpayment for the prior calendar year.

8.3 **"Taxes" shall mean:** (1) all real estate and real property taxes and other charges, levies and/or assessments on the Building and/or Property, of any kind or nature whatsoever, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Property, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (2) all personal property taxes for property that is owned by Sublandlord and used in connection with the operation, maintenance and repair of the Property; and (3) all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (1) and (2), including, without limitation, any costs incurred by Sublandlord for compliance, review and appeal of tax liabilities. Without limitation, Taxes shall not include any income, capital levy, franchise, transfer, capital stock, gift, estate or inheritance tax. If an assessment is payable in installments, Taxes for the year shall include the amount of the installment and any interest due and payable during that year. For all other real estate taxes, Taxes for that year shall, at Sublandlord's election, include either the amount accrued, assessed or otherwise imposed for the year or the amount due and payable for that year, provided that Sublandlord's election shall be applied consistently throughout the Term. If a change in Taxes is obtained for any year of the Term during which Subtenant paid any Taxes, then Taxes for that year will be retroactively adjusted and Sublandlord shall provide Subtenant with a credit, if any, based on the adjustment. For purposes of this Section 4.04, the application of a tax exemption or abatement shall not be deemed to be a change in Taxes as described in the immediately preceding sentence. Subtenant shall pay Sublandlord the amount of any such increase in the Taxes within 30 days after Subtenant's receipt of a statement from Sublandlord. Notwithstanding anything to the contrary contained herein, for purposes of determining Subtenant's Taxes for a given year, Taxes for such year shall be deemed to be equal to the amount that Taxes for such year would have been in the absence of any tax exemptions or abatements that may be in effect during or with respect to such year.

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8.4 **"Expenses" shall mean:** all costs and expenses incurred in each calendar year in connection with operating, maintaining, repairing, insuring and managing the Building and the Property. Expenses shall include, without limitation: (i) management fees and legal fees not attributable to leasing activity, and other administrative costs; (ii) accounting costs; (iii) the cost of services including amounts paid to service providers; (iv) rental and purchase cost of parts, supplies, tools and equipment; (v) insurance premiums and deductibles; (vi) and electricity, gas and other utility costs.

8.5 **Audit Rights.** Subtenant may, within 90 days after receiving Sublandlord's statement of Expenses, give Sublandlord written notice ("Review Notice") that Subtenant intends to review Sublandlord's records of the Expenses for that calendar year. Within 60 days after receipt of the Review Notice, Sublandlord shall make all pertinent records available for inspection that are reasonably necessary for Subtenant to conduct its review at either the home office of Sublandlord or at the Building, as determined by Sublandlord. If Subtenant retains an agent to review.

8.6 **Sublandlord's Records.** The agent must be with an independent firm of licensed certified public accountants (i) reasonably acceptable to Sublandlord, (ii) which is not compensated on a contingency fee basis or in any other manner which is dependent upon the results of such audit or inspection (and Subtenant shall deliver the fee agreement or other similar evidence of such fee arrangement to Sublandlord upon request), and (iii) which agrees with Sublandlord in writing to keep the results of such audit or inspection confidential. Subtenant shall be solely responsible for all costs, expenses and fees incurred for the audit. Within 60 days after the records are made available to Subtenant, Subtenant shall have the right to give Sublandlord written notice (an "Expense Objection Notice") stating in reasonable detail any objection to Sublandlord's statement of Expenses for that year. If Subtenant fails to give Sublandlord an Expense Objection Notice within the 60-day period or fails to provide Sublandlord with a Review Notice within the 90-day period described above, Subtenant shall be deemed to have approved Sublandlord's statement of Expenses and shall be barred from raising any Claims regarding the Expenses for that year. If Subtenant provides Sublandlord with a timely Expense Objection Notice, Sublandlord and Subtenant shall work together in good faith to resolve any issues raised in Subtenant's Expense Objection Notice. If Sublandlord and Subtenant determine that Expenses for the calendar year are less than reported, Sublandlord shall provide Subtenant with a credit against the next installment of Rent in the amount of the overpayment by Subtenant. Likewise, if Sublandlord and Subtenant determine that Expenses for the calendar year are greater than reported, Subtenant shall pay Sublandlord the amount of any underpayment within 30 days. The records obtained by Subtenant shall be treated as confidential. In no event shall Subtenant be permitted to examine Sublandlord's records or to dispute any statement of Expenses unless Subtenant has paid and continues to pay all Rent when due.

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8.7 Notwithstanding anything to the contrary contained in this Lease, Subtenant's failure to object to any statement, invoice or billing rendered by Sublandlord (other than Sublandlord's statement of Expenses, which shall be governed by the provisions of Section 4.6 above) within a period of 120 days after receipt of the same shall constitute Subtenant's unconditional acquiescence with respect thereto and Subtenant shall be deemed to have waived its right, if any, to challenge or object to such statement. Notwithstanding the foregoing, any such objection by Subtenant must be in writing (the "Billing Objection Notice") and must include the amount that is in dispute and the specific reason for such objection. The failure to include both of these items in Subtenant's Billing Objection Notice sent to Sublandlord will render Subtenant's objection null and void. Sublandlord and Subtenant intend that the foregoing provision shall supersede any right to audit or request back up documentation from Sublandlord which may otherwise be provided by this Lease and the foregoing provisions are not intended to grant any such right to Subtenant not otherwise expressly provided in this Lease. If Subtenant provides Sublandlord with a timely Billing Objection Notice, Sublandlord and Subtenant shall work together in good faith to resolve any issues raised in Subtenant's Billing Objection Notice failing which, any unresolved issues shall be submitted to an independent certified public accountant selected by Sublandlord who shall determine the issue and such determination shall be conclusive and binding on Sublandlord and Subtenant and Subtenant shall be barred from raising any new Claims regarding such statement, invoice or billing or any items related thereto.

9 COMPLIANCE WITH LAWS; USE.

9.1 The Premises shall be used only for the Permitted Use and for no other use whatsoever. Subtenant shall not use or permit the use of the Premises for any purpose which is illegal, dangerous to persons or property, with the exception that it may engage in the Permitted Use in compliance with all Alaska and local laws concerning the cultivation and sale of cannabis, even if such is not legal or otherwise permitted under the federal laws of the United States government.

9.2 Subtenant shall comply, and shall cause all Subtenant Related Parties to comply, with all Laws, including those enforced by the local Health Department, the Americans with Disabilities Act (the "A.D.A."), regarding the operation of Subtenant's business and the use, condition, configuration and occupancy of the Premises and Subtenant shall obtain and maintain throughout the Term, any business licenses or permits required by any governmental body for the conduct of its business within the Premises (including, without limitation, a cannabis license and any other permits required to sell cannabis and related products, if Subtenant is permitted to sell cannabis pursuant to the Permitted Use). Without limiting the foregoing, Subtenant acknowledges that the Premises are a place of "public accommodation" and Subtenant shall make the same accessible, at Subtenant's sole cost and expense, as required by the A.D.A. or other accessibility laws. Subtenant, within 10 days after receipt, shall provide Sublandlord with copies of any notices it receives regarding a violation or alleged violation of any Laws. Subtenant shall reimburse

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and compensate Sublandlord for all expenditures made by, or damages or fines sustained or incurred by, Sublandlord due to any violations of Laws by Subtenant or any Subtenant Related Parties with respect to the Premises.

10 SERVICES.

10.1 Subtenant shall obtain any services that are required for Subtenant to operate its business in the Premises (including, without limitation, HVAC service, trash/waste disposal, pest control, window cleaning, electricity, and janitorial service) at Subtenant's sole cost and expense and Sublandlord shall not have any obligation to provide same. However, if Sublandlord elects to furnish or designate any service(s) to the Premises, Subtenant shall use the service furnished or designated by Sublandlord. Sublandlord provided services must be reasonably consistent with both the cost and quality of services available from other sources. If furnished or billed by Sublandlord, Subtenant shall pay for such service monthly, at Sublandlord's option, either (i) through inclusion in Expenses; (ii) by a separate charge payable by Subtenant to Sublandlord within 30 days after billing by Sublandlord; or (iii) by a separate charge billed by the applicable provider and payable directly by Subtenant. If Sublandlord does not provide such service, Subtenant shall be solely responsible for providing all such service(s) and shall pay promptly all charges therefor. Upon the request of Sublandlord, Subtenant shall submit to Sublandlord copies of any and all contracts, inspection reports and other documentation in connection with such services.

10.2 Any interruption or termination of, services due to the application of Laws, the failure of any equipment, the performance of repairs, improvements or alterations, or the occurrence of any other event or cause (a "Service Failure") shall not render Sublandlord liable to Subtenant, constitute a constructive eviction of Subtenant, give rise to an abatement of Rent, nor relieve Subtenant from the obligation to fulfill any covenant or agreement. Without limiting the foregoing, Subtenant agrees that Sublandlord shall not be liable to Subtenant for any loss or damage, including the theft of Subtenant's Property, arising out of or in connection with the failure of any security services, personnel or equipment.

10.3 Sublandlord shall have no obligation to provide any safety or security devices, services or programs for Subtenant or the Property, and shall have no liability for failure to provide the same or for inadequacy of any measures provided. However, Sublandlord may institute or continue such safety or security devices, services or programs as Sublandlord in its sole discretion, shall elect to provide. Subtenant shall abide by and cooperate and participate in all security regulations and programs established by Sublandlord affecting the Property. The parties acknowledge that safety and security devices, services and programs provided by Sublandlord, if any, while intended to deter crime and enhance safety, may not in a given instance prevent theft or other injurious acts or ensure safety of parties or property. The risk that any safety or security device, service or program may

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not be effective, or may malfunction, or be circumvented, is assumed by Subtenant with respect to Subtenant and Subtenant's Property and interests.

10.4 All garbage and other refuse shall be kept either (1) inside the Premises in the kind of container specified by Sublandlord (if Sublandlord so specifies) and, if directed by Sublandlord, shall be taken to a shared garbage location outside of the Premises at the times and by access routes specified by Sublandlord, or (2) within a fenced and locked commercial dumpster near the rear of the property. If Sublandlord elects to furnish or designate service for the removal of garbage and other refuse from such shared garbage location, Subtenant shall use the service furnished or designated by Sublandlord. If furnished or billed by Sublandlord, Subtenant shall pay for such service monthly as Additional Rent. If Sublandlord does not provide such service, Subtenant shall be solely responsible and contract for the removal of all garbage and other refuse from the Premises and shall pay promptly all charges therefor. Subtenant shall insure that none of its garbage or other refuse escapes, leaks or spills from Subtenant's garbage bags or bins while being transported from the Premises.

11 SUBTENANT IMPROVEMENTS AND OWNERSHIP OF ALTERATIONS.

11.1 Subtenant Improvements. Subtenant shall, at its sole cost and expense, build out the Property in a manner befitting its operations under the Permitted Use. Summarily, Subtenant shall install Subtenant Improvements which permit it to operate upon the Property areas for the following: a cannabis testing facility, cannabis cultivation, a cannabis oil extraction laboratory, commercial kitchen, warehousing and wholesale and retail sales. The terms of the Lease governing the Subtenant Improvements and Ownership thereof follow in this Section 8 and in Section 9.

11.2 Ownership of Alterations. All Subtenant Improvements and Alterations (collectively, "Alterations") to the Premises shall be owned by Sublandlord and shall remain upon the Premises without compensation to Subtenant. However, Subtenant shall, at Subtenant's expense, remove the following: (1) if Sublandlord requests, by written notice to Subtenant no later than 15 days prior to the Termination Date: (a) Subtenant's sign and (b) any Alterations that are performed by or for the benefit of Subtenant and, in Sublandlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard retail improvements (collectively referred to as "Required Removables"). Without limitation, it is agreed that Required Removables include the Subtenant Improvements specific to operating under the Permitted Use, specifically including structural alterations and modifications of any type. The Required Removables designated by Sublandlord shall be removed by Subtenant before the Termination Date. Subtenant shall repair damage caused by the installation or removal of Required Removables. If Subtenant fails to remove any Required Removables or perform related repairs in a timely manner, Sublandlord, at Subtenant's expense, may remove and dispose of the Required Removables and perform the required repairs. Subtenant, within 30 days

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after receipt of an invoice, shall reimburse Sublandlord for the reasonable costs incurred by Sublandlord. Notwithstanding the foregoing, Subtenant, at the time it requests approval for a proposed Alteration, may request in writing that Sublandlord advise Subtenant whether the Alteration or any portion of the Alteration will be designated as a Required Removable. Within 10 days after receipt of Subtenant's request, Sublandlord shall advise Subtenant in writing as to which portions of the Alteration, if any, will be considered to be Required Removables.

12 SUBTENANT REPAIRS.

12.1 General Repair Policy. Subtenant shall, at its sole cost and expense, promptly perform all maintenance and repairs (including any replacements) to the Premises that are not Sublandlord's express responsibility under this Lease and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Subtenant shall provide all janitorial service and customary cleaning and redecorating in the Premises on a regular basis so that the Premises are kept neat and broom clean. In addition, Subtenant shall, at Subtenant's expense, clean the interior and exterior of all windows and doors (including in each case the frames therefor) in the Premises and the perimeter walls thereof on an "as needed" basis (it being agreed that Subtenant shall promptly remove any graffiti on the windows, doors, or perimeter walls of the Premises and such removal shall be deemed "as needed" for the purposes of this Section), and Subtenant will not require, permit, suffer or allow any such window or door to be cleaned in violation of any law or ordinance or of any rule, order or regulation of any governmental authority having jurisdiction thereover.

12.2 Subtenant Repair Obligations. Subtenant's repair obligations include, without limitation, repairs to: (1) floors (other than structural floors) and ceilings; (2) walls and interior partitions (other than the exterior faces of exterior walls); (3) doors and windows, including any glass, whether interior or exterior, and awnings and signs for the Premises; (4) utility meters; (5) electronic, phone and data cabling and related equipment (collectively, "Cable") that is installed by or for the exclusive benefit of Subtenant or used by Subtenant and located in the Premises or other portions of the Building; (6) fixtures, supplemental air conditioning units, private showers, bathrooms and kitchens (if permitted or required for the Permitted Use), including hot water heaters; (7) Alterations performed by contractors retained by Subtenant, including related HVAC balancing; (8) the storefronts (including any plate glass) and any security grilles or similar enclosures, all signs; and (9) any electrical, plumbing, heating, ventilating, air conditioning units ("HVAC"), sprinkler, fire protection, life/safety or other mechanical equipment or systems (wherever located) to the extent the same have been installed by or exclusively serve Subtenant (provided that, at its option, Sublandlord may elect to perform or cause the performance of necessary repairs and maintenance to the HVAC installed by or exclusively serving Subtenant [other than any supplemental air conditioning units] and bill Subtenant directly for the cost of such repairs and maintenance, plus Sublandlord's reasonable administrative costs). All work shall be performed in accordance with the

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rules and procedures described in Section 9.1.2 below. If Subtenant fails to make any repairs to the Premises for more than 15 days after notice from Sublandlord (although notice shall not be required if there is an emergency), Sublandlord may make the repairs, and Subtenant shall pay the reasonable cost of the repairs to Sublandlord within 30 days after receipt of an invoice, together with an administrative charge in an amount equal to 10% of the cost of the repairs. Notwithstanding anything to the contrary contained herein, as soon as practicable and in any event within 5 days after any exterior glass in the Premises is broken or cracked, including a so-called "bull's eye" break in the glass, Subtenant shall, at its sole expense, replace such glass with glass of the same kind and quality and as may be necessary or desirable in connection with such replacement, repair or replace the frames for such glass, and in the event Subtenant shall fail to so replace such glass and if necessary repair or replace such frames within 5 days after Sublandlord makes written demand upon Subtenant to do so, then Sublandlord may at any time thereafter replace the glass, if necessary and repair or replace such frames on Subtenant's behalf and Subtenant shall pay to Sublandlord as additional rent the reasonable cost incurred by Sublandlord in so doing within 10 days after demand therefor.

12.3 Regular Maintenance. Subtenant shall initiate and carry out a program of regular maintenance and repair of the Premises, including the painting or refinishing of all areas of the interior and the storefront of the Premises, so as to impede, to the extent possible, deterioration by ordinary wear and tear and to keep the same in attractive condition appropriate for the Property. After the first 6 years of the Term, Subtenant shall, at its expense, refurbish the Premises to the extent necessary so that (i) the furnishings, floor covering, wall covering, fixtures, equipment and surfaces visible to customers in the interior of the Premises shall be substantially in the same condition and appearance as at the commencement of the Term and (ii) the exterior of the Premises (including the storefront and storefront sign) shall be neat, presentable and attractive. Subtenant shall not be required, pursuant to this Section 9.1.2 to reconstruct the Premises nor to reconstruct the storefront of the Premises. Subtenant shall submit plans and specifications to Sublandlord for its approval covering said refurbishing within 30 days after the start of the 6th Lease Year and the Renewal Term, if applicable, and Subtenant agrees to make such changes thereto as Sublandlord may request (acting reasonably). Subtenant shall remain open for business during any refurbishing and shall diligently complete the refurbishing after Sublandlord has approved any applicable plans and specifications, if required.

