SUBLEASE AGREEMENT

This Sublease Agreement (this "Sublease") is dated June 30, 2019, by and between Revel Property Management, LLC ("Sublessor/Lessee"), and Denali Fire Black LLC ("Subtenant"). The parties agree as follows:

PREMISES. Sublessor in consideration of the lease payments provided in this Sublease, leases to Denali Fire Black LLC (the "Premises") located at 6209 MIKE STREET, SUITE 2C, ANCHORAGE, AK 99518.

TERM. The sublease term will effective not earlier than when the board approves the transfer and the effectuation of the transfer and will terminate on Aug 31, 2020.

LEASE PAYMENTS. Subtenant shall pay to Sublessor monthly installments of five thousand one hundred twenty-one dollars and sixty cents ($5,121.60) at Subtenant option for month to month after term expires. Installments are payable in advance on the first day of each month.

POSSESSION. Subtenant shall be entitled to possession on the first day of the term of this Sublease, and shall yield possession to Sublessor on the last day of the term of this Sublease, unless otherwise agreed by both parties in writing. At the expiration of the term, Subtenant shall remove its goods and effects and peaceably yield up the Premises to Sublessor in as good a condition as when delivered to Subtenant, ordinary wear and tear excepted.

Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access to the license premises if Tenant cannot be reached, abandons the property, or similar event.

USE OF PREMISES. Subtenant may use the Premises only for the cultivation of marijuana and all legal endeavors. The Premises may be used for any other purpose only with the prior written consent of Sublessor, which shall not be unreasonably withheld. Subtenant shall notify Sublessor of any anticipated extended absence from the Premises not later than the first day of the extended absence.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

REAL ESTATE TAXES. Sublessor shall pay all real estate taxes and assessments for the Premises.

PERSONAL TAXES. Sublessor shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Subtenant's use of the Premises, along with all sales and/or use taxes (if any) that may be due in connection with lease payments.

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LATE PAYMENTS. For any payment that is not paid within 15 days after its due date, Subtenant shall pay a late fee of $250.00.

HOLDOVER. If Subtenant maintains possession of the Premises for any period after the termination of this Sublease ("Holdover Period"), Subtenant shall pay to Sublessor lease payment(s) during the Holdover Period at a rate equal to the most recent rate preceding the Holdover Period. Such holdover shall constitute a month-to-month extension of this Sublease.

REMODELING OR STRUCTURAL IMPROVEMENTS. Subtenant shall have the obligation to conduct any construction or remodeling (at Subtenant's expense) that may be required to use the Premises as specified above. Subtenant may also construct such fixtures on the Premises (at Subtenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Sublessor which shall not be unreasonably withheld. Subtenant shall not install awnings or advertisements on any part of the Premises without Sublessors prior written consent. At the end of the lease term, Subtenant shall be entitled to remove (or at the request of Sublessor shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Sublease.

ACCESS BY SUBLESSOR TO PREMISES. Subject to Subtenant's consent (which shall not be unreasonably withheld), Sublessor shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. However, Sublessor does not assume any liability for the care or supervision of the Premises. As provided by law, in the case of an emergency, Sublessor may enter the Premises without Subtenant's consent. During the last three months of this Sublease, or any extension of this Sublease, Sublessor shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants.

During any entry by Landlord or its agents on the premises, Landlord’s agents or employees shall be over the age of 21 and shall comply with Tenant’s visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access to the license premises if Tenant cannot be reached, abandons the property, or similar event.

INDEMNITY REGARDING USE OF PREMISES. To the extent permitted by law, Subtenant agrees to indemnify, hold harmless, and defend Sublessor from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Sublessor may suffer or incur in connection with Subtenant's possession, use or misuse of the Premises, except Sublessors act or negligence.

MECHANICS LIENS. Neither the Subtenant nor anyone claiming through the Subtenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing o

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this Sublease constitutes notice that such liens are invalid. Further, Subtenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Subtenant.

ARBITRATION. Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

NOTICE. Notices under this Sublease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LESEE/SUBLESSOR:

Revel Property Management, LLC
1120 HUFFMAN ROAD, UNIT 24-211, ANCHORAGE, AK 99515

SUBTENANT:

Denali Fire Black LLC
500 W INTERNATIONAL AIRPORT RD, STE F, ANCHORAGE, AK 99508

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

GOVERNING LAW. This Sublease shall be construed in accordance with the laws of the State of Alaska.

ENTIRE AGREEMENT/AMENDMENT. This Sublease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Sublease. This Sublease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Sublease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Sublease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Sublease shall not be

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construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Sublease.

BINDING EFFECT. The provisions of this Sublease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

SIGNATURE PAGE FOLLOWS ON NEXT PAGE.

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SUBLESSOR:

Revel Property Management, LLC

Eli Lehrmann
AS: Member

Raquel Lehrmann
AS: Member

SUBTENANT:

Denali Fire Black LLC

Eli Lehrmann
AS: Member

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LEASE AGREEMENT

FOR 6209 MIKE STREET, ANCHORAGE, ALASKA

THIS LEASE, made in Anchorage, Alaska, this 18th the day of August, 2017 the **effective date,** between **Abercrombies, LLC.**, whose business and post office address is P.O. Box 92475, Anchorage, Alaska 99509, herein referred to as **"Lessor"** and **Revel Property Management, LLC.** whose business and post office address is: 1120 Huffman Road Unit 24-211, Anchorage, AK 99515-3516, hereinafter referred to as **"Lessee."**

WITNESSETH:

1. **Description of Property.** Lessor hereby leases to Lessee and Lessee leases from Lessor on the rent, terms, covenants, and conditions as set forth herein, the Property (hereinafter referred to as the "Property") two northerly bays of approximately 5,190 square feet of space located at 6209 Mike Street, Anchorage, Alaska.

2. **Business Purpose.** Lessee shall use and occupy the premises for operation of a licensed marijuana facilities as described in 3 AAC 306.405 – 3 AAC 306.415; 3 AAC 306.500 – 3 AAC 306.570; and 3 AAC 306.300 – 3AA.360, and as authorized under the authority for such activities under AS 17.38.070 and for no other object or purpose without Lessor's consent. Lessee agrees to comply with the following rules and regulations and with such reasonable modification thereof and additions thereto as Lessor may hereafter from time to time make for the Building. Lessor shall not be responsible for the nonobservance by any other lessee of any said rules and regulations.

   A. Lessee will not make or permit to be made any use of the Premises or any part thereof which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease, or which directly or indirectly is forbidden by any federal, state or local law, ordinance or regulation, or which may invalidate any policy of insurance carried on the Building or covering its operation, or which will suffer or permit the Premises or any part thereof to be used in any manner or anything to be brought into or kept therein which, in the judgment of Lessor, shall in any way impair the character, reputation or appearance of the Building, or which will impair or interfere with or tend to impair or interfere with any of the services performed by Lessor for the Property.

   B. Lessee shall have the right to install additional locks or similar devices to be attached to any door or window provided Lessee provides reasonable notice of same to the Lessor. All keys must be provided to Lessor at the expiration or termination of this Lease. The parties understand that Alaska State law, during the initial term of this lease or during any renewal term, prohibits the Lessee from not providing Lessor keys to the leased space.

   C. Lessee may exclude or expel any peddler.

   D. Lessee shall not overload any floor. Lessee shall ask Lessor for permission to install heavy equipment, which permission shall not be unreasonably withheld.

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E. The sidewalks, halls, passages, exits, entrances, parking areas and stairways shall not be obstructed by Lessee or used for any purpose other than for ingress to and egress from the Premises. The halls, passages, exits, entrances, stairways, parking areas or roof are not for the use of the general public and Lessor shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of the Lessor, shall be prejudicial to the safety, character, reputation and interest of the Building and its lesees, provided that nothing herein contained shall be construed to prevent such access to persons with whom Lessee normally deals in the ordinary course of Lessee's business unless such persons are engaged in illegal activities. No lessee and no employees or invitees of any lessee shall go upon the roof of the Building.

F. Lessee shall not use, keep or permit to be kept any foul, explosive or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Lessor of other occupants of the Building, if any, by reason of noise, odors, and/or vibrations, or interfere in any way with other lessees or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building.