12.4 Sublandlord Repair Rights. Sublandlord may elect, at the expense of Subtenant, to repair any damage or injury to the Building caused by moving property of Subtenant in or out of the Building, or by installation or removal of furniture or other property, or by misuse by, or neglect or improper conduct of Subtenant or any Subtenant Related Parties.

13 ALTERATIONS.

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13.1 Subtenant shall not make Alterations without first obtaining the written consent of Sublandlord in each instance, which Sublandlord may grant or withhold in its sole discretion provided, that Sublandlord shall not unreasonably withhold its consent to an Alteration that is inside the Premises and that will not affect the Building structure or the systems serving the Building in general. All Cable shall be tagged by Subtenant at the point of entry into the Building, at the terminal end of the Cable, and in the riser closet, to indicate the type of cable, and the service provided.

13.2 Cosmetic Alterations. Sublandlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "Cosmetic Alteration"): (1) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (2) is not visible from the exterior of the Premises or Building; (3) will not affect the systems or structure of the Building; and (4) does not require work to be performed inside the walls or above the ceiling of the Premises. However, even though consent is not required, the performance of Cosmetic Alterations shall be subject to all the other provisions of this Section 9.3.

13.3 Construction. Subtenant agrees to submit all plans for construction in the Property to Sublandlord, and Sublandlord has the right to disapprove all or any part of such plans, which approval shall not be unreasonably withheld. The decision of Sublandlord to refuse approval of such plans shall be conclusive. The rights of Sublandlord under this Section 9.3 relate to all initial and subsequent construction and are supplemental to other provisions of this Lease relating to work to be performed in the Premises. Prior to starting work, Subtenant shall furnish Sublandlord with plans and specifications reasonably acceptable to Sublandlord; names of contractors reasonably acceptable to Sublandlord (provided that Sublandlord may designate specific contractors with respect to Building systems or structure); copies of contracts; necessary permits and approvals; evidence of contractor's and subcontractor's insurance with types of coverage and amounts reasonably required by Sublandlord; and any security for performance that is reasonably required by Sublandlord. Changes to the plans and specifications must also be submitted to Sublandlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of a quality that is at least equal to the quality designated by Sublandlord as the minimum standard for the Building. Subtenant shall reimburse Sublandlord within 30 days after receipt of an invoice for sums paid by Sublandlord for third party examination of Subtenant's plans for non-Cosmetic Alterations. Upon completion, Subtenant shall furnish "as-built" plans (except for Cosmetic Alterations), an owner's affidavit and a sworn contractor's affidavit signed by Subtenant's general contractor, full, unconditional and final waivers of lien in accordance with the statutory and local requirements of the jurisdiction in which the Building is located and receipted bills covering all labor and materials. Subtenant shall assure that the Alterations comply with all insurance requirements and Laws. Sublandlord's approval of an Alteration shall not be a representation by Sublandlord that the Alteration complies with applicable Laws or will be adequate for Subtenant's use. Subtenant shall pay, as an

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additional charge, the entire increase in real estate taxes on the Building which shall, at any time prior to or after the Commencement Date, result from or be attributable to any alteration, addition or improvement to the Premises made by or for the account of Subtenant in excess of the Building standard improvements for the Building.

14 **SIGNAGE.** Any exterior signage installed by Subtenant shall also be subject to the approval of any governmental or quasi-governmental authority with jurisdiction over the Premises and shall comply with any signage guidelines which may be developed by Sublandlord from time to time. Subtenant shall submit to Sublandlord reasonably detailed drawings of its proposed signs for review and approval by Sublandlord prior to utilizing same. All signs, awnings, canopies, decorations, lettering, advertising matter or other items used by Subtenant shall be insured and maintained at all times by Subtenant in good condition, operating order and repair.

15 **UTILITIES.**

15.1 Subtenant shall pay all rents and charges for water, sewer, electricity, gas, heat, steam, hot and/or chilled water, air-conditioning, ventilating, telephone service and other utilities supplied to the Premises, however supplied (the "Utility Charges"), when the same become due, except to the extent that any such services are provided by Sublandlord, at Sublandlord's cost (subject to Subtenant's payment of Expenses) pursuant to Section 7.01 above.

15.2 Sublandlord, in its sole discretion, shall have the right, at all times, to designate alternative third-party providers for any of the utilities and to alter any and all utilities, and the equipment relating thereto, serving the Building or any portion thereof, provided such alteration by Sublandlord does not result in a material diminution of the utility service to the Premises. Subtenant shall execute and deliver to Sublandlord without delay such documentation as may be required to effect such alteration.

15.3 To the extent not furnished by Sublandlord, Subtenant shall apply to the applicable utility company or municipality for water, sewer, gas, electricity, telephone and all other utility services required by Subtenant for use in the Premises, and Subtenant shall be responsible for the connection and installation of same and costs associated therewith, including the cost of meters and the installation thereof. In the event Subtenant fails to pay any utility bill within 45 days after the due date, Sublandlord may but shall not be obligated to pay such bills (without any duty to investigate the validity thereof), in which event Subtenant shall immediately reimburse Sublandlord for the amount paid by Sublandlord plus Interest.

15.4 Subtenant's use of electrical service shall not exceed, either in voltage, rated capacity or overall load, that which Sublandlord deems to be standard for the Building. Subtenant must request in writing to Sublandlord any required excess electrical service and the

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additional usage (to the extent permitted by Law), installation and maintenance costs shall be paid by Subtenant.

15.5 If Subtenant shall require natural gas for the operation of Subtenant's business in the Premises, to the extent gas is not furnished by Sublandlord, Subtenant shall, at its own expense, arrange for such natural gas utility service from the local gas company in a manner approved by Sublandlord (which approval shall not be unreasonably withheld).

15.6 All federal, state and local taxes which may from time to time be imposed upon or payable in connection with charges for utility services pursuant to this Lease shall be payable by Subtenant in addition to the charges to which they relate.

16 ENTRY BY SUBLANDLORD.

16.1 Sublandlord, its agents, contractors and representatives may only enter the Premises subject Subtenant's Operating Plan and AMCO regulations. Sublandlord may request Subtenant's permission to inspect or show the Premises, to make repairs, alterations or additions to the Building, to post notices of no responsibility or other notices which Sublandlord may deem necessary for its protection, or to perform any obligations required of, or right permitted to, Sublandlord under this Lease or to take possession of the Premises following an Event of Default.

16.2 Sublandlord acknowledges that, because the Premises is being utilized by Subtenant as a licensed marijuana establishment, applicable laws and regulations require that a Subtenant representative be present to serve as an escort to Sublandlord and Sublandlord's agents during any entry and that Sublandlord will comply with Subtenant's visitor policies. In the event that Sublandlord seeks to enter the premises under the terms of this section and Subtenant cannot be reached or does not provide access, Sublandlord shall contact the State of Alaska Alcohol and Marijuana Control Office (AMCO) , or other relevant government authority, prior to any access of the Premises. Additionally, Under no circumstances shall Sublandlord take into its possession any marijuana or marijuana product. If Subtenant abandons the Premises, Sublandlord shall contact AMCO prior to any access to the license premises if Subtenant cannot be reached, abandons the property, or similar event.

17 ASSIGNMENT AND SUBLETTING.

17.1 Subtenant shall not assign, sublease, transfer or encumber any interest in this Sublease or allow any third party to use any portion of the Sublease Premises (collectively or individually, a "Transfer") without the prior written consent of Sublandlord and Landlord, which consent shall not be unreasonably withheld. Subtenant shall further be permitted to assign, sublease, or transfer any interest in this Sublease to a wholly-owned subsidiary or parent company of Subtenant with the consent of Sublandlord, which consent shall not be unreasonably withheld.

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17.2 If Subtenant is a corporation, limited liability company, partnership, or similar entity, and if the entity which owns or controls a majority of the voting shares/rights of Subtenant at any time changes for any reason (including but not limited to a merger, consolidation or reorganization), such change of ownership or control shall constitute a Transfer. The foregoing shall not apply so long as Subtenant is an entity whose outstanding stock is listed on a recognized security exchange.

18 **LIENS.** Subtenant shall not permit mechanic's or other liens to be placed upon the Property, Premises or Subtenant's leasehold interest in connection with any work or service done or purportedly done by or for benefit of Subtenant. If a lien is so placed, Subtenant shall, within 10 days of notice from Sublandlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien Law. If Subtenant fails to discharge the lien, then, in addition to any other right or remedy of Sublandlord, Sublandlord may bond or insure over the lien or otherwise discharge the lien. Subtenant shall reimburse Sublandlord for any amount paid by Sublandlord to bond or insure over the lien or discharge the lien, including, without limitation, reasonable attorneys' fees (if and to the extent permitted by Law) within 30 days after receipt of an invoice from Sublandlord.

19 **INDEMNIFICATION.**

19.1 Subtenant's Indemnity. Subtenant shall Indemnify Sublandlord and its Agents from and against any and all claims, cause of action, obligation, liability, costs and expenses, including, without limitation, reasonable attorneys' fees, (collectively, "Claims"), incurred as a result of (a) Subtenant's use of or activities on the Sublease Premises or the Building, (b) any default by Subtenant in the performance of any of its material obligations under this Sublease, or (c) any negligent acts or omissions of Subtenant or its Agents in, on or about the Sublease Premises or the Building; provided, however, Subtenant shall not be obligated to Indemnify Sublandlord or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Sublandlord or its Agents. In any action or proceeding brought against Sublandlord or its Agents by reason of any Claim Indemnified by Subtenant hereunder, Subtenant may, at its sole option, elect to defend such Claim by attorneys selected by Subtenant. Subtenant shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Sublandlord shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. Subtenant's obligations under this Section shall survive the termination of the Sublease.

19.2 Sublandlord's Indemnity. Sublandlord shall Indemnify Subtenant and its Agents against any and all Claims incurred as a result of (a) Sublandlord's activities on the Sublease Premises or Building that cause injury or damage to person or property, (b) any default by Sublandlord in the performance of any of its material obligations under this Sublease, or (c) any negligent acts or omissions of Sublandlord or its Agents in, on or about the

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Sublease Premises or the Building; provided, however, Sublandlord shall not be obligated to Indemnify Subtenant or its Agents to the extent any Claim arises out of the negligence or willful misconduct of Subtenant or its Agents. In any action or proceeding brought against Subtenant or its Agents by reason of any Claim Indemnified by Sublandlord hereunder, Sublandlord may, at its sole option, elect to defend such Claim with Sublandlord's attorneys, by other attorneys selected by Sublandlord, or both. Sublandlord shall have the right to control the defense and to determine the settlement or compromise of any action or proceeding, provided that Subtenant shall have the right, but not the obligation, to participate in the defense of any such Claim at its sole cost. Sublandlord's obligations under this Section shall survive the termination of the Sublease.

20 **INSURANCE.** At all times commencing on and after the earlier of (i) the Possession Date, (ii) the Commencement Date or (iii) the date Subtenant enters the Premises for any purpose, Subtenant shall carry and maintain insurance as required by the Master Lease, at its sole cost and expense.

21 **WAIVER OF SUBROGATION.** Notwithstanding anything in this Lease to the contrary, Sublandlord and Subtenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents, and employees, and, in the case of a waiver in favor of Sublandlord, for any loss or damage that may occur to Sublandlord or Subtenant or any party claiming by, through or under Sublandlord or Subtenant, as the case may be, with respect to Subtenant's Property, the Building, the Premises, any additions or improvements to the Building or Premises, or any contents thereof, including all rights of recovery or Claims arising out of the negligence of Sublandlord or any Sublandlord Related Parties or the negligence of Subtenant or any Subtenant Related Parties, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

22 **CASUALTY DAMAGE.** If all or any part of the Premises is damaged by fire or other casualty, Subtenant shall immediately notify Sublandlord in writing. Sublandlord shall have the right to terminate this Lease if: (1) the Property or the Building shall be damaged so that, in Sublandlord's reasonable judgment, substantial alteration or reconstruction of the Property or the Building (as applicable) shall be required (whether or not the Premises has been damaged); (2) Sublandlord is not permitted by Law to rebuild the Property or the Building in substantially the same form as existed before the fire or casualty; (3) the Premises have been materially damaged and there is less than24 months of the Term remaining on the date of the casualty; or (4) a material uninsured loss to the Property occurs. Sublandlord may exercise its right to terminate this Lease by notifying Subtenant in writing within 90 days after the date of the casualty. If Sublandlord does not terminate this Lease, the repair and restoration of the Premises

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(excluding the Alterations and any other items which Subtenant is required to insure) shall be performed by Sublandlord with reasonable diligence. However, in no event shall Sublandlord be required to spend more than the insurance proceeds received by Sublandlord. Sublandlord shall not be liable for any loss or damage to Subtenant's Property or to the business of Subtenant resulting in any way from the fire or other casualty or from the repair and restoration of the damage. Sublandlord and Subtenant hereby waive the provisions of any Law relating to the matters addressed in this Article and agree that their respective rights for damage to or destruction of the Premises shall be those specifically provided in this Lease.

23 TAKINGS: CONDEMNATION/EMINENT DOMAIN, SEIZURE, CEASE & DESIST.

23.1 Either party may terminate this Lease if the whole or any material part of the Premises shall be taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "Taking"). Sublandlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would leave the remainder of the Building or Property, as applicable, unsuitable for use in a manner comparable to its use prior to the Taking. In order to exercise its right to terminate the Lease, Sublandlord or Subtenant, as the case may be, must provide written notice of termination to the other within 45 days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Building or Property occurs.

23.2 If any governmental authority seizes the Premises due to the operations under the Permitted Use, or any part thereof, or otherwise ("Seizure"); or any governmental authority orders Subtenant to Cease and Desist the Permitted Use, or any part thereof ("Cease and Desist"), Subtenant shall be considered to be in Default under this Lease, collectively, a "Taking Default".

24 EVENTS OF DEFAULT.

24.1 In addition to Section 23 above, the occurrence of any of the additional following events shall constitute an "Event of Default":

24.1.1 Subtenant's failure to pay when due all or any portion of the Rent, if the failure continues for 5 days after written notice to Subtenant ("Monetary Default").

24.1.2 Subtenant's failure to pay when due all or any portion of the Purchase Option Fee, if the failure continues for 5 days after written notice to Subtenant ("Monetary Default").

24.1.3 Subtenant's failure (other than a Monetary Default or a Continuous Operations Default [hereinafter defined]) to comply with any term, provision or covenant of this Lease, if the failure is not cured within 10 days after written notice to Subtenant. However, if

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Subtenant's failure to comply cannot reasonably be cured within 10 days, Subtenant shall be allowed additional time (not to exceed 60 days) as is reasonably necessary to cure the failure so long as: (1) Subtenant commences to cure the failure within 10 days, and (2) Subtenant diligently pursues a course of action that will cure the failure and bring Subtenant back into compliance with this Lease. However, if Subtenant's failure to comply creates a hazardous condition, the failure must be cured immediately upon notice to Subtenant. In addition, if Sublandlord provides Subtenant with notice of Subtenant's failure to comply with any particular term, provision or covenant of the Lease on 3 occasions during any 12-month period, Subtenant's subsequent violation of such term, provision or covenant shall, at Sublandlord's option, be an incurable Event of Default by Subtenant.

24.1.4 Subtenant or any Guarantor becomes insolvent, makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts when due.

24.1.5 Subtenant fails to take possession of or abandons or vacates all or any portion of the Premises or Subtenant fails to continuously operate its business in the Premises for the Permitted Use in accordance with and in the manner required by Sublease and does not cure such failure within 5 days after receipt of written notice from Sublandlord (any such failure shall be called a "Continuous Operations Default").

24.2 Any notice required or permitted by this Section 19 shall be in lieu of, and not in addition to, any notice required under any Laws providing for notice and any cure period. Sublandlord may (at its discretion) serve a statutory notice to quit, a statutory notice to pay rent or quit, or a statutory notice of default, as the case may be, to effect the giving of any notice required by this Section 19. No notice and opportunity to cure is conferred upon Subtenant with regard to any default except as expressly set forth in this Section 19.

25 **SUBLANDLORD'S RIGHT TO CURE SUBTENANT'S DEFAULTS.** If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with ten (10) days prior notice (except in the event of an emergency as determined by Sublandlord), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums reasonably expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

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26 REMEDIES.