G. Lessee shall see that the doors and windows, if openable, of the Premises are closed and securely locked before leaving the Building and must observe strict care and caution that except for that needed in the regular operation of a marijuana cultivation facility, all water faucets or water apparatus are entirely shut off before Lessee or Lessee's employees leave the Building, and that all electricity shall likewise be carefully shut off so as to prevent waste or damage, and for any default or carelessness Lessee shall make good all injuries or losses sustained by other lessees or occupants of the Building or Lessor.

3. **Term & Rent.** The term of this lease shall be from September 1, 2017 to December 31, 2020, Three (3) years and shall commence upon mutual execution of this Lease Agreement inclusive.

September & October 2017 shall be:	RENT FREE.
November & December 2017 shall be:	$2,854.50 per month
January 1,-2018 to August 31, 2020 shall be:	$5,709 per month ($68,580 annually)
Total Base Rent Lease Payments:	$188, 397

Lessee covenants and agrees to pay Lessor as rental for said Property as above commencing on **Mutual Execution of this Agreement** in lawful money of the United States, without deduction or offset, in advance on the first day of each calendar month of the lease term. The rent amount shall be monthly and prorated if the lease commences on a date other than the first of the month using a 365 calendar day period. The rent shall be considered delinquent if not paid by the fifth (5th) day of each month, payable to Lessor at the address specified above or at such other place as Lessor may hereafter designate. If said rent is not paid by the fifth day of each calendar month Lessor may charge Lessee an additional Five Percent (5%) of minimum

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monthly rental rate as a late charge. The rent is exclusive of any sales, franchise, business, occupation or other taxes based on rents, and should any such taxes apply or be enacted during the term of this lease, the rent shall be increased by such amount. Lessee's failure to pay rent promptly may cause Lessor to incur unanticipated costs. The exact amounts of such costs are impractical or extremely difficult to ascertain. Such costs may include but are not limited to, processing and accounting charges and late charges that may be imposed on Lessor by any ground lease, mortgage or trust deed encumbering the property. The parties agree that such late charges represent a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Any amount owed by Lessee to Lessor, which is not paid when due shall bear interest at the rate, provided in **paragraph 40** herein from the due date of such amount. However, interest shall not be payable on late charges to be paid by Lessee under this lease. The payment of interest on such amounts shall not excuse or cure any default by Lessee under this lease.

If Lessor, for any reason whatsoever, cannot deliver possession of the Property to Lessee at the commencement of the lease term, this lease shall not be void or voidable, (unless such delay shall exceed 30 days) nor shall Lessor be liable to Lessee for any loss or damage resulting there-from, but in that event, there shall be a proportionate reduction of rent covering the period between the commencement of the lease term and the time when Lessor can deliver possession. The lease term shall be extended by such delay for an equal period. November & December rent of Five Thousand Seven Hundred and Nine Dollars ($5,709.00) is payable to Lessor upon mutual execution of this Lease Agreement.

4. **Options.** While not in default of any of the terms of this lease, Lessee shall have an option to extend the lease for One (1) three (3) year term, at a rate of Five Thousand Nine Hundred and Sixty-Eight Dollars and 50 cents. ($5,968.50) per month fixed for three years. Lessee shall notify Lessor no less than six (6) month prior to the end of the initial lease term by providing to Lessor written notice of its intention to exercise such option. If notice is not given with proper time period, lessor has right to modify lease amount.

5. **Arbitration.** Except as to matters pertaining to the payment of minimum rent and other charges as provided in the Lease, any controversy or claim arising out of or relating to this Lease shall be resolved by mutual assent between the parties, or failing to reach mutual assent, by arbitration before a single arbitrator chosen by both parties. The arbitration shall be conducted pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), as amended and in effect at the time.

Either party who desires to submit a controversy or claim to arbitration shall notify the other party by certified mail, return receipt requested, or by facsimile. Said written notice shall identify the controversy or claim and propose a date and place for the parties to meet to agree to the person who would be acceptable as arbitrator and who has agreed to serve in that capacity. The single arbitrator's decision shall be final and binding and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each party shall bear its own expense of arbitration, including attorney(s)' fees and costs, as well as any

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administrative fees incurred. The cost of the single arbitrator will be paid by the losing party and not by the prevailing party.

6. **Additional Rent.**

A. In addition to all other rents, payments, and charges provided for herein, Lessee agrees to pay to Lessor, as additional rental, commencing in the second year for the increase of any insurance policy and real property taxes against the Property from the first year. (on a prorated basis using Lessee's total percentage of square footage as compared to the total square footage of the property)

B. In the event, that a sales tax on rental income or an additional tax on real property and improvements is adopted by any governmental agency during the term of this Lease Agreement or any extended period hereof, Lessee agrees to pay to Lessor, as additional rental, the increased amount of said tax.

C. Any additional rental payable under the terms of this Lease Agreement shall be paid by Lessee without any deduction or set-off within ten (10) days after proper evidence thereof has been submitted by Lessor.

D. Any charges assessed against Lessee that have to be prorated shall be prorated on a 365 calendar day period.

7. **Security Deposit.** Lessee shall deposit upon execution of this Lease Agreement with Lessor the sum of **Six Thousand Dollars ($6,000)** for the security deposit as security for the full performance of all of the provisions of this lease. If at any time during the lease term, or the lease term as it may be extended, Lessee shall be in default in payment of rent or any other sum due Lessor as additional rent, Lessor may appropriate all or part of the security deposit for such payment. Lessor may also appropriate all or part of the deposit to repair damages to the Property caused by Lessee or defrays any and all reasonable expenses incurred by Lessor in cleaning the Property upon the termination of the tenancy created by this lease. Upon use of any part or all of the security deposit, Lessee shall pay to Lessor, on demand, a like sum or additional security. Lessor's obligation with respect to the deposit is that of a debtor, not a trustee, and the deposit may be commingled or dissipated, or both, and no interest shall accrue thereon. If Lessee shall have fully complied with all of the covenants and conditions of this lease, (including cured defaults and late charges), but not otherwise, such sum shall be repaid to Lessee within thirty (30) days after the expiration or termination of this lease.

8. **Property Operating Costs:** Lessee acknowledges all of the following operating costs and expense to operate and maintain the Property are the responsibility of the Lessee. Such costs may include but not be limited to:

Gas, electric, refuse, security, telephone & internet (and installation of the same), snow

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removal for Lessee parking lot, janitorial and any and all repairs and maintenance to the interior of the Property including Fire Department inspections and repairs/additions, recharging of fire extinguishers, repairs to lighting fixtures and equipment (including replacement of tubes, ballasts, and bulbs). The water and sewer is not separately metered. As long as Landlord uses the 3rd bay for personal storage, Tenant shall pay 100% of the water and sewer bill for the entire property. If the Landlord leases the space, the Tenant shall start paying 66% of the water and sewer bill upon new lease commencement.

Lessor shall pay for real property taxes, standard building insurance, and general maintenance & repair for the heating & electrical systems, roof, structure and other exterior repairs. If any windows are broken from the outside of the Property, Lessor shall replace unless due to Lessee or Lessees customers, clients or vendors. Any window broken from the inside out shall be repaired by Lessee.

9. **Real Property Tax** shall be paid in full and is the responsibility of the Lessor. Commencing in the second year following the execution of this Lease, in the event there is an increase in any general or special real property taxes or assessments levied or imposed upon the Property, Lessee agrees to pay, upon written notice from Lessor, as additional rent, the increase in real property taxes on a prorated basis using Lessee's total percentage of square footage as compared to the total square footage of the building.

10. **Utilities**. Lessee shall put all separate utilities including:gas, electric, telephone, internet, refuse for their spaces, and water and sewer for the entire building in their name and be responsible for the payment of the same.

11. **Lessee's Renovation Obligations**. Lessee will prepare and submit to Lessor for written approval in accordance with requirements of this Lease herein, design plans and descriptions for construction of the leasehold improvements within the Property. Lessee will complete the renovation in accordance with plans and specifications as approved by Lessor. Approval for any and all improvements of Lessee shall not be unreasonably withheld by Lessor.

Lessee at its sole expense shall in lieu of free rent:

a. add additional electrical outlets, lighting as required by Lessee.

b. Install and air exchange system as required by any governmental agency to obtain a marijuana growing license.

c. Make any other improvements Tenant deems necessary. Any such improvements must first be provided to Landlord in writing for approval.