26.1 Upon the occurrence of any Event of Default under this Lease, Sublandlord shall have the option to pursue any one or more of the following remedies without any notice (except as expressly prescribed herein) or demand whatsoever (and without limiting the generality of the foregoing, Subtenant hereby specifically waives notice and demand for payment of Rent or other obligations, except for those notices specifically required pursuant to the terms of Section 19 or this Section 20, and waives any and all other notices or demand requirements imposed by applicable Law):

26.1.1 Terminate this Lease and Subtenant's right to possession of the Premises and recover from Subtenant an award of damages equal to the sum of the following:

26.1.1.1 The Worth at the Time of Award of the unpaid Rent which had been earned at the time of termination and the balance remaining of the Purchase Option Fee;

26.1.1.2 All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable Law.

26.1.2 The "Worth at the Time of Award" of the amounts referred to in part (i) above shall be computed by allowing interest at the lesser of a per annum rate equal to:

26.1.2.1 (A) the greatest per annum rate of interest permitted from time to time under applicable Law, or

26.1.2.2 (B) the Prime Rate plus 10%. For purposes hereof, the "Prime Rate" shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Sublandlord in the State of Alaska. Sublandlord expressly reserves all rights and remedies available to Sublandlord pursuant to the applicable laws of the State of Alaska.

27 NO WAIVER.

27.1 The subsequent acceptance of Rent hereunder by Sublandlord shall not be deemed to be a waiver of any preceding breach by Subtenant of any term, covenant or condition of this Lease, other than the failure of Subtenant to pay the particular Rent so accepted, regardless of Sublandlord's knowledge of such preceding breach at the time of acceptance of such Rent. No waiver by Sublandlord of any breach hereof shall be effective unless such waiver is in writing and signed by Sublandlord.

27.2 SUBTENANT WAIVER. SUBTENANT HEREBY WAIVES ANY AND ALL RIGHTS CONFERRED BY LAW PROVIDING THAT SUBTENANT SHALL HAVE ANY RIGHT TO REDEEM, REINSTATE OR RESTORE THIS LEASE FOLLOWING ITS TERMINATION BY REASON OF SUBTENANT'S BREACH. SUBTENANT AND ALL OF SUBTENANT'S SUCCESSORS, SUBTENANTS

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AND ASSIGNEES ALSO HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE.

28 No Limitation on Sublandlord's Rights and Remedies.

28.1 No right or remedy herein conferred upon or reserved to Sublandlord 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 or remedy given hereunder or now or hereafter existing by agreement, applicable law or in equity. In addition to other remedies provided in this Lease, Sublandlord shall be entitled, to the extent permitted by applicable Law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Sublandlord at law or in equity. Forbearance by Sublandlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

29 SUBLANDLORD'S EXCLUSIVE RIGHT TO CURE DEFAULT.

29.1 If an Event of Default exists under the Lease, Sublandlord shall have the right to cure such default. Subtenant shall reimburse Sublandlord for the cost of such performance upon demand together with an administrative charge equal to 10% of the cost of the work performed by Sublandlord.

29.2 This Article 27 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable Law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

30 RELEASE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF SUBLANDLORD (AND OF ANY SUCCESSOR SUBLANDLORD) TO SUBTENANT SHALL BE LIMITED TO THE INTEREST OF SUBLANDLORD IN THE PROPERTY. SUBTENANT SHALL LOOK SOLELY TO SUBLANDLORD'S INTEREST IN THE PROPERTY FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST SUBLANDLORD. NEITHER SUBLANDLORD NOR ANY SUBLANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY SUBLANDLORD, SUBTENANT SHALL GIVE SUBLANDLORD NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL SUBLANDLORD OR SUBLANDLORD RELATED PARTIES EVER BE LIABLE FOR ANY CONSEQUENTIAL OR SPECIAL DAMAGES OR ANY LOST PROFITS OF SUBTENANT.

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31 **NO WAIVER.** Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default shall not constitute a waiver of the default, nor shall it constitute an estoppel. Either party's failure to enforce its rights for a default shall not constitute a waiver of its rights regarding any subsequent default. Receipt by Sublandlord of Subtenant's keys to the Premises shall not constitute an acceptance or surrender of the Premises.

32 **QUIET ENJOYMENT.** Subtenant shall, and may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided Subtenant pays the Rent and fully performs all of its covenants and agreements. This covenant and all other covenants of Sublandlord shall be binding upon Sublandlord and its successors only during its or their respective periods of ownership of the Building and shall not be a personal covenant of Sublandlord or the Sublandlord Related Parties. This Lease and Subtenant's rights hereunder shall be subject and subordinate to all Recorded Documents and Subtenant shall, at its sole cost and expense, comply with all such Recorded Documents applicable to the Premises or the Property or the use and occupancy thereof by Subtenant.

33 **HOLDING OVER.** If Subtenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Subtenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease and Subtenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% of the greater of: (1) the sum of the Base Rent and Additional Rent due for the period immediately preceding the holdover; or (2) the fair market gross rental for the Premises as reasonably determined by Sublandlord. No holdover by Subtenant or payment by Subtenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Sublandlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Sublandlord is unable to deliver possession of the Premises to a new Subtenant, or to perform improvements for a new Subtenant, as a result of Subtenant's holdover and Subtenant fails to vacate the Premises within 15 days after Sublandlord notifies Subtenant of Sublandlord's inability to deliver possession, or perform improvements, Subtenant shall be liable to Sublandlord for all damages, including, without limitation, consequential damages, that Sublandlord suffers from the holdover.

34 **ATTORNEYS' FEES.** If either party institutes a suit against the other for violation of or to enforce any covenant or condition of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

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35 **NOTICE.** If a demand, request, approval, consent or notice (collectively referred to as a "notice") shall or may be given to either party by the other, the notice shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service at the party's respective Notice Address set forth in Article 1, except that if Subtenant has vacated the Premises (or if the Notice Address for Subtenant is other than the Premises, and Subtenant has vacated such address) without providing Sublandlord a new Notice Address, Sublandlord may serve notice in any manner described in this Article or in any other manner permitted by Law. Each notice shall be deemed to have been received or given on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Subtenant has vacated the Premises or the other Notice Address of Subtenant without providing a new Notice Address, 3 days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address by giving the other party written notice of the new address in the manner described in this Article.

36 **SURRENDER OF PREMISES.** At the expiration or earlier termination of this Lease or Subtenant's right of possession, Subtenant shall remove Subtenant's Property from the Premises, and quit and surrender the Premises to Sublandlord, broom clean, and in good order, condition and repair, ordinary wear and tear excepted. If Subtenant fails to remove any of Subtenant's Property within 2 days after the termination of this Lease or of Subtenant's right to possession, Sublandlord, at Subtenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Subtenant's Property. Sublandlord shall not be responsible for the value, preservation or safekeeping of Subtenant's Property. Subtenant shall pay Sublandlord, upon demand, the expenses and storage charges incurred for Subtenant's Property. In addition, if Subtenant fails to remove Subtenant's Property from the Premises or storage, as the case may be, within 30 days after written notice, Sublandlord may deem all or any part of Subtenant's Property to be abandoned, and title to Subtenant's Property shall be deemed to be immediately vested in Sublandlord. However, under no circumstances shall Sublandlord take into its possession any marijuana or marijuana product. If Subtenant abandons the Premises, Sublandlord shall contact the State of Alaska Alcohol and Marijuana Control Office, or other relevant government authority, prior to any access to the license premises if Subtenant cannot be reached, abandons the property, or similar event.

37 **HAZARDOUS MATERIALS; MOLD.**

37.1 Subtenant shall (i) not, nor shall Subtenant allow any person to, manufacture, use, store, handle, transport, dispose of, spill, leak, dump, emit or release any Hazardous Materials (as hereinafter defined) on, under, about or from the Premises or Property, except that Subtenant may use Hazardous Materials commonly used in a retail establishment operated for the Permitted Use, if, and only if, (1) such Hazardous Materials are used in strict compliance with all Applicable Environmental Laws (as hereinafter defined), and (2) Subtenant immediately gives Sublandlord written notice of all such use of Hazardous

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Materials, specifically describing the manner in which such Hazardous Materials are used, handled and stored, the availability of any non- hazardous or less hazardous alternatives, the type and quantity of hazardous waste generated as a result of such use, handling and storage and the method and location where such wastes are disposed of and discharged, (ii) at its sole cost and expense comply (and be responsible for the compliance of all its employees, agents and contractors, or any other persons occupying, present on, or removing any Hazardous Materials from the Premises) with all Applicable Environmental Laws, (iii) upon Subtenant's receipt of all reports, citations, notices and other writings regarding any Hazardous Materials on, under, about or migrating from the Premises or the Property (or if written by Subtenant, upon its writing) immediately notify and provide a copy of same to Sublandlord, and (iv) with respect to all Hazardous Materials released, spilled, leaked, dumped and emitted on, under, about or migrating from the Premises or the Property, at Subtenant's sole cost and expense, immediately: (a) Notify Sublandlord of same, (b) remove such Hazardous Materials from the Premises, the Property and all other property on, under or about which the Hazardous Materials have migrated, (c) dispose of such Hazardous Materials in compliance with all Applicable Environmental Laws, and (d) remediate and repair all damages arising from such release, spill, leak, dumping and emission. Such remediation and repair shall include, without limitation, Subtenant's modification of the HVAC system to (e) meet the requirements of The Clean Air Act, as amended (including all regulations promulgated thereunder), and all state and local air laws and regulations, and (f) reduce any odors and airborne irritants to Sublandlord's satisfaction.

37.2 Sublandlord access to dispose of Hazardous Materials. Subtenant shall give Sublandlord access to the Premises and hereby specifically grants to Sublandlord a license to (i) remove and dispose of all Hazardous Materials which Subtenant has failed to remove and dispose of in compliance with this Article 34, and (ii) remediate and repair all damages arising from such Hazardous Materials which Subtenant has failed to remediate and repair in compliance with this Article 34. Sublandlord acknowledges that, because the Premises is being utilized by Subtenant as a licensed marijuana establishment, applicable laws and regulations require that a Subtenant representative be present to serve as an escort to Sublandlord and Sublandlord's agents during any entry and that Sublandlord will comply with Subtenant's visitor policies. In addition, if Sublandlord performs any such removal of Hazardous Materials or remediation and repair, Subtenant shall immediately reimburse Sublandlord for all costs incurred by Sublandlord, at any time, associated with such activities. Subtenant shall reimburse to Sublandlord such costs as those costs are incurred by Sublandlord.

37.3 Subtenant Indemnification. Subtenant shall, at its sole cost and expense, protect, defend, indemnify, save and hold Sublandlord, the Sublandlord Related Parties and any Mortgagee harmless from and against any and all Claims (including, without limitation, consequential damages [such as, without limitation, reduction in, or complete loss of, rent revenues and property value with regard to the Premises and Property], fines,

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administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind and all costs and expenses incurred in connection therewith [including, without limitation, attorneys' fees and expenses, consultants' fees, investigations, laboratory fees and other expenses, and court costs and litigation expenses]), arising directly or indirectly, in whole or in part, out of (i) any Hazardous Materials on, under, about or migrating from the Premises, (ii) all activities conducted on or off the Premises, at any time, in connection with Hazardous Materials, by Subtenant or its employees, agents or contractors of Subtenant or any third persons at any time occupying or present on the Premises, and (iii) all breaches of any requirement under this Section 28.

37.4 Hazardous Material. The term "Hazardous Materials" shall mean (i) all petroleum products and constituents, and (ii) all substances and materials defined as a hazardous substance, hazardous waste or otherwise considered unsafe for human health or the environment by any federal, state or local governmental law, rule, regulation, ordinance, or guidance document, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 5101, et seq.; the Resource Conversation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601, et seq.; the Clean Air Act, as amended, 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended by The Clean Water Act of 1977 PL 92- 500, et seq., as amended, the Occupational Safety and Health Act, as amended, 29 U.S.C. 651 et seq., and the regulations adopted and publications promulgated pursuant to said laws, ordinances, rules, regulations and guidance documents. The phrase "Applicable Environmental Laws" shall mean all federal, state and local laws, regulations, ordinances, rules, orders and guidance documents concerning or relating to the presence, release, use, generation, storage, handling, transportation or disposal of Hazardous Materials.

37.5 Mold. It is generally understood that mold spores are present essentially everywhere and that mold can grow in most any moist location. Emphasis is properly placed in prevention of moisture and on good housekeeping and ventilation practices. Subtenant acknowledges the necessity of housekeeping, ventilation, and moisture control (especially in kitchens, janitor's closets, bathrooms, break rooms and around outside walls) for mold prevention. In signing this Lease, Subtenant has first inspected the Premises and certifies that it has not observed mold, mildew or moisture within the Premises. Subtenant agrees to immediately notify Sublandlord if it observes mold/mildew and/or moisture conditions (from any source, including leaks) and allow Sublandlord to evaluate and make recommendations and/or take appropriate corrective action. Subtenant relieves Sublandlord from any liability for any bodily injury or damages to property caused by or associated with moisture or the growth of or occurrence of mold or mildew on the

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STATE OF ALASKA

Premises. In addition, execution of this Lease constitutes acknowledgement by Subtenant that control of moisture and mold prevention are integral to its Lease obligations.

38 **NONDISCRIMINATION.** Subtenant covenants for itself, its heirs, executors, administrators, successors, and assigns and all persons claiming under or through it or them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, marital status, sexual orientation, national origin, ancestry, age, physical handicap or medical condition, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein leased, and Subtenant and any person claiming under or through Subtenant shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Subtenants, licensees, vendees or customers in the Premises.

39 **CHOICE OF LAW.** This Lease and the rights and obligations of the parties shall be interpreted, construed and enforced in accordance with the Laws of the state in which the Building is located and Sublandlord and Subtenant hereby irrevocably consent to the jurisdiction and proper venue of such state. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by Law. The headings and titles to the Articles and Sections of this Lease are for convenience only and shall have no effect on the interpretation of any part of this Lease.

40 **SUBLANDLORD'S PERMISSION TO RECORD.** Subtenant shall not record this Lease or any memorandum or notice without Sublandlord's prior written consent.

41 **WAIVE RIGHT TO TRAIL.** Subtenant (including its assignees and sublessees) hereby waives any right to trial by jury in any proceeding based upon a breach of this Lease and Subtenant waives the right to file any counterclaims or cross-claims (other than compulsory counterclaims or cross-claims) in actions for recovery of possession of the Premises only.

42 **FORCE MAJEURE.** Whenever a period of time is prescribed for the taking of an action by Sublandlord or Subtenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, civil disturbances and other causes beyond the reasonable control of the performing party ("Force Majeure"). However, events of Force Majeure shall not extend any period of time for the payment of Rent or other sums payable by either party or any period of time for the written exercise of an option or right by either party.

43 **SUBLANDLORD RIGHT TO TRANSFER OR ASSIGN PROPERTY.** Sublandlord shall have the right to transfer and assign, in whole or in part, all of its rights and

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obligations under this Lease and in the Building and/or Property referred to herein, and upon such transfer Sublandlord shall be released from any further obligations hereunder, and Subtenant agrees to look solely to the successor in interest of Sublandlord for the performance of such obligations.

44 **SUBTENANT AUTHORIZATION.** Subtenant covenants, warrants and represents that: (1) each individual executing, attesting and/or delivering this Lease on behalf of Subtenant is authorized to do so on behalf of Subtenant; (2) this Lease is binding upon Subtenant; and (3) Subtenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located. If there is more than one Subtenant, or if Subtenant is comprised of more than one party or entity, the obligations imposed upon Subtenant shall be joint and several obligations of all the parties and entities. If Subtenant is a partnership, then each present and future partner shall be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions to be performed by Subtenant. Sublandlord may request (and Subtenant shall comply) that Subtenant, at the time that Subtenant admits any new partner to its partnership, require each new partner to execute an agreement in form and substance satisfactory to Sublandlord under which the new partner shall agree to be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions to be performed by Subtenant, without regard to when the new partner is admitted to the partnership (or when any obligations under any of such covenants, agreements, terms, provisions and conditions accrue). Notices, payments and agreements given or made by, with or to any one person or entity shall be deemed to have been given or made by, with and to all of them.

45 **TIME OF THE ESSENCE.** Time is of the essence with respect to Subtenant's exercise of any expansion, renewal or extension rights granted to Subtenant. This Lease shall create only the relationship of Sublandlord and Subtenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Sublandlord and Subtenant and their permitted successors and assigns.