12. **Acceptance of Property.** By entry hereunder, Lessee acknowledges that it has examined the Property and accepts the same in their "AS IS, WHERE IS" condition, unless otherwise

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provided in this Paragraph 12 or otherwise in this Lease Agreement. Lessee has fully investigated the condition of the Property or waived its right to do so and is fully familiar with the physical condition of the Property and every part thereof, and Lessee accepts the same "AS IS." Lessor made no express representations or warranties and disclaims any implied representations or warranties relating to the condition of the Property, or any part thereof, including, without limitation, the building systems, the IAQ (indoor air quality) within the building and the environmental condition of the building. Which Lessor represents the building systems are in good working condition and there is no known environmental defect. Thereafter, Lessor shall not be liable for any latent or patent defects therein. Lessor made no express representations or warranties and disclaims any implied representations or warranties that the building is suited for being used as a marijuana cultivating operation, and Lessee assumes all responsibility for making any and all improvement necessary for the safe and compliant operation of a marijuana cultivating business. Notwithstanding the foregoing, Lessee did meet with the municipality of Anchorage planning, building safety, traffic and private development departments and discussed the change of use development requirements of this property. The municipality departments indicated that it may be required for the owner of the land to pave a portion of the road that is roughly fifty feet in length in front of the Property. Lessee and Lessor agree to that if a road is required, Lessee shall bear the sole cost of such improvement when and if it becomes necessary. Additionally, during the same meeting aforementioned, the fire safety department stated that to ensure adequate fire service, the debris and clutter must be removed from the areas around the property, in the back of the property, along the north and south side of the Property. Lessee shall be responsible to keep areas free of clutter and any snow plowing in front of Lessee space. Lessor shall maintain adequate access to the perimeter of the building, within Lessor's ability, for Anchorage Fire Department to access the building in accordance with IFC Sect 503.1.1.

Lessee shall comply with all current and future federal, state, and local environmental and IAQ laws, regulations, and industry standards, including, without limitation, any restrictions on smoking in the workplace, security systems and other compliant safety equipment.

The Property shall only be used for the purposes sated herein, and it shall not be used for any dangerous, noxious, or offensive trade or business or for any purpose, trade or business that will adversely affect the Property;

Lessee will take all steps necessary to prevent: inadequate ventilation, emission of chemical contaminants from indoor and/or outdoor sources, emission of biological contaminants;

Lessee will not allow any unsafe levels of chemical or biological contaminants (including volatile organic compounds) in the Property, and will take all steps necessary to prevent the release of such contaminants from adhesives (for example, upholstery, wallpaper, carpet, machinery, supplies, and cleaning agents);

Lessee will not bring, generate, treat, store, or dispose of any chemicals, materials, or other potential pollution sources without Lessor's prior consent. It is the intent of Lessee to operate

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a licensed marijuana facilities as described in 3 AAC 306.405 – 3 AAC 306.415; 3 AAC 306.500 – 3 AAC 306.570; and 3 AAC 306.300 – 3AA.360 and as authorized under the authority for such activities under AS 17.38.070 and for no other purpose. It is understood that as such, Lessee may bring in certain materials used in the cultivation of marijuana, and notwithstanding the foregoing, the levels of these chemicals, materials, or other potential pollution sources shall not exceed legal limits.

All materials used in connection with the alteration or refurbishment of the Property, including, without limitation, paint, carpet, wall, or window coverings, carpet glues, and other chemicals, shall be subject to Lessor's prior approval, which shall not be unreasonably withheld. Any such approval shall not be deemed a representation or warranty that the materials so approved are in compliance with laws or that the same do not affect Property.

Lessor shall have the right, but not the obligation, at all times during the Lease Term to inspect the Property and conduct such tests and investigations to evaluate the Property and/or the building. Lessor's entry may be made at any time either during business hours or after Lessee's business hours with forty-eight (48) hours notice of its intent to inspect.

Lessee will cooperate with Lessor and will, at any time, allow Lessor and Lessor's representative's access to any Lessee's records with respect to the Property for environmental inspection purposes. Lessee will make available its personnel to respond to interview questions posed by Lessor, Lessor's representatives, or an environmental consultant.

Lessee shall cooperate in all respects with rules and regulations promulgated by Lessor regarding the management of Property.