46 **OBLIGATIONS OF PARTIES.** The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

47 **ELECTRONIC COPY SAME AS ORIGINAL.** Sublandlord has delivered a copy of this Lease to Subtenant for Subtenant's review only, and the delivery of it does not constitute an offer to Subtenant or an option. This Lease shall not be effective against any party hereto until an original copy of this Lease has been signed by such party. Notwithstanding the foregoing, the parties acknowledge and agree that they intend to conduct this transaction by electronic means and that this Sublease may be executed by electronic signature, faxed versions of an original signature or electronically scanned and

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transmitted versions (e.g., via pdf) of an original signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

48 **RENT AGREED TO BE RENTAL PROPERTY REVENUE.** Sublandlord and Subtenant agree that all Rent paid to Sublandlord under this Lease shall qualify as "rents from real property" as defined in Internal Revenue Code Section 856(d) and as further defined in Treasury Regulation Section 1.856-4 (as amended from time to time). Should the requirements of the said Code Section or Regulation Section be amended so that any rent no longer qualifies as "rents from real property" for the purposes of the Code or the Regulation, the Rent payable to Sublandlord shall be adjusted so that such Rent will qualify as "rents from real property" under the Code and Regulation, provided that such adjustments required pursuant to the provisions of this Section shall not increase the monetary obligations of Subtenant. If any adjustment of Rent is required under this Section, or if Sublandlord in good faith determines that its status as a real estate investment trust under the provisions of the Code or the Regulation will be jeopardized because of any provision of this Lease, Subtenant shall, without charge therefor and within 10 days after Sublandlord's written request therefor, execute and deliver to Sublandlord such amendments to this Lease as may be reasonably required by Sublandlord to avoid such jeopardy, provided such amendments do not increase the monetary obligations of Subtenant or in any other manner materially increase Subtenant's obligations or materially decrease Subtenant's rights under this Lease.

49 **LIMITATIONS ON DISCLOSURE.** It is agreed and understood that Subtenant may acknowledge only the existence of this Lease by and between Sublandlord and Subtenant, and that Subtenant may not disclose any of the terms and provisions contained in this Lease to any Subtenant or other occupant in the Building or to any agent, employee, Subtenant or assignee of such Subtenant or occupant. Without limiting the generality of the foregoing, Subtenant may disclose the Lease and its terms and provisions as required or requested by any government or regulatory agency, but. Subtenant shall not correspond with or otherwise contact or respond to the press or any type of media outlet (including, without limitation, by electronic means) or make press or media or other public announcements regarding this Lease (other than acknowledging the existence of this Lease) without the coordination and prior written consent of Sublandlord.

50 **NO CONTRA PROFERENTEM.** This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Each covenant, agreement, obligation or other provision of this Lease on Subtenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Subtenant, not dependent on any other provision of this Lease.

51 **AGREEMENT TO PROTECT MARIJUANA LICENSE.** The parties agree to make any amendments to the Lease that are reasonably necessary to avoid failing to satisfy the

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requirements of state or federal guidelines regarding marijuana enforcement, as those guidelines and laws may be amended from time to time.

52 **ENTIRE AGREEMENT.** All understandings and agreements previously made between the parties are superseded by this Sublease, and neither party is relying upon any warranty, statement or representation not contained in this Sublease. This Sublease may be modified only by a written agreement signed by Sublandlord and Subtenant. This Lease and the following attachments, which are hereby incorporated into and made a part of this Lease, constitute the entire agreement between the parties and supersede all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents:

52.1 Attachment A: Master Lease

52.2 Attachment B: MJ-02 Diagram, Great Northern Manufacturing, Inc. Premises Diagram

Executed at Anchorage, Alaska.

SUBLANDLORD:
Great Northern Cannabis, Inc., an Alaska Corporation

By: _____
Name: Stephen W. Brashear
Title: President, CEO
Date: October 26, 2018

SUBTENANT:
Great Northern Manufacturing, Inc., an Alaska Corporation

By: _____
Name: Stephen W. Brashear
Title: President, CEO
Date: October 26, 2018

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Attachment A

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7031 ARCTIC BLVD.
ANCHORAGE, AK 99518

COMMERCIAL LEASE AGREEMENT

BETWEEN

MPS ALASKA A, LLC, AN ALASKA LIMITED LIABILITY COMPANY
("LANDLORD")

AND

GREAT NORTHERN CANNABIS, INC., AN ALASKA CORPORATION
("TENANT")

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STATE OF ...

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement (the "**Lease**") is made and entered into as of the_day of February 16, 2018, by and between **MPS Alaska A, LLC, an Alaska Limited Liability Company, Owner** (hereinafter defined) ("**Landlord**"), and **Great Northern Cannabis, Inc., an Alaska Corporation** ("**Tenant**").

1. Basic Lease Information.

1.1 "**Building**" shall mean the building located at 7031 Arctic Blvd., Anchorage, Alaska. The Building has a legal address of "Graham #3B2L1A".

1.2 "**Rentable Square Footage of the Commercial Tenant Space**" is deemed to be **16,954** square feet. "**Tenant's Pro Rata Share**" means 100% of the Property, as defined below.

1.3 "**Premises**" shall mean the entire Rentable Square Footage of the Building. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Premises is correct and shall not be remeasured, unless there is an actual physical change in the Premises or the Building.

1.4 "**Base Rent**" means the Minimum base rent payable by Tenant to Landlord on or before the 1st of each Month during the Term commencing from the Possession Date of the Lease.

Months of Term	Annual Base Rent	Monthly Base Rent
*1 - 12	$203,448.00	$16,954.00
13 - 24	$210,569.00	$17,547.00
25 - 36	$217,939.00	$18,162.00
37 - 48	$225,566.00	$18,797.00
49 - 60	$233,461.00	$19,455.00
61 - 72	$241,632.00	$20,136.00
73 - 84	$250,090.00	$20,841.00
85 - 96	$258,843.00	$21,570.00
97 - 108	$267,902.00	$22,325.00
109 - 120	$277,279.00	$23,107.00
121 - 132	$286,983.00	$23,915.00
133 - 144	$297,028.00	$24,752.00

*plus any partial calendar month at the beginning of the Term

1.5 "**Additional Rent**" means all sums (exclusive of Base Rent) that Tenant is required to pay Landlord under this Lease (including, without limitation, Percentage Rent, Expenses, Taxes, all as defined and set forth below).

1.6 "**Percentage Rent**" means 2.50% of the Tenant's annual Gross Sales (as defined in ¶ 4.2 below). Percentage Rent shall be due and payable monthly commencing January 1, 2019, except in the case of Cultivation Sales for which

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Percentage Rent shall commence on January 1, 2020 and continue throughout the remainder of the Term. Percentage Rent shall be payable as part of Additional Rent and paid to Landlord 30 days after the end of each calendar month. Of this Percentage Rent, Landlord intends to annually donate .50% to a non-profit, charitable organization in the name of both Tenant and Landlord. Landlord shall be entitled to claim the charitable tax deduction for such donation.

1.7 **"Purchase Option Fee"** In consideration of the Purchase Option agreement, attached as Exhibit A hereto, Tenant shall pay Landlord a non-refundable fee in the amount of Five Hundred Thousand Dollars ($500,000.00), payable in ten equal annual installments of Fifty Thousand Dollars ($50,000.00) with due dates commencing January 1, 2019. The first payment may be made between January 1, 2019 and July 1, 2019; all other payments shall be paid before January 10 of each succeeding year. Four Hundred Thousand Dollars ($400,000.00) of this Purchase Option Fee shall be applied to the Purchase Price under Tenant's Option to Purchase, set forth in herein below and **Exhibit A** hereto. Should tenant decline to exercise its rights to purchase the Property, the Purchase Option Fee shall remain non-refundable. Should Tenant cease to pay the entire Purchase Option Fee as scheduled, all prior Purchase Option Fee payments shall remain non-refundable, and the Purchase Option shall be non-exercisable.

1.8 **"Option to Purchase"** means Tenant's Option to Purchase the Property per the terms set forth in **Exhibit A** hereto.

1.9 **"Term"**: The Lease term shall be a period of 144 full calendar months commencing at the Possession Date. The **"Commencement Date"** shall be the date of execution of this Lease. The Lease shall be effective from the Commencement Date.

The term **"Possession Date"** shall mean the date Landlord tenders physical possession of the Premises to Tenant. The Possession Date is projected to be February 20, 2018.

The **"Termination Date"** shall, unless sooner terminated as provided herein, mean the last day of the Term.

1.10 **"Broker"**: Both parties acknowledge that no brokers were utilized in the negotiation of this Lease.

1.11 **"Permitted Use"**: The operation of a cannabis business licensed by the State of Alaska. This operation may include the cultivation of cannabis and the wholesale and retail sale of cannabis, including various cannabis products such as extracted cannabis oil, edible cannabis products, accessories such as pipes, vaporizers and apparel. The Property may include a cannabis oil extraction laboratory, a commercial kitchen for edibles production, cultivation space, retail store and warehousing for trimming, packaging and wholesaling bulk cannabis. At all times, at least 75% of the Premises must be related to revenue producing activities excluding the first year of possession.

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1.12 **"Notice Addresses"**:

Landlord:
MPS Alaska A, LLC
2629 Townsgate Rd. #215
Westlake Village, CA 91361

With a copy to:
Von Rock Law, PC
319 West Portal Ave.
San Francisco, CA 94127

Tenant:
Great Northern Cannabis, Inc.
645 G Street, Suite 100-907
Anchorage, AK 99501

With a copy to:
Birch, Horton, Bittner & Cherot
Attn: Jason Brandeis
510 L Street, Suite 700
Anchorage, AK 99501

1.13 "Security Deposit." The Security Deposit shall be One Hundred Thousand Dollars ($100,000.00) delivered to Landlord on February 14, 2018 and shall be held by Landlord without liability for interest (unless required by Law) as security for the performance of Tenant's obligations. The Security Deposit is not an advance payment of Rent or a measure of Tenant's liability for damages. Landlord may, from time to time, without prejudice to any other remedy, use all or a portion of the Security Deposit to satisfy past due Rent, to cure any uncured default by Tenant or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If Landlord uses the Security Deposit, Tenant shall on demand restore the Security Deposit to its original amount. Landlord shall return any unapplied portion of the Security Deposit to Tenant within 30 days after the later to occur of: (1) the date Tenant surrenders possession of the Premises to Landlord in accordance with this Lease; or (2) the Termination Date. If Landlord transfers its interest in the Premises, Landlord may assign the Security Deposit to the transferee and, following the assignment, Landlord shall have no further liability for the return of the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts.

2. Definitions.

2.1 **"Affiliate"** means any entity that Controls, is Controlled by or is under common Control with another entity and the terms **"Control"**, **"Controlled"** and **"Controls"** mean the ownership, directly or indirectly, of at least 51% of the voting securities of, or possession of the right to vote in the ordinary direction of its affairs, at least 51% of the voting interest in, the applicable entity.

2.2 **"Alterations"** means all present and future alterations, additions or improvements to the Premises (including, without limitation, all non-trade fixtures, light fixtures, pipes, ducts, conduits, plumbing, wiring, paneling, partitions, floors, floor and wall coverings and other additions and improvements) and installations of any Cable (as defined in Section 9.01) in the Premises or other portions of the Building.

2.3 **"Claims"** means, collectively, claims, charges, liabilities, obligations, losses, penalties, demands, causes of action, liens, damages, costs and expenses, including reasonable attorneys' and other expert and third-party fees and costs.

2.4 **"Interest"** means interest at a rate per annum equal to 2 percentage points above the rate of interest then most recently publicly announced by a federally

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insured bank selected by Landlord in the state in which the Building is located as its "prime rate" or "base rate" (the "**Prime Rate**"). If accrual or payment of such interest should be unlawful, then Interest shall be computed at the maximum legal rate.

2.5 "**Landlord Related Parties**" means Landlord and its Affiliates and their respective trustees, members, principals, beneficiaries, partners, officers, directors, shareholders, employees and agents.

2.6 "**Law(s)**" means, given the Permitted Use, all applicable laws, statutes, codes, ordinances, orders, requirements, rules and regulations of any municipal or governmental entity or quasi-governmental authority.

2.7 "**Lease Year**" or "**Partial Lease Year**" shall mean a period of 12 consecutive calendar months. The first Lease Year shall commence on the Commencement Date if the Commencement Date is the first day of a calendar month and otherwise on the first day of the first full calendar month following the Commencement Date. Each succeeding Lease Year shall commence on the anniversary date of the first Lease Year. Any portion of the Term which is less than a Lease Year shall be deemed a Partial Lease Year, except that if the

Commencement Date occurs on a date other than the first day of a calendar month, then the period commencing on the Commencement Date and ending on the last day of the calendar month in which the Commencement Date occurs shall be included in the first Lease Year.

2.8 "**Owner**" means the person(s) or entity(ies) that holds legal title (whether fee or leasehold) to the Building or the portion thereof in which the Premises is located. The terms "Owner" and "Landlord" have the same meaning for purposes of this Lease and may be used interchangeably.

2.9 "**Property**" means the Building and the parcel(s) of land on which it is located.

2.10 "**Rent**" means all Base Rent and Additional Rent.

2.11 "**Tenant Related Parties**" means Tenant and its Affiliates and their respective trustees, members, principals, beneficiaries, partners, officers, directors, shareholders, contractors, business invitees, employees and agents.

2.12 "**Tenant's Property**" means all movable trade fixtures, moveable equipment, furniture, inventory and other personal property belonging to Tenant within the Premises.

3. Premises.

3.1 Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord. Landlord hereby notifies Tenant that as of the date of this Lease, the Premises has not undergone inspection by a "Certified Access Specialist" to determine whether the Premises meet all applicable construction-related accessibility standards under any applicable law of Alaska, Anchorage, or otherwise. Tenant alone is responsible for compliance with any and all accessibility laws, including the Americans with Disabilities Act.

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4. Rent.

4.1 Payments. As consideration for this Lease, Tenant, or its designated Representative, shall pay Landlord, without any setoff or deduction, the total amount of Base Rent and Additional Rent due for the Term pursuant to this Lease. Tenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent under applicable Law. Base Rent and recurring monthly charges of Additional Rent shall be due and payable monthly, in advance on the first day of each calendar month without notice or demand. Unless otherwise set forth in this Lease, all other items of Rent shall be due and payable by Tenant or its designated Representative on or before 30 days after billing by Landlord. All payments of Rent shall be made by check or electronic money transfer in accordance with Landlord's written instructions regarding the same or by such other means or method of payment as Landlord may direct in writing. In addition to constituting a default hereunder, if Tenant fails to pay any item or installment of Rent when due, Tenant shall pay Landlord an administration fee equal to 5% of the past due Rent. If the Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, the Base Rent and any Additional Rent payable in monthly installments for such month shall be prorated based on the number of days in such calendar month. Landlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. No endorsement or statement on a check or letter accompanying a check or payment shall be considered an accord and satisfaction, and either party may accept the check or payment without prejudice to that party's right to recover the balance or pursue other available remedies. Tenant's covenant to pay Rent is independent of every other covenant in this Lease. Any delay or failure of Landlord in billing any Base Rent or Additional Rent shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay same.

4.2 Gross Sales Statements

(a) Tenant, within 25 days after the end of each calendar month during the Term, shall furnish Landlord a statement certified by an executive officer or authorized representative of Tenant setting forth the amount of Gross Retail and Wholesale Sales, in dollars and quantity, made during the preceding calendar month and the amount of, and an itemization of, deductions or exclusions from Gross Sales for such month taken pursuant to Section 4.02(f) below. The certification contained on the monthly statement of Gross Sales shall state that the executive officer or authorized representative has read the statement, knows the contents thereof and that the contents are true and correct.

(b) Tenant, within 45 days after the end of each Lease Year or Partial Lease Year during the Term shall furnish Landlord a statement (the **"Yearly Statement"**) certified by a certified public accountant licensed by the state where the Building is located, setting forth the Gross Sales in dollars and

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quantity made during the preceding Lease Year or Partial Lease Year and the amount of, and an itemization of, deductions or exclusions from Gross Sales for such Lease Year or Partial Lease Year taken pursuant to Section 4.02(f) below.

(c) Tenant shall furnish Landlord a copy of all forms submitted to the city and state where the Building is located to determine sales and use tax liability resulting from Gross Sales, whether based on dollar amounts or another metric, within 10 days of submission to the city and state.

(d) The fact that Tenant submits Gross Sales statements to Landlord shall not, nor shall any other provision of this Lease be construed to, create the relationship of principal and agent, or a partnership, enterprise or joint venture between Landlord and Tenant or make Landlord in any way responsible for the debts or losses of Tenant.

(e) The term "**Gross Sales**" shall include (as of the date of the transaction): (a) the dollar aggregate of the price charged or allowed for all goods, wares, merchandise, edibles, oils, accessories, cannabis products of any kind and any other commodity sold, leased or licensed, and the income, receipts, revenues, reimbursements and charges of and for all services or other operations or businesses sold or rendered at, in, on or from the Premises by Tenant (including any assignees and subtenants of Tenant) whether for cash or on a charge, credit, or time basis or otherwise,

whether on a retail or wholesale basis, without reserve or deduction for inability or failure to collect; (b) all service, finance or interest charges imposed by Tenant on any type of account or note receivable, to the extent that the principal amount thereof consists of monies which were or should have been included in Gross Sales; and (c) all gross income received by Tenant from its operations in, at, on or from the Premises (including, without limitation, the type of transactions described above) which Tenant, in the ordinary course of business, would credit or attribute to its business upon the Premises and which are neither included in nor excluded from Gross Sales by the other provisions of this Lease, but without any duplication; and in all cases without deduction or allowance for cost of goods sold, or other costs, charges or expenses of purchasing, selling, transportation, overhead or franchise fees, capital stock tax, tax based upon assets or net worth or gross receipt tax, income or similar tax based on income or profits or otherwise.