13. **PROPER USE.** Lessee shall continuously conduct and carry on in said Property, the operation of a marijuana business for which said Property is leased, and that the property may be open to the public for retail transactions. Anything done in or about the Property which will increase the present rate of insurance must first be approved of by the Landlord. The rental contained herein is predicated on, among other things, Lessor's existing insurance premiums and in the event that the Lessee's usage shall cause an increase in the insurance rate or rating, in which event, Lessee shall pay for any resulting increase. Lessee agrees that it has determined, to Lessee's satisfaction, that the Property can be used for the purpose for which they are leased. Lessee shall not commit or allow to be committed any waste upon the Property or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other Lessees in the adjoining Property. Lessee shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated, or disposed of in or about the Property by Lessee, its agents, employees, contractors, sub-lessee's or invitees without the prior written consent of Lessor. Lessor shall be entitled to take into account, such other factors or facts as Lessor may reasonably determine to be relevant in determining whether to grant or withhold consent to Lessee's proposed activity with respect to Hazardous Material; however, in no event shall Lessor be required to consent to such proposed activity.

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The term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "Hazardous Wastes", "Hazardous Materials", or "Toxic Substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCB's and other similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. The aforementioned shall not apply to cleansing products and/or repair supplies, and other related products if used and disposed of per the manufacturer's directions.

14. **Liens and Insolvency.** Lessee shall keep the Property and building, free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. Should any such lien arise from any work done by or on behalf of the Lessee, or purportedly done by or on behalf of Lessee, Lessee shall pay any and all costs associated with obtaining a release of said lien, and Lessee shall hold harmless, indemnify and defend Lessor from and against any such lien, and in any event, cause the Property to be free and clear of any such lien, even if the Lessee maintains is not a valid lien. Should Lessee fail to clear title, after notice has been delivered by Lessor to do so, then Lessor may, and Lessor's election, cause said Property to be freed of any such lien, and charge to Lessee all costs, and fees associated with clearing title. In the event Lessee becomes insolvent, voluntary or involuntary bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Lessee, then the Lessor may cancel this lease at Lessor's option.

15. **Assignment & Sublease.** Lessee shall not assign this lease or any part thereof and shall not let or sublet the whole or any portion of the Property without the written consent of Lessor. This lease shall not be assignable by operation of law. If Lessee is a corporation, then any transfer of this lease from Lessee by merger, consolidation or liquidation and any change in the ownership of, or power to vote, the majority of its outstanding voting stock shall constitute an assignment for the purposes of this paragraph. If the Lessee is a partnership or other entity, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners, or members owning more than fifty percent (50%) of the partnership or other entity, or the dissolution of the partnership or other entity, shall be deemed a voluntary assignment. Any assignment of this lease shall not extinguish or diminish the liability of Lessee herein. If consent is once given by Lessor to the assignment of this lease, or any interest therein, Lessor shall not be barred from afterwards refusing to consent to any further assignment.

    Lessee shall be permitted to assign this lease to an affiliated company of the Lessee with the following stipulations. Lessee shall submit financial reports of the affiliated company to the Lessor for approval and review. Approval by the Lessor shall not be unreasonably withheld. Lessor to advise the Lessee of their approval or disapproval within fourteen (14) days after receipt of the affiliated company's financial reports.

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Lessee, at its sole discretion and without further approval or agreement by Lessor, shall have the right to sublease all or a portion of the Property to the following entities: Black Bear Enterprises, LLC; Brown Bear Enterprises, LLC; and Green Bear Enterprises, LLC, which are related entities as they all have common members.