(f) There shall not be included, or if included in the calculation of Gross Sales, there shall be deducted, as the case may be, provided that specific record is made at the time of each transaction: (i) the actual net amount of refunds, credits or allowances actually made or allowed by Tenant in accordance with reasonable business practices upon transactions included within Gross Sales where the item is returned by the purchaser to and accepted by Tenant (provided that anything given in exchange for returned items and any such credits to customers shall be included in Gross Sales when used); (ii) sales or retailer's excise taxes which are separately added by Tenant to the sales price, paid directly by the customer, collected by Tenant and actually paid over by Tenant to the

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governmental taxing authorities, but not deducting from Gross Sales any other tax of any nature; (iii) Municipality of Anchorage (MOA) Retail Sales Tax directly calculated on and related to transactions included in the Gross Sales figure reported, (iv), State Excise Tax directly calculated on and related to transactions included in the Gross Sales quantity figure reported, (v) the exchange of merchandise between the stores of Tenant where such exchanges are made solely for the convenient operation of Tenant's business and not for the purpose of consummating a sale which has been made at, on, in or from the Premises; (vi) returns to shippers or manufacturers for credit; and (vii) sales of fixtures which are not part of Tenant's stock intrade.

(g) The business of Tenant upon the Premises shall be operated so that a duplicate dated sales slip, dated invoice, readout totals, register receipt or similar evidence of payment, serially numbered, shall be issued with each sale, transaction or other event resulting in Gross Sales, in dollars and quantity, retail and wholesale, or exclusions therefrom. Tenant shall keep and preserve at all times during the period required during the Term, at the Premises or at the home or regional office of Tenant, sufficient original records which accurately summarize all transactions related to the Premises (including the sales of any subtenant, licensee, assignee or concessionaire) including, without limitation: a general ledger, accounts receivable, bank statements, deposit slips, inventory records, purchase orders, receiving records, sales and cash receipts,

sales documents and disbursement journals, sales returns and allowance details, sales records, manifests recording movement of product, city, state and any other agency tax reporting, and other supporting documentation, and full, complete and accurate non-consolidated books of account (i.e., books and records reflecting Tenant's operations solely at the Premises). All such documentation shall conform to and be in accordance with generally accepted accounting principles consistently applied with respect to all operations of the business conducted in, at, to or from the Premises, and be kept and preserved in accordance with the foregoing for at least 3 years after the end of the period to which they pertain. Landlord shall have the right to request copies and inspect such records and any other documents that may support the accuracy of Tenant's reporting of Gross Sales, at any time during the lease, upon 5 days' notice. The receipt by Landlord of a statement of Gross Sales shall not constitute an admission of its correctness.

(h) Gross Sale Prices to Affiliate Companies shall not, on average per month, fall below 20% of the average gross sale prices of equivalent products to non-related customers. Should this occur, an adjustment shall be made to Gross Sales to increase the Gross Sales to Affiliates so that the average Gross Sales Price falls within the bound, for the purposes of calculating Percentage Rent.

(i) If Tenant shall fail to prepare and deliver any statement of Gross Sales as required under this Section 4.02 on the specified due date therefor, and does not cure such failure within 15 days after receipt of written notice of

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such failure from Landlord, in addition to all other rights and remedies of Landlord under this Lease and at Law and in equity Tenant shall pay to Landlord, as Additional Rent, an amount equal to $750.00 per incident after the expiration of such 15-day period.

4.3 Payment of Tenant's Expenses and Taxes. Tenant shall pay the total amount of Expenses (defined in Section 4.5) and Taxes (defined in Section 4.4) allocable or attributable to the Property for each calendar year during the Term. Landlord shall provide Tenant with a good faith estimate of the total amount of Expenses and Taxes for each calendar year during the Term. On or before the first day of each month, Tenant shall pay to Landlord a monthly installment equal to one- twelfth of Landlord's estimate of the total amount of Expenses and Taxes. If Landlord determines that its good faith estimate was incorrect by a material amount, Landlord may provide Tenant with a revised estimate and bill Tenant for any deficiency which may have accrued. After its receipt of the revised estimate, Tenant's monthly payments shall be based upon the revised estimate. If Landlord does not provide Tenant with an estimate of the total amount of Expenses and Taxes by January 1 of a calendar year, Tenant shall continue to pay monthly installments based on the previous year's estimate until Landlord provides Tenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Tenant paid monthly installments based on the previous year's estimate. Tenant shall pay Landlord the amount of any underpayment within 30 days after receipt of the new estimate. Any overpayment shall be refunded to Tenant within 30 days or credited against the next due future installment(s) of AdditionalRent.

As soon as is practical following the end of each calendar year, Landlord shall furnish Tenant with a statement of the actual amount of Expenses and Taxes for the prior calendar year and Tenant's Pro Rata Share of the actual amount of Expenses and Taxes for the prior calendar year. If the estimated amount of Expenses and Taxes for the prior calendar year is more than the actual amount of Expenses and Taxes for the prior calendar year, Landlord shall apply any overpayment by Tenant against Additional Rent due or next becoming due, provided if the Term expires before the determination of the overpayment, Landlord shall refund any overpayment to Tenant after first deducting the amount of Rent due. If the estimated amount of Expenses and Taxes for the prior calendar year is less than the actual amount of Expenses and Zone Taxes for such prior year, Tenant shall pay Landlord, within 30 days after its receipt of the statement of Expenses and Taxes, any underpayment for the prior calendar year.

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4.4 **"Taxes"** shall mean: (1) all real estate and real property taxes and other charges, levies and/or assessments on the Building and/or Property, of any kind or nature whatsoever, including, but not limited to, gross receipts taxes, assessments for special improvement districts and building improvement districts, governmental charges, fees and assessments for police, fire, traffic mitigation or other governmental service of purported benefit to the Property, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (2) all personal property taxes for property that is owned by Landlord and used in connection with the operation, maintenance and repair of the Property; and (3) all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (1) and (2), including, without limitation, any costs incurred by Landlord for compliance, review and appeal of tax liabilities. Without limitation, Taxes shall not include any income, capital levy, franchise, transfer, capital stock, gift, estate or inheritance tax. If an assessment is payable in installments, Taxes for the year shall include the amount of the installment and any interest due and payable during that year. For all other real estate taxes, Taxes for that year shall, at Landlord's election, include either the amount accrued, assessed or otherwise imposed for the year or the amount due and payable for that year, provided that Landlord's election shall be applied consistently throughout the Term. If a change in Taxes is obtained for any year of the Term during which Tenant paid any Taxes, then Taxes for that year will be retroactively adjusted and Landlord shall provide Tenant with a credit, if any, based on the adjustment. For purposes of this Section 4.04, the application of a tax exemption or abatement shall not be deemed to be a change in Taxes as described in the immediately preceding sentence. Tenant shall pay Landlord the amount of any such increase in the Taxes within 30 days after Tenant's receipt of a statement from Landlord. Notwithstanding anything to the contrary contained herein, for purposes of determining Tenant's Taxes for a given year, Taxes for such year shall be deemed to be equal to the amount that Taxes for such year would have been in the absence of any tax exemptions or abatements that may be in effect during or with respect to such year.

4.5 **"Expenses"** shall mean: all costs and expenses incurred in each calendar year in connection with operating, maintaining, repairing, insuring and managing the Building and the Property. Expenses shall include, without limitation: (i) management fees and legal fees not attributable to leasing activity, and other administrative costs; (ii) accounting costs; (iii) the cost of services including amounts paid to service providers; (iv) rental and purchase cost of parts, supplies, tools and equipment; (v) insurance premiums and deductibles; (vi) and electricity, gas and other utility costs.

4.6 Audit Rights. Tenant may, within 90 days after receiving Landlord's statement of Expenses, give Landlord written notice (**"Review Notice"**) that Tenant intends to review Landlord's records of the Expenses for that calendar year. Within 60 days after receipt of the Review Notice, Landlord shall make all pertinent records available for inspection that are reasonably necessary for Tenant to conduct its review at either the home office of Landlord or at the Building, as determined by Landlord. If Tenant retains an agent to review

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Landlord's records, the agent must be with an independent firm of licensed certified public accountants (i) reasonably acceptable to Landlord, (ii) which is not compensated on a contingency fee basis or in any other manner which is dependent upon the results of such audit or inspection (and Tenant shall deliver the fee agreement or other similar evidence of such fee arrangement to Landlord upon request), and (iii) which agrees with Landlord in writing to keep the results of such audit or inspection confidential. Tenant shall be solely responsible for all costs, expenses and fees incurred for the audit. Within 60 days after the records are made available to Tenant, Tenant shall have the right to give Landlord written notice (an "**Expense Objection Notice**") stating in reasonable detail any objection to Landlord's statement of Expenses for that year. If Tenant fails to give Landlerd an Expense Objection Notice within the 60-day period or fails to provide Landlord with a Review Notice within the 90-day period described above, Tenant shall be deemed to have approved Landlord's statement of Expenses and shall be barred from raising any Claims regarding the Expenses for that year. If Tenant provides Landlord with a timely Expense Objection Notice, Landlord and Tenant shall work together in good faith to resolve any issues raised in Tenant's Expense Objection Notice. If Landlord and Tenant determine that Expenses for the calendar year are less than reported, Landlord shall provide Tenant with a credit against the next installment of Rent in the amount of the overpayment by Tenant. Likewise, if Landlord and Tenant determine that Expenses for the calendar year are greater than reported, Tenant shall pay Landlord the amount of any underpayment within 30 days. The records obtained by Tenant shall be treated as confidential. In no event shall Tenant be permitted to examine Landlord's records or to dispute any statement of Expenses unless Tenant has paid and continues to pay all Rent when due.

4.7 Notwithstanding anything to the contrary contained in this Lease, Tenant's failure to object to any statement, invoice or billing rendered by Landlord (other than Landlord's statement of Expenses, which shall be governed by the provisions of Section 4.6 above) within a period of 120 days after receipt of the same shall constitute Tenant's unconditional acquiescence with respect thereto and Tenant shall be deemed to have waived its right, if any, to challenge or object to such statement. Notwithstanding the foregoing, any such objection by Tenant must be in writing (the "**Billing Objection Notice**") and must include the amount that is in dispute and the specific reason for such objection. The failure to include both of these items in Tenant's Billing Objection Notice sent to Landlord will render Tenant's objection null and void. Landlord and Tenant intend that the foregoing provision shall supersede any right to audit or request back up documentation from Landlord which may otherwise be provided by this Lease and the foregoing provisions are not intended to grant any such right to Tenant not otherwise expressly provided in this Lease. If Tenant provides Landlord with a timely Billing Objection Notice, Landlord and Tenant shall work together in good faith to resolve any issues raised in Tenant's Billing Objection Notice failing which, any unresolved issues shall be submitted to an independent certified public accountant selected by Landlord who shall determine the issue and such determination shall be conclusive and binding on Landlord and Tenant and Tenant shall be barred from raising any new Claims regarding such statement, invoice or billing or any items related thereto.

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5. Compliance with Laws; Use.

The Premises shall be used only for the Permitted Use and for no other use whatsoever. Tenant shall not use or permit the use of the Premises for any purpose which is illegal, dangerous to persons or property, with the exception that it may engage in the Permitted Use in compliance with all Alaska and local laws concerning the cultivation and sale of cannabis, even if such is not legal or otherwise permitted under the federal laws of the United States government.

Tenant shall comply, and shall cause all Tenant Related Parties to comply, with all Laws, including those enforced by the local Health Department, the Americans with Disabilities Act (the "**A.D.A.**"), regarding the operation of Tenant's business and the use, condition, configuration and occupancy of the Premises and Tenant shall obtain and maintain throughout the Term, any business licenses or permits required by any governmental body for the conduct of its business within the Premises (including, without limitation, a cannabis license and any other permits required to sell cannabis and related products, if Tenant is permitted to sell cannabis pursuant to the Permitted Use). Without limiting the foregoing, Tenant acknowledges that the Premises are a place of "public accommodation" and Tenant shall make the same accessible, at Tenant's sole cost and expense, as required by the A.D.A. or other accessibility laws. Tenant, within 10 days after receipt, shall provide Landlord with copies of any notices it receives regarding a violation or alleged violation of any Laws. Tenant shall reimburse and compensate Landlord for all expenditures made by, or damages or fines sustained or incurred by, Landlord due to any violations of Laws by Tenant or any Tenant Related Parties with respect to the Premises.

6. Trade Name; Continuous Operations; Other Operating Covenants.

6.1 Tenant shall operate its business in the Premises under the trade name "Great Northern Cannabis," variations of the "Great Northern" moniker, or under the name of a related and wholly-owned subsidiary or parent Company. Tenant may not operate under any other name without Landlord's prior written consent, which consent shall not be unreasonably withheld.

6.2 Upon the completion of the tenant improvements and issuance of the required licensing, both of which shall be completed as expeditiously as reasonably possible, Tenant shall engage in continuous, daily operations and be open during regular business hours standard for the retail cannabis industry. Tenant shall conduct its business on the Premises at all times in a first-class manner consistent with reputable business standards and practices and operate the Premises with diligence and efficiency, during the entire Term in accordance with this Lease

6.3 Tenant shall not conduct or permit to be conducted any auction, fire, "going out of business" or similar type of sale (whether real or fictitious); provided, however, that this provision shall not restrict the absolute freedom (as between Landlord and Tenant) of Tenant to determine its own selling prices nor shall it preclude periodic, seasonal, promotional or clearance sales held in the ordinary course of business.

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6.4 Nothing in this Lease contained shall constitute or give Tenant the right to maintain an open front store or open window, or opening in the windows of any kind orvariety, through which merchandise or other business may be transacted with persons on the street, and no sale of goods, services or merchandise shall be made by Tenant, its agents, employees, servants or contractors outside of the Premises or any part of the public thoroughfare, or on the sidewalk in frontthereof.

7. Services.

7.1 Tenant shall obtain any services that are required for Tenant to operate its business in the Premises (including, without limitation, HVAC service, trash/waste disposal, pest control, window cleaning, electricity, and janitorial service) at Tenant's sole cost and expense and Landlord shall not have any obligation to provide same. However, if Landlord elects to furnish or designate any service(s) to the Premises, Tenant shall use the service furnished or designated by Landlord. Landlord provided services must be reasonably consistent with both the cost and quality of services available from other sources. If furnished or billed by Landlord, Tenant shall pay for such service monthly, at Landlord's option, either (i) through inclusion in Expenses; (ii) by a separate charge payable by Tenant to Landlord within 30 days after billing by Landlord; or (iii) by a separate charge billed by the applicable provider and payable directly by Tenant. If Landlord does not provide such service, Tenant shall be solely responsible for providing all such service(s) and shall pay promptly all charges therefor. Upon the request of Landlord, Tenant shall submit to Landlord copies of any and all contracts, inspection reports and other documentation in connection with such services.

7.2 Any interruption or termination of, services due to the application of Laws, the failure of any equipment, the performance of repairs, improvements or alterations, or the occurrence of any other event or cause (a "**Service Failure**") shall not render Landlord liable to Tenant, constitute a constructive eviction of Tenant, give rise to an abatement of Rent, nor relieve Tenant from the obligation to fulfill any covenant or agreement. Without limiting the foregoing, Tenant agrees that Landlord shall not be liable to Tenant for any loss or damage, including the theft of Tenant's Property, arising out of or in connection with the failure of any security services, personnel or equipment.

7.3 Landlord shall have no obligation to provide any safety or security devices, services or programs for Tenant or the Property, and shall have no liability for failure to provide the same or for inadequacy of any measures provided. However, Landlord may institute or continue such safety or security devices, services or programs as Landlord in its sole discretion, shall elect to provide. Tenant shall abide by and cooperate and participate in all security regulations and programs established by Landlord affecting the Property. The parties acknowledge that safety and security devices, services and programs provided by Landlord, if any, while intended to deter crime and enhance safety, may not in a given instance prevent theft or other injurious acts or ensure safety of parties or property. The risk that any safety or security device, service or program may not be effective, or may malfunction, or be circumvented, is assumed by Tenant with respect to Tenant and Tenant's Property andinterests.

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7.4 All garbage and other refuse shall be kept either (1) inside the Premises in the kind of container specified by Landlord (if Landlord so specifies) and, if directed by Landlord, shall be taken to a shared garbage location outside of the Premises at the times and by access routes specified by Landlord, or (2) within a fenced and locked commercial dumpster near the rear of the property. If Landlord elects to furnish or designate service for the removal of garbage and other refuse from such shared garbage location, Tenant shall use the service furnished or designated by Landlord. If furnished or billed by Landlord, Tenant shall pay for such service monthly as Additional Rent. If Landlord does not provide such service, Tenant shall be solely responsible and contract for the removal of all garbage and other refuse from the Premises and shall pay promptly all charges therefor. Tenant shall insure that none of its garbage or other refuse escapes, leaks or spills from Tenant's garbage bags or bins while being transported from the Premises.

8. Tenant Improvements and Ownership of Alterations.

8.1 Tenant Improvements. Tenant shall, at its sole cost and expense, build out the Property in a manner befitting its operations under the Permitted Use. Summarily, Tenant shall install Tenant Improvements which permit it to operate upon the Property areas for the following: a cannabis testing facility, cannabis cultivation, a cannabis oil extraction laboratory, commercial kitchen, warehousing and wholesale and retail sales. The terms of the Lease governing the Tenant Improvements and Ownership thereof follow in this Section 8 and in Section 9.

8.2. Ownership of Alterations. All Tenant Improvements and Alterations (collectively, "Alterations") to the Premises shall be owned by Landlord and shall remain upon the Premises without compensation to Tenant. However, Tenant shall, at Tenant's expense, remove the following: (1) if Landlord requests, by written notice to Tenant no later than 15 days prior to the Termination Date: (a) Tenant's sign and (b) any Alterations that are performed by or for the benefit of Tenant and, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are materially in excess of the removal and repair costs associated with standard retail improvements (collectively referred to as **"Required Removables"**). Without limitation, it is agreed that Required Removables include the Tenant Improvements specific to operating under the Permitted Use, specifically including structural alterations and modifications of any type. The Required Removables designated by Landlord shall be removed by Tenant before the Termination Date. Tenant shall repair damage caused by the installation or removal of Required Removables. If Tenant fails to remove any Required Removables or perform related repairs in a timely manner, Landlord, at Tenant's expense, may remove and dispose of the Required Removables and perform the required repairs. Tenant, within 30 days after receipt of an invoice, shall reimburse Landlord for the reasonable costs incurred by Landlord. Notwithstanding the foregoing, Tenant, at the time it requests approval for a proposed Alteration, may request in writing that Landlord advise Tenant whether the Alteration or any portion of the Alteration will be designated as a Required Removable. Within 10 days after receipt of Tenant's request, Landlord shall advise Tenant in writing as to which portions of the Alteration, if any, will be considered to be Required Removables.

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9. Repairs and Alterations.

9.1 Tenant's Repair Obligations.

9.1.1 Tenant shall, at its sole cost and expense, promptly perform all maintenance and repairs (including any replacements) to the Premises that are not Landlord's express responsibility under this Lease and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Tenant shall provide all janitorial service and customary cleaning and redecorating in the Premises on a regular basis so that the Premises are kept neat and broom clean. In addition, Tenant shall, at Tenant's expense, clean the interior and exterior of all windows and doors (including in each case the frames therefor) in the Premises and the perimeter walls thereof on an "as needed" basis (it being agreed that Tenant shall promptly remove any graffiti on the windows, doors, or perimeter walls of the Premises and such removal shall be deemed "as needed" for the purposes of this Section), and Tenant will not require, permit, suffer or allow any such window or door to be cleaned in violation of any law or ordinance or of any rule, order or regulation of any governmental authority having jurisdiction thereover. Tenant's repair obligations include, without limitation, repairs to: (1) floors (other than structural floors) and ceilings; (2) walls and interior partitions (other than the exterior faces of exterior walls); (3) doors and windows, including any glass, whether interior or exterior, and awnings and signs for the Premises; (4) utility meters; (5) electronic, phone and data cabling and related equipment (collectively, "**Cable**") that is installed by or for the exclusive benefit of Tenant or used by Tenant and located in the Premises or other portions of the Building; (6) fixtures, supplemental air conditioning units, private showers, bathrooms and kitchens (if permitted or required for the Permitted Use), including hot water heaters;
(7) Alterations performed by contractors retained by Tenant, including related HVAC balancing; (8) the storefronts (including any plate glass) and any security grilles or similar enclosures, all signs; and (9) any electrical, plumbing, heating, ventilating, air conditioning units ("**HVAC**"), sprinkler, fire protection, life/safety or other mechanical equipment or systems (wherever located) to the extent the same have been installed by or exclusively serve Tenant (provided that, at its option, Landlord may elect to perform or cause the performance of necessary repairs and maintenance to the HVAC installed by or exclusively serving Tenant [other than any supplemental air conditioning units] and bill Tenant directly for the cost of such repairs and maintenance, plus Landlord's reasonable administrative costs). All work shall be performed in accordance with the rules and procedures described in Section 9.1.2 below. If Tenant fails to make any repairs to the Premises for more than 15 days after notice from Landlord (although notice shall not be required if there is an emergency), Landlord may make the repairs, and Tenant shall pay the reasonable cost of the repairs to Landlord within 30 days after receipt of an invoice, together with an administrative charge in an amount equal to 10% of the cost of the repairs. Notwithstanding anything to the contrary contained herein, as soon as practicable and in any event within 5 days after any exterior glass in the Premises is broken or cracked,

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including a so-called "bull's eye" break in the glass, Tenant shall, at its sole expense, replace such glass with glass of the same kind and quality and as may be necessary or desirable in connection with such replacement, repair or replace the frames for such glass, and in the event Tenant shall fail to so replace such glass and if necessary repair or replace such frames within 5 days after Landlord makes written demand upon Tenant to do so, then Landlord may at any time thereafter replace the glass, if necessary and repair or replace such frames on Tenant's behalf and Tenant shall pay to Landlord as additional rent the reasonable cost incurred by Landlord in so doing within 10 days after demand therefor.

9.1.2 Tenant shall initiate and carry out a program of regular maintenance and repair of the Premises, including the painting or refinishing of all areas of the interior and the storefront of the Premises, so as to impede, to the extent possible, deterioration by ordinary wear and tear and to keep the same in attractive condition appropriate for the Property. After the first 6 years of the Term, Tenant shall, at its expense, refurbish the Premises to the extent necessary so that (i) the furnishings, floor covering, wall covering, fixtures, equipment and surfaces visible to customers in the interior of the Premises shall be substantially in the same condition and appearance as at the commencement of the Term and (ii) the exterior of the Premises (including the storefront and storefront sign) shall be neat, presentable and attractive. Tenant shall not be required, pursuant to this Section 9.1.2 to reconstruct the Premises nor to reconstruct the storefront of the Premises. Tenant shall submit plans and specifications to Landlord for its approval covering said refurbishing within 30 days after the start of the 6th Lease Year and the Renewal Term, if applicable, and Tenant agrees to make such changes thereto as Landlord may request (acting reasonably). Tenant shall remain open for business during any refurbishing and shall diligently complete the refurbishing after Landlord has approved any applicable plans and specifications, ifrequired.

9.2 Landlord Repair Rights. Landlord may elect, at the expense of Tenant, to repair any damage or injury to the Building caused by moving property of Tenant in or out of the Building, or by installation or removal of furniture or other property, or by misuse by, or neglect or improper conduct of Tenant or any Tenant Related Parties.

9.3 Alterations. Tenant shall not make Alterations without first obtaining the written consent of Landlord in each instance, which Landlord may grant or withhold in its sole discretion provided, that Landlord shall not unreasonably withhold its consent to an Alteration that is inside the Premises and that will not affect the Building structure or the systems serving the Building in general. All Cable shall be tagged by Tenant at the point of entry into the Building, at the terminal end of the Cable, and in the riser closet, to indicate the type of cable, and the service provided. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria (a "**Cosmetic Alteration**"): (1) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing

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carpeting; (2) is not visible from the exterior of the Premises or Building; (3) will not affect the systems or structure of the Building; and (4) does not require work to be performed inside the walls or above the ceiling of the Premises. However, even though consent is not required, the performance of Cosmetic Alterations shall be subject to all the other provisions of this Section 9.3. Tenant agrees to submit all plans for construction in the Property to Landlord, and Landlord has the right to disapprove all or any part of such plans, which approval shall not be unreasonably withheld. The decision of Landlord to refuse approval of such plans shall be conclusive. The rights of Landlord under this Section 9.3 relate to all initial and subsequent construction and are supplemental to other provisions of this Lease relating to work to be performed in the Premises. Prior to starting work, Tenant shall furnish Landlord with plans and specifications reasonably acceptable to Landlord; names of contractors reasonably acceptable to Landlord (provided that Landlord may designate specific contractors with respect to Building systems or structure); copies of contracts; necessary permits and approvals; evidence of contractor's and subcontractor's insurance with types of coverage and amounts reasonably required by Landlord; and any security for performance that is reasonably required by Landlord. Changes to the plans and specifications must also be submitted to Landlord for its approval. Alterations shall be constructed in a good and workmanlike manner using materials of a quality that is at least equal to the quality designated by Landlord as the minimum standard for the Building. Tenant shall reimburse Landlord within 30 days after receipt of an invoice for sums paid by Landlord for third party examination of Tenant's plans for non-Cosmetic Alterations. Upon completion, Tenant shall furnish "as-built" plans (except for Cosmetic Alterations), an owner's affidavit and a sworn contractor's affidavit signed by Tenant's general contractor, full, unconditional and final waivers of lien in accordance with the statutory and local requirements of the jurisdiction in which the Building is located and receipted bills covering all labor and materials. Tenant shall assure that the Alterations comply with all insurance requirements and Laws. Landlord's approval of an Alteration shall not be a representation by Landlord that the Alteration complies with applicable Laws or will be adequate for Tenant's use. Tenant shall pay, as an additional charge, the entire increase in real estate taxes on the Building which shall, at any time prior to or after the Commencement Date, result from or be attributable to any alteration, addition or improvement to the Premises made by or for the account of Tenant in excess of the Building standard improvements for the Building.

9.4 Signage. Any exterior signage installed by Tenant shall also be subject to the approval of any governmental or quasi-governmental authority with jurisdiction over the Premises and shall comply with any signage guidelines which may be developed by Landlord from time to time. Tenant shall submit to Landlord reasonably detailed drawings of its proposed signs for review and approval by Landlord prior to utilizing same. All signs, awnings, canopies, decorations, lettering, advertising matter or other items used by Tenant shall be insured and maintained at all times by Tenant in good condition, operating order and repair.

10. Utilities.

10.1 Tenant shall pay all rents and charges for water, sewer, electricity, gas, heat, steam, hot and/or chilled water, air-conditioning, ventilating, telephone service

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and other utilities supplied to the Premises, however supplied (the **"Utility Charges"**), when the same become due, except to the extent that any such services are provided by Landlord, at Landlord's cost (subject to Tenant's payment of Expenses) pursuant to Section 7.01 above.

10.2 Landlord, in its sole discretion, shall have the right, at all times, to designate alternative third-party providers for any of the utilities and to alter any and all utilities, and the equipment relating thereto, serving the Building or any portion thereof, provided such alteration by Landlord does not result in a material diminution of the utility service to the Premises. Tenant shall execute and deliver to Landlord without delay such documentation as may be required to effect such alteration.

10.3 To the extent not furnished by Landlord, Tenant shall apply to the applicable utility company or municipality for water, sewer, gas, electricity, telephone and all other utility services required by Tenant for use in the Premises, and Tenant shall be responsible for the connection and installation of same and costs associated therewith, including the cost of meters and the installation thereof. In the event Tenant fails to pay any utility bill within 45 days after the due date, Landlord may but shall not be obligated to pay such bills (without any duty to investigate the validity thereof), in which event Tenant shall immediately reimburse Landlord for the amount paid by Landlord plus Interest.

10.4 Tenant's use of electrical service shall not exceed, either in voltage, rated capacity or overall load, that which Landlord deems to be standard for the Building. Tenant must request in writing to Landlord any required excess electrical service and the additional usage (to the extent permitted by Law), installation and maintenance costs shall be paid by Tenant.

10.5 If Tenant shall require natural gas for the operation of Tenant's business in the Premises, to the extent gas is not furnished by Landlord, Tenant shall, at its own expense, arrange for such natural gas utility service from the local gas company in a manner approved by Landlord (which approval shall not be unreasonably withheld).

10.6 All federal, state and local taxes which may from time to time be imposed upon or payable in connection with charges for utility services pursuant to this Lease shall be payable by Tenant in addition to the charges to which they relate.

11. Entry by Landlord.

11.1 Landlord, its agents, contractors and representatives may enter the Premises to inspect or show the Premises, to make repairs, alterations or additions to the Premises, to conduct or facilitate repairs, alterations or additions to any portion of the Building, to post notices of no responsibility or other notices which Landlord may deem necessary for its protection, or to perform any obligations required of, or right permitted to, Landlord under this Lease or to take possession of the Premises following an Event of Default.

11.2 Tenant acknowledges and agrees that Landlord shall have the right to market the Premises during the 12 months prior to the Termination Date. Without limiting the foregoing, Tenant agrees that Landlord may post "for lease" signs in the Premises and show the Premises to brokers, prospective tenants and their

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representatives during the last 12 months prior to the Termination Date. Except in emergencies or to perform its obligations hereunder, Landlord shall provide Tenant with reasonable prior notice of entry into the Premises, which may be given orally. If Tenant fails to perform any Tenant repair obligations set forth in Section 9.1 above or if the same is reasonably necessary for the protection and safety of Tenant and its employees, or any other occupant of the Building, Landlord shall have the right to temporarily close all or a portion of the Premises to perform repairs, alterations and additions. Entry by Landlord shall not constitute constructive eviction or entitle Tenant to an abatement or reduction of Rent.

11.3 Landlord acknowledges that, because the Premises is being utilized by Tenant as a licensed marijuana establishment, applicable laws and regulations require that a Tenant representative be present to serve as an escort to Landlord and Landlord's agents during any entry and that Landlord will comply with Tenant's visitor policies. In the event that Landlord seeks to enter the premises under the terms of this section and Tenant cannot be reached or does not provide access, Landlord shall contact the State of Alaska Alcohol and Marijuana Control Office (AMCO), or other relevant government authority, prior to any access of the Premises. Additionally, Under no circumstances shall Landlord take into its possession any marijuana or marijuana product. If Tenant abandons the Premises, Landlord shall contact AMCO prior to any access to the license premises if Tenant cannot be reached, abandons the property, or similar event.

12. Assignment and Subletting.

12.1 **[Except in connection with a Corporate Transfer (defined in Section 12.2 below),]** Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use any portion of the Premises (collectively or individually, a "**Transfer**") without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall further be permitted to assign, sublease, or transfer any interest in this Lease to a wholly-owned subsidiary or parent company of Tenant with the consent of Landlord, which consent shall not be unreasonably withheld.

12.2 If Tenant is a corporation, limited liability company, partnership, or similar entity, and if the entity which owns or controls a majority of the voting shares/rights of Tenant at any time changes for any reason (including but not limited to a merger, consolidation or reorganization), such change of ownership or control shall constitute a Transfer. The foregoing shall not apply so long as Tenant is an entity whose outstanding stock is listed on a recognized security exchange.

13. Liens.

Tenant shall not permit mechanic's or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for benefit of Tenant. If a lien is so placed, Tenant shall, within 10 days of notice from Landlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien Law. If Tenant fails to discharge the lien, then, in addition to any other right or remedy of Landlord, Landlord may bond or insure over the lien or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord to bond or insure over the lien or discharge the lien, including, without limitation, reasonable attorneys' fees (if and to the extent permitted by Law) within 30 days after receipt of an invoice from Landlord.

14. Indemnity and Waiver of Claims.

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14.1 Except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties, Tenant shall indemnify, defend and hold the Landlord Related Parties harmless against and from all Claims, which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties and arising out of or in connection with (i) any damage or injury occurring in the Premises or (ii) any acts or omissions (including violations of Law) of Tenant, the Tenant Related Parties or any of Tenant's transferees, contractors or licensees or (iii) any failure on the part of Tenant to comply with any of the covenants, agreements, terms or conditions contained in this Lease with which Tenant, on its part, must comply or perform.

14.2 Landlord and the Landlord Related Parties shall not be liable for, and Tenant waives, all Claims for loss or damage to Tenant's business or loss, theft or damage to Tenant's Property or the property of any person claiming by, through or under Tenant resulting from: (1) wind or weather and any and all natural disasters, including flood, fire and earthquake; (2) the failure of any sprinkler, heating or air conditioning equipment, any electric wiring or any gas, water or steam pipes; (3) the backing up of any sewer pipe or downspout; (4) the bursting, leaking or running of any tank, water closet, drain or other pipe; (5) water, snow or ice upon or coming through the roof, skylight, stairs, doorways, windows, walks or any other place upon or near the Building; (6) any act or omission of any party other than Landlord or Landlord Related Parties; and (7) any other causes other than the negligence or intentional misconduct of Landlord. Tenant shall insure itself against such losses under Article 15 below.

15. Insurance.

15.1 At all times commencing on and after the earlier of (i) the Possession Date, (ii) the Commencement Date or (iii) the date Tenant enters the Premises for any purpose, Tenant shall carry and maintain the following insurance (**"Tenant's Insurance"**), at its sole cost and expense:

15.1.1 Commercial General Liability Insurance written on an occurrence basis providing coverage for personal injury, bodily injury or death, property damage or destruction (including loss of use thereof) and contractual liability, in an amount of not less than $2,000,000.00 per occurrence;

15.1.2 All Risk Property/Business Interruption Insurance written on an ISO Special Causes of Loss form, or its equivalent, and including flood, earthquake and water damage of all types including sprinkler leakage, bursting and stoppage of pipes and covering all Alterations and Tenant's Property and in the case of business interruption coverage, providing coverage for not less than 12 months;

15.1.3 Automobile Liability Insurance, providing coverage for all Tenant owned, hired and non-owned automobiles brought onto Landlord's premises for business purposes;

15.1.4 Workers' Compensation Insurance as required by Laws of the state in which the Premises is located;

15.1.5 Employers' Liability Coverage with limits of not less than $500,000 each accident, $500,000 disease each employee, and $1,000,000 policy limit;

15.1.6 If Tenant undertakes Alterations required or permitted to be made by

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Tenant hereunder (if not covered under the insurance set forth in this Section 15), construction insurance as required by Landlord;

15.1.7 Any other insurance required by applicable Laws; and

15.1.8 Whenever good business practice, in accordance with industry standards, indicates the need for additional insurance in connection with the Premises or Tenant's use and occupancy thereof, Tenant shall, upon request, obtain such insurance at Tenant's expense and provide Landlord with evidence thereof, subject to the terms and provisions of this Article.

15.2 All companies writing any of Tenant's Insurance shall be authorized to conduct business in the state in which the Premises is located and at all times, have an A.M. Best rating of not less than A-IX. All required insurance policies shall name Tenant as a named insured and policies required in Subsections (a), (b) and (c) above, shall name the following (collectively, the "**Additional Insureds**") as additional insureds pursuant to the form of additional insured endorsement providing the broadest possible coverage available for the additional insured:

15.2.1 Landlord (or any successor);

15.2.2 the affiliated entities and all of the respective members, principals, beneficiaries, partners, officers, directors, employees, and agents of the foregoing, and other designees of Landlord as the interest of such designees shall appear.

The same entities shall be named as named insureds or additional insureds for the coverage required in Section 15. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall provide full waivers of subrogation in favor of Additional Insureds and provide Landlord and its designees at least 30 days' advance written notice of any change, cancellation, termination or lapse of insurance; provided, however, that if such insurer(s) will not agree to notify Landlord of such change, cancellation, termination, or lapse of Tenant's insurance, then Tenant covenants and agrees to give Landlord 30 days' notice of same. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises for any reason, and upon renewals at least 15 days prior to the expiration of the insurance coverage. Tenant's insurance shall be primary and any insurance carried by the Additional Insureds shall be excess and non- contributory. Required limits may be provided by a combination of primary and/or excess or umbrella policies provided that all other terms and conditions of this Article are complied with. Except as specifically provided to the contrary, the limits of Tenant's Insurance shall not limit its liability under this Lease. In the event Tenant's occupancy or operation causes any increase of premiums for the fire and extended coverage and/or casualty rates on the Premises or Building or any part thereof or causes any increase in the premiums for any other insurance policy that may be carried by Landlord above the rate for the least hazardous type of occupancy legally permitted in the Premises, Tenant shall pay the additional premium with respect to such insurance policies by reason thereof within 10 days following the billing thereof as additional rent.

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16. Subrogation.

Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents, and employees, and, in the case of a waiver in favor of Landlord, for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, with respect to Tenant's Property, the Building, the Premises, any additions or improvements to the Building or Premises, or any contents thereof, including all rights of recovery or Claims arising out of the negligence of Landlord or any Landlord Related Parties or the negligence of Tenant or any Tenant Related Parties, which loss or damage is (or would have been, had the insurance required by this Lease been carried) coveredby insurance.

17. Casualty Damage.

17.1 If all or any part of the Premises is damaged by fire or other casualty, Tenant shall immediately notify Landlord in writing. Landlord shall have the right to terminate this Lease if: (1) the Property or the Building shall be damaged so that, in Landlord's reasonable judgment, substantial alteration or reconstruction of the Property or the Building (as applicable) shall be required (whether or not the Premises has been damaged); (2) Landlord is not permitted by Law to rebuild the Property or the Building in substantially the same form as existed before the fire or casualty; (3) the Premises have been materially damaged and there is less than24 months of the Term remaining on the date of the casualty; or (4) a material uninsured loss to the Property occurs. Landlord may exercise its right to terminate this Lease by notifying Tenant in writing within 90 days after the date of the casualty. If Landlord does not terminate this Lease, the repair and restoration of the Premises (excluding the Alterations and any other items which Tenant is required to insure) shall be performed by Landlord with reasonable diligence. However, in no event shall Landlord be required to spend more than the insurance proceeds received by Landlord. Landlord shall not be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from the fire or other casualty or from the repair and restoration of the damage. Landlord and Tenant hereby waive the provisions of any Law relating to the matters addressed in this Article and agree that their respective rights for damage to or destruction of the Premises shall be those specifically provided in this Lease.

17.2 If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall, with reasonable promptness, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again, using standard working methods (**"Completion Estimate"**). If the Completion Estimate indicates that the Premises cannot be made tenantable within 270 days from the date the repair and restoration is started, then regardless of anything in Section 17.1 above to the contrary, either party shall have the right to terminate this Lease by giving written notice to the other of such election within 10 days after receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease if the fire or casualty was caused by the negligence or intentional misconduct of Tenant, Tenant Related Parties or any of Tenant's transferees, contractors or licensees. This Lease shall be considered an express agreement governing any case of damage to or destruction of,

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or any part of, the Building or the Premises by fire or other peril, and any Laws with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any similar or successor Laws now or hereinafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises or the Property.

17.3 Provided this Lease is not terminated pursuant to any provision of this Lease, Tenant shall promptly commence and diligently pursue to completion the repair and refixturing of the Premises to a substantially similar condition as existed prior to the fire or other casualty, and otherwise in accordance with the terms and conditions of this Lease. Tenant shall reopen for business in the Premises as soon as practicable after the occurrence of the fire orother casualty.

17.4 All proceeds of insurance carried by Tenant covering the Alterations and Tenant's Property shall belong to and be payable to Tenant. If this Lease is terminated by Landlord or Tenant pursuant to Sections 17.1 or 17.2 of this Lease, or if this Lease is terminated pursuant to any other Section hereof, or if Tenant does not repair, redecorate and refixture the Premises pursuant to Section 17.03 of this Lease, the proceeds of insurance carried by Tenant covering the Alterations shall belong to and be payable to Landlord and any such proceeds received by Tenant shall be paid by Tenant to Landlord.

18. Takings: Condemnation/Eminent Domain, Seizure, Cease and Desist.

18.1 Either party may terminate this Lease if the whole or any material part of the Premises shall be taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would leave the remainder of the Building or Property, as applicable, unsuitable for use in a manner comparable to its use prior to the Taking. In order to exercise its right to terminate the Lease, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within 45 days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Building or Property occurs.

18.2 If any governmental authority seizes the Premises due to the operations under the Permitted Use, or any part thereof, or otherwise ("Seizure"); or any governmental authority orders Tenant to Cease and Desist the Permitted Use, or any part thereof ("Cease and Desist"), Tenant shall be considered to be in Default under this Lease, collectively, a "Taking Default". In the event of a Taking Default, Tenant shall have the option to purchase the property from Landlord within 90 days of the Taking Default on the terms set forth in **Exhibit A** or Tenant, if it has performed all obligations under the Lease and is not in Default, shall have the option to buy out the Lease for $600,000.00 as reduced by (a) $50,000.00 for each Lease year of the original twelve-year lease term that has elapsed, and (b) any remaining Security Deposit held by Landlord at the time of the Taking Default.

19. Events of Default.

19.1 In addition to Section 18 above, the occurrence of any of the additional following events shall constitute an **"Event of Default"**:

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19.1.1 Tenant's failure to pay when due all or any portion of the Rent, if the failure continues for 5 days after written notice to Tenant ("**Monetary Default**").

19.1.2 Tenant's failure to pay when due all or any portion of the Purchase Option Fee, if the failure continues for 5 days after written notice to Tenant ("Monetary Default").

19.1.3 Tenant's failure (other than a Monetary Default or a Continuous Operations Default [hereinafter defined]) to comply with any term, provision or covenant of this Lease, if the failure is not cured within 10 days after written notice to Tenant. However, if Tenant's failure to comply cannot reasonably be cured within 10 days, Tenant shall be allowed additional time (not to exceed 60 days) as is reasonably necessary to cure the failure so long as: (1) Tenant commences to cure the failure within 10 days, and (2) Tenant diligently pursues a course of action that will cure the failure and bring Tenant back into compliance with this Lease. However, if Tenant's failure to comply creates a hazardous condition, the failure must be cured immediately upon notice to Tenant. In addition, if Landlord provides Tenant with notice of Tenant's failure to comply with any particular term, provision or covenant of the Lease on 3 occasions during any 12-month period, Tenant's subsequent violation of such term, provision or covenant shall, at Landlord's option, be an incurable Event of Default by Tenant.

19.1.4 Tenant or any Guarantor becomes insolvent, makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts when due.

19.1.5 Tenant fails to take possession of or abandons or vacates all or any portion of the Premises or Tenant fails to continuously operate its business in the Premises for the Permitted Use in accordance with and in the manner required by Article and does not cure such failure within 5 days after receipt of written notice from Landlord (any such failure shall be called a "**Continuous Operations Default**").

19.2 Any notice required or permitted by this Section 19 shall be in lieu of, and not in addition to, any notice required under any Laws providing for notice and any cure period. Landlord may (at its discretion) serve a statutory notice to quit, a statutory notice to pay rent or quit, or a statutory notice of default, as the case may be, to effect the giving of any notice required by this Section 19. No notice and opportunity to cure is conferred upon Tenant with regard to any default except as expressly set forth in this Section 19.

20. Remedies.

20.1 Upon the occurrence of any Event of Default under this Lease, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as expressly prescribed herein) or demand whatsoever (and without limiting the generality of the foregoing, Tenant hereby specifically waives notice and demand for payment of Rent or other obligations, except for those notices specifically required pursuant to the terms of Section 19 or this Section 20, and waives any and all other notices or demand requirements imposed by applicable Law):

20.1.1 Terminate this Lease and Tenant's right to possession of the Premises and recover from Tenant an award of damages equal to the sum of the

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following:

20.1.1.1 The Worth at the Time of Award of the unpaid Rent which had been earned at the time of termination and the balance remaining of the Purchase Option Fee;

20.1.1.2 All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable Law.

The "**Worth at the Time of Award**" of the amounts referred to in part (i) above shall be computed by allowing interest at the lesser of a per annum rate equal to: (A) the greatest per annum rate of interest permitted from time to time under applicable Law, or (B) the Prime Rate plus 10%. For purposes hereof, the "**Prime Rate**" shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Landlord in the State of Alaska. Landlord expressly reserves all rights and remedies available to Landlord pursuant to the applicable laws of the State of Alaska.

20.2 The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

20.3 TENANT HEREBY WAIVES ANY AND ALL RIGHTS CONFERRED BY LAW PROVIDING THAT TENANT SHALL HAVE ANY RIGHT TO REDEEM, REINSTATE OR RESTORE THIS LEASE FOLLOWING ITS TERMINATION BY REASON OF TENANT'S BREACH. TENANT AND ALL OF TENANT'S SUCCESSORS, SUBTENANTS AND ASSIGNEES ALSO HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE.

20.4 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 or remedy given hereunder or now or hereafter existing by agreement, applicable law or in equity. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable Law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

20.5 If an Event of Default exists under the Lease, Landlord shall have the right to cure such default. Tenant shall reimburse Landlord for the cost of such performance upon demand together with an administrative charge equal to 10% of the cost of the work performed by Landlord.

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20.6 This Article 20 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable Law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

21. Limitation of Liability.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD) TO TENANT SHALL BE LIMITED TO THE INTEREST OF LANDLORD IN THE PROPERTY. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE PROPERTY FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD. NEITHER LANDLORD NOR ANY LANDLORD RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LANDLORD, TENANT SHALL GIVE LANDLORD NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL LANDLORD OR LANDLORD RELATED PARTIES EVER BE LIABLE FOR ANY CONSEQUENTIAL OR SPECIAL DAMAGES OR ANY LOST PROFITS OF TENANT.

22. No Waiver.

Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default shall not constitute a waiver of the default, nor shall it constitute an estoppel. Either party's failure to enforce its rights for a default shall not constitute a waiver of its rights regarding any subsequent default. Receipt by Landlord of Tenant's keys to the Premises shall not constitute an acceptance or surrender of the Premises.

23. Quiet Enjoyment.

Tenant shall, and may peacefully have, hold and enjoy the Premises, subject to the terms of this Lease, provided Tenant pays the Rent and fully performs all of its covenants and agreements. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building and shall not be a personal covenant of Landlord or the Landlord Related Parties. This Lease and Tenant's rights hereunder shall be subject and subordinate to all Recorded Documents and Tenant shall, at its sole cost and expense, comply with all such Recorded Documents applicable to the Premises or the Property or the use and occupancy thereof by Tenant.

24. Holding Over.

If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to 150% of the greater of: (1) the sum of the Base Rent and Additional Rent due for the period immediately preceding the holdover; or (2) the fair market gross rental for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the

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Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover and Tenant fails to vacate the Premises within 15 days after Landlord notifies Tenant of Landlord's inability to deliver possession, or perform improvements, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from the holdover.

25. Attorneys' Fees.

If either party institutes a suit against the other for violation of or to enforce any covenant or condition of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

26. Notice.

If a demand, request, approval, consent or notice (collectively referred to as a "**notice**") shall or may be given to either party by the other, the notice shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in Article 1, except that if Tenant has vacated the Premises (or if the Notice Address for Tenant is other than the Premises, and Tenant has vacated such address) without providing Landlord a new Notice Address, Landlord may serve notice in any manner described in this Article or in any other manner permitted by Law. Each notice shall be deemed to have been received or given on the earlier to occur of actual delivery or the date on which delivery is refused, or, if Tenant has vacated the Premises or the other Notice Address of Tenant without providing a new Notice Address, 3 days after notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address by giving the other party written notice of the new address in the manner described in this Article.

27. Surrender of Premises.

At the expiration or earlier termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, and quit and surrender the Premises to Landlord, broom clean, and in good order, condition and repair, ordinary wear and tear excepted. If Tenant fails to remove any of Tenant's Property within 2 days after the termination of this Lease or of Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred for Tenant's Property. In addition, if Tenant fails to remove Tenant's Property from the Premises or storage, as the case may be, within 30 days after written notice, Landlord may deem all or any part of Tenant's Property to be abandoned, and title to Tenant's Property shall be deemed to be immediately vested inLandlord. However, under no circumstances shall Landlord take into its possession any marijuana or marijuana product. If Tenant abandons the Premises, Landlord shall contact the State of Alaska Alcohol and Marijuana Control Office, or other relevant government authority, prior to any access to the license premises if Tenant cannot be reached, abandons the property, or similar event.

28. Hazardous Materials; Mold.

28.1 Tenant shall (i) not, nor shall Tenant allow any person to, manufacture, use, store, handle, transport, dispose of, spill, leak, dump, emit or release any Hazardous Materials (as hereinafter defined) on, under, about or from the Premises or Property, except that Tenant may use Hazardous Materials commonly used in a retail establishment operated for the Permitted Use, if, and only if, (1) such Hazardous Materials are used in strict compliance with all Applicable Environmental Laws (as hereinafter defined), and (2) Tenant immediately gives Landlord written notice of all such use of Hazardous Materials, specifically describing the manner in which such Hazardous

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Materials are used, handled and stored, the availability of any non- hazardous or less hazardous alternatives, the type and quantity of hazardous waste generated as a result of such use, handling and storage and the method and location where such wastes are disposed of and discharged, (ii) at its sole cost and expense comply (and be responsible for the compliance of all its employees, agents and contractors, or any other persons occupying, present on, or removing any Hazardous Materials from the Premises) with all Applicable Environmental Laws, (iii) upon Tenant's receipt of all reports, citations, notices and other writings regarding any Hazardous Materials on, under, about or migrating from the Premises or the Property (or if written by Tenant, upon its writing) immediately notify and provide a copy of same to Landlord, and (iv) with respect to all Hazardous Materials released, spilled, leaked, dumped and emitted on, under, about or migrating from the Premises or the Property, at Tenant's sole cost and expense, immediately:

Notify Landlord of same, (b) remove such Hazardous Materials from the Premises, the Property and all other property on, under or about which the Hazardous Materials have migrated, (c) dispose of such Hazardous Materials in compliance with all Applicable Environmental Laws, and (d) remediate and repair all damages arising from such release, spill, leak, dumping and emission. Such remediation and repair shall include, without limitation, Tenant's modification of the HVAC system to (e) meet the requirements of The Clean Air Act, as amended (including all regulations promulgated thereunder), and all state and local air laws and regulations, and (f) reduce any odors and airborne irritants to Landlord's satisfaction.

28.2 Tenant shall give Landlord access to the Premises and hereby specifically grants to Landlord a license to (i) remove and dispose of all Hazardous Materials which Tenant has failed to remove and dispose of in compliance with this Article 32, and (ii) remediate and repair all damages arising from such Hazardous Materials which Tenant has failed to remediate and repair in compliance with this Article 32. Landlord acknowledges that, because the Premises is being utilized by Tenant as a licensed marijuana establishment, applicable laws and regulations require that a Tenant representative be present to serve as an escort to Landlord and Landlord's agents during any entry and that Landlord will comply with Tenant's visitor policies. In addition, if Landlord performs any such removal of Hazardous Materials or remediation and repair, Tenant shall immediately reimburse Landlord for all costs incurred by Landlord, at any time, associated with such activities. Tenant shall reimburse to Landlord such costs as those costs are incurred by Landlord.

28.3 Tenant shall, at its sole cost and expense, protect, defend, indemnify, save and hold Landlord, the Landlord Related Parties and any Mortgagee harmless from and against any and all Claims (including, without limitation, consequential damages [such as, without limitation, reduction in, or complete loss of, rent revenues and property value with regard to the Premises and Property], fines, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind and all costs and expenses incurred in connection therewith [including, without limitation, attorneys' fees and expenses, consultants' fees, investigations, laboratory fees and other expenses, and court costs and litigation expenses]), arising directly or indirectly, in whole or in part, out of (i) any Hazardous Materials on, under, about or migrating from the Premises, (ii) all activities conducted on or off the Premises, at any time, in connection with Hazardous Materials, by Tenant or its employees, agents or contractors of Tenant or any third persons at any time occupying or present on the Premises, and (iii) all breaches of any requirement under this Section 28.

28.4 The term **"Hazardous Materials"** shall mean (i) all petroleum products and constituents, and (ii) all substances and materials defined as a hazardous substance, hazardous waste or otherwise considered unsafe for human health or the environment by any federal, state or local governmental law, rule, regulation, ordinance, or guidance document, including, without

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limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("**CERCLA**"), 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 5101, et seq.; the Resource Conversation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601, et seq.; the Clean Air Act, as amended, 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended by The Clean Water Act of 1977 PL 92- 500, et seq., as amended, the Occupational Safety and Health Act, as amended, 29 U.S.C. 651 et seq., and the regulations adopted and publications promulgated pursuant to said laws, ordinances, rules, regulations and guidance documents. The phrase "**Applicable Environmental Laws**" shall mean all federal, state and local laws, regulations, ordinances, rules, orders and guidance documents concerning or relating to the presence, release, use, generation, storage, handling, transportation or disposal of Hazardous Materials.

28.5 It is generally understood that mold spores are present essentially everywhere and that mold can grow in most any moist location. Emphasis is properly placed in prevention of moisture and on good housekeeping and ventilation practices. Tenant acknowledges the necessity of housekeeping, ventilation, and moisture control (especially in kitchens, janitor's closets, bathrooms, break rooms and around outside walls) for mold prevention. In signing this Lease, Tenant has first inspected the Premises and certifies that it has not observed mold, mildew or moisture within the Premises. Tenant agrees to immediately notify Landlord if it observes mold/mildew and/or moisture conditions (from any source, including leaks) and allow Landlord to evaluate and make recommendations and/or take appropriate corrective action. Tenant relieves Landlord from any liability for any bodily injury or damages to property caused by or associated with moisture or the growth of or occurrence of mold or mildew on the Premises. In addition, execution of this Lease constitutes acknowledgement by Tenant that control of moisture and mold prevention are integral to its Lease obligations.

29. Nondiscrimination

Tenant covenants for itself, its heirs, executors, administrators, successors, and assigns and all persons claiming under or through it or them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, marital status, sexual orientation, national origin, ancestry, age, physical handicap or medical condition, in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises herein leased, and Tenant and any person claiming under or through Tenant shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, licensees, vendees or customers in the Premises.

30. Miscellaneous.

30.1 This Lease and the rights and obligations of the parties shall be interpreted, construed and enforced in accordance with the Laws of the state in which the Building is located and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by Law. The headings and titles to the Articles and Sections of this Lease are for convenience only and shall have no effect on the interpretation of any part of this Lease.

30.2 Tenant shall not record this Lease or any memorandum or notice without Landlord's prior written consent.

30.3 Tenant (including its assignees and sublessees) hereby waives any right to trial by jury in any proceeding based upon a breach of this Lease and Tenant waives the right to file any counterclaims

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or cross-claims (other than compulsory counterclaims or cross-claims) in actions for recovery of possession of the Premises only.

30.4 Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to strikes, acts of God, shortages of labor or materials, war, civil disturbances and other causes beyond the reasonable control of the performing party (**"Force Majeure"**). However, events of Force Majeure shall not extend any period of time for the payment of Rent or other sums payable by either party or any period of time for the written exercise of an option or right by either party.

30.5 Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations under this Lease and in the Building and/or Property referred to herein, and upon such transfer Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations.

30.6 Tenant covenants, warrants and represents that: (1) each individual executing, attesting and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant; (2) this Lease is binding upon Tenant; and (3) Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located. If there is more than one Tenant, or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities. If Tenant is a partnership, then each present and future partner shall be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions to be performed by Tenant. Landlord may request (and Tenant shall comply) that Tenant, at the time that Tenant admits any new partner to its partnership, require each new partner to execute an agreement in form and substance satisfactory to Landlord under which the new partner shall agree to be personally bound by and upon all of the covenants, agreements, terms, provisions and conditions to be performed by Tenant, without regard to when the new partner is admitted to the partnership (or when any obligations under any of such covenants, agreements, terms, provisions and conditions accrue). Notices, payments and agreements given or made by, with or to any one person or entity shall be deemed to have been given or made by, with and to all of them.

30.7 Time is of the essence with respect to Tenant's exercise of any expansion, renewal or extension rights granted to Tenant. This Lease shall create only the relationship of landlord and tenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Landlord and Tenant and their permitted successors and assigns.

30.8 The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or termination of this Lease.

30.9 Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery of it does not constitute an offer to Tenant or an option. This Lease shall not be effective against any party hereto until an original copy of this Lease has been signed by such party. Notwithstanding the foregoing, the parties acknowledge and agree that they intend to conduct this transaction by electronic means and that this Lease may be executed by electronic signature, faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

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30.10 All understandings and agreements previously made between the parties are superseded by this Lease, and neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by Landlord and Tenant.

30.11 Landlord and Tenant agree that all Rent paid to Landlord under this Lease shall qualify as "rents from real property" as defined in Internal Revenue Code Section 856(d) and as further defined in Treasury Regulation Section 1.856-4 (as amended from time to time). Should the requirements of the said Code Section or Regulation Section be amended so that any rent no longer qualifies as "rents from real property" for the purposes of the Code or the Regulation, the Rent payable to Landlord shall be adjusted so that such Rent will qualify as "rents from real property" under the Code and Regulation, provided that such adjustments required pursuant to the provisions of this Section shall not increase the monetary obligations of Tenant. If any adjustment of Rent is required under this Section, or if Landlord in good faith determines that its status as a real estate investment trust under the provisions of the Code or the Regulation will be jeopardized because of any provision of this Lease, Tenant shall, without charge therefor and within 10 days after Landlord's written request therefor, execute and deliver to Landlord such amendments to this Lease as may be reasonably required by Landlord to avoid such jeopardy, provided such amendments do not increase the monetary obligations of Tenant or materially increase Tenant's obligations or materially decrease Tenant's rights under this Lease.

30.12 It is agreed and understood that Tenant may acknowledge only the existence of this Lease by and between Landlord and Tenant, and that Tenant may not disclose any of the terms and provisions contained in this Lease to any tenant or other occupant in the Building or to any agent, employee, subtenant or assignee of such tenant or occupant. Without limiting the generality of the foregoing, Tenant may disclose the Lease and its terms and provisions as required or requested by any government or regulatory agency, but. Tenant shall not correspond with or otherwise contact or respond to the press or any type of media outlet (including, without limitation, by electronic means) or make press or media or other public announcements regarding this Lease (other than acknowledging the existence of this Lease) without the coordination and prior written consent of Landlord.

30.13 This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Each covenant, agreement, obligation or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease.

30.14 The parties agree to make any amendments to the Lease that are reasonably necessary to avoid failing to satisfy the requirements of state or federal guidelines regarding marijuana enforcement, as those guidelines and laws may be amended from time to time.

31. Entire Agreement.

This Lease and the following exhibits and attachments, which are hereby incorporated into and made a part of this Lease, constitute the entire agreement between the parties and supersede all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents: **Exhibit A** (Purchase Option)

Landlord and Tenant have executed this Lease as of the day and year first above written.

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LANDLORD:

MPS ALASKA A, LLC, an Alaska Limited Liability Company

DocuSigned by:

By: Eric Logan
6777149488534B1...

Name: Eric Logan

Title: Manager

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OCT 26 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

TENANT:

GREAT NORTHERN CANNABIS, an Alaska Corporation

By: Stephen W. Brashear

Name: Stephen W. Brashear

Title: President

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EXHIBIT A

PURCHASE OPTION

A. **Grant of Option Conditions.** Tenant, upon satisfactory performance of the Lease, shall have the option to purchase the Property, upon the expiration of the Term of the Lease to purchase the Property for the sum of Two Million, Eight Hundred Thousand Dollars, **($2,800,000.00)** ("Purchase Price"). If:

1. Landlord receives written notice of exercise of the Right of First Refusal ("Purchase Option Notice") not less than 15 full calendar months prior to the expiration of the Initial Term, and not more than 18 full calendar months prior to the expiration of the Initial Term, or Removal Term, if applicable; and

2. No Event of Default exists at the time that Tenant delivers its Purchase Option Notice; and

3. The Lease has not been assigned prior to the date that Tenant delivers its Purchase Option Notice.

B. **Terms of Purchase.** The parties shall thereafter promptly execute any and all further instructions or other documents including a Sale Agreement which may be reasonably required for purchase of the Property.

C. **Option Consideration.** In consideration of this Purchase Option Agreement, Tenant shall pay Landlord a non-refundable fee in the amount of Five Hundred Thousand Dollars ($500,000.00), payable in ten equal annual payments of Fifty Thousand Dollars ($50,000.00) commencing January 1, 2019. Four Hundred Thousand Dollars ($400,000.00) of this Purchase Option Fee shall be credited to the Purchase Price at closing if the Tenant timely exercises the option to purchase. If the Tenant does not exercise the option to purchase, the Tenant shall forfeit the non-refundable purchase option fee consideration. In the event that Tenant fails to pay the entire Purchase Option Fee as scheduled, all prior Purchase Option Fee payments shall remain non-refundable, and the Purchase Option shall be non-exercisable.

D. **Exclusivity of option.** This Purchase Option is exclusive and non-assignable and exists solely for the benefit of the parties named in this Lease. Should Tenant attempt to assign, convey, delegate or transfer this option to purchase without the Landlord's express written permission, any such attempt shall be null and void, provided that Tenant shall be able to assign this Purchase Option to a wholly-owned subsidiary or parent company as set forth in the Lease.

E. **Closing and Settlement.** Tenant agrees that the closing costs in their entirety, including any points, fees and other charges shall be the sole responsibility of Tenant.

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Attachment B

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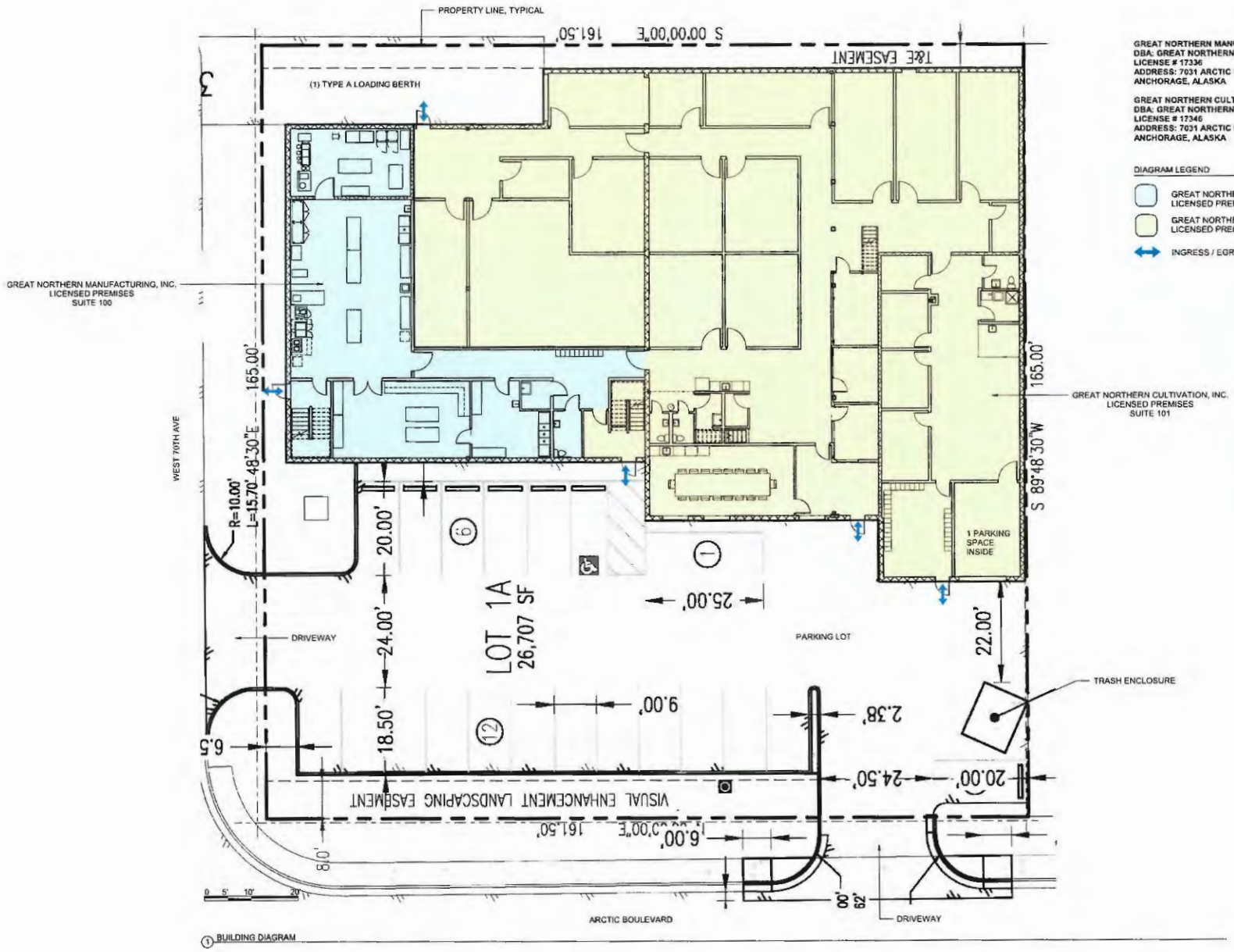

GREAT NORTHERN MANUFACTURING, INC.
DBA: GREAT NORTHERN MANUFACTURING, INC.
LICENSE # 17336
ADDRESS: 7031 ARCTIC BOULEVARD, SUITE 100,
ANCHORAGE, ALASKA

GREAT NORTHERN CULTIVATION, INC.
DBA: GREAT NORTHERN CULTIVATION, INC.
LICENSE # 17346
ADDRESS: 7031 ARCTIC BOULEVARD, SUITE 101,
ANCHORAGE, ALASKA

DIAGRAM LEGEND

- GREAT NORTHERN MANUFACTURING, INC. LICENSED PREMISES
- GREAT NORTHERN CULTIVATION, INC LICENSED PREMISES
- INGRESS / EGRESS DOOR

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AMCO
PREMISES
DIAGRAM

FORM MJ-02

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DIAGRAM NO

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NORTH