16. **Access.** Lessee will allow Lessor or Lessor's agent free access at all reasonable times in and to said Property for the purpose of inspection, or of making repairs, additions or alterations to the Property or any property owned by or under the control of Lessor, but this right shall not be construed as an agreement on the part of Lessor to make any repairs. However, this access shall not include providing to Lessor a key to the property which is prohibited by Alaska State Law. Lessor shall comply with the State of Alaska Marijuana Control Board's requirements to follow the regulatory visitor access identification and visitor log requirement. Including, but not limited to, no persons under the age of 21 years of age are allowed in the facility, no persons who are not agents or employees of the licensee are allowed without first checking in with a designated employee, signing visitor log, providing valid and current identification, and staying within direct eyesight of designated employee at all times. Lessor shall have the right to place and maintain "For Rent," "For Lease," or "For Sale" signs in a conspicuous place in front of the building within the last six (6) months of this Lease term if the building is full or at any time if there is a vacancy. The Lessee will promptly make good any defects for which the Lessee may be responsible hereunder within thirty (30) days after written notice thereof, or sooner if the nature of such condition or the delay in its repair would cause, or create the risk of further damages to the Property. If the Lessee refuses or neglects to commence such repairs and complete the same within said period, the Lessor may, but shall not be obligated to make or cause such repairs to be made and shall not be responsible to the Lessee for any loss or damage that may accrue to the property, profession, occupation or business of the Lessee or of any third party by reason thereof, and if the Lessor make or cause such repairs to be made, the Lessee hereby agrees to pay forthwith on demand to the Lessor as additional rent the costs thereof, plus twenty percent (20%) of such costs to cover overhead and administrative expenses, with interest at the rate described in **paragraph 40** herein calculated from the date of completion of repairs by Lessor until fully paid by Lessee.

    Lessee shall install and maintain at Lessee's sole expense any and all security measures required by Alaska State Law and Municipality of Anchorage ordinances or conditions of Lessee's conditional use permit. Lessor, its agents or employees, shall not be provided a key or access to the premises without Lessee or Lessee's agent present as that would be in violation of Alaska State Law. Lessee, upon termination of its tenancy, will deliver to Lessor all keys for the demised Property and building which have been furnished. Should Lessee change any locks or re-key any locks on its own and are not the keys issued or reissued by Lessor, Lessor shall have the right to collect a reasonable charge for re-keying the locks after the termination of Lessee's tenancy.

17. **Signs.** All signs or symbols placed in the windows or doors of the Property or upon any exterior part of the building, by Lessee, shall be subject to the prior written approval of Lessor and must be in compliance with State and Municipal law. Any signs so placed on the Building shall be

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

18. **Indemnification.** Lessee shall defend and indemnify Lessor and save it harmless from and against any and all liability, damages, costs, or expenses, liens, encumbrances, including attorney's fees, arising from any improvements done at Lessee's request or any act, omission, or negligence of Lessee, or of the officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors of Lessee in the Property provided that the foregoing provisions shall not be construed to make Lessee responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence of Lessor, or of any officer, contractor, licensee, agent, servant, employee, guest, invitee, or visitor of Lessor.

19. **Damage or Destruction.** In the event the Property are damaged to such an extent as to render the same un-leasable in whole or in a substantial part thereof, or are destroyed, it shall be optional with Lessor to repair or rebuild the same; and after the happening of any such event, Lessee shall give Lessor or Lessor's agent immediate written notice thereof. Lessor shall have not more than thirty (30) days after the date of such notification to notify Lessee in writing of Lessor's intention to repair or rebuild said Property, or the part so damaged as aforesaid, and if Lessor elects to repair or rebuild said Property, Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period, the rent shall be abated in the same ratio that the portion of the Property rendered for the time being unfit for occupancy shall bear to the whole of the lease Property. Lessee shall have the right to terminate lease if Property becomes un-leasable for more than sixty (60) days or if Lessor shall fail to give the notice as aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon Lessor or Lessor's agent.

20. **Liability Insurance.** Lessee agrees to carry liability insurance naming Lessor as an additional insured, in an amount not less than TWO MILLION ($2,000,000.00) for injury or death to any one person, TWO MILLION DOLLLARS ($2,000,000.00) for injury or death per any number of persons in any one accident, and TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00) for property damage or destruction. Insurance binder shall be provided to the Lessor prior to Lessee taking possession, and each year upon renewal. Lessee shall provide that any insurance carrier include Lessor with a copy of any and all notices that are issued by the insurance carrier. Any and All property in the lessee's unit is their own responsibility in the event of damage.

21. **Fire Insurance**. Lessor will during said term keep all improvements now or hereafter erected on real estate insured against loss or damage by fire and any hazards, casualty, or contingency for which insurance is procurable which Lessor may be able to insure with an insurance company or companies, in the name of the Lessor in an amount equal to the full replacement cost of said improvements, and will pay all premiums thereon at the time and place the same are payable. Annually, Lessor shall review the amount of insurance coverage to assure the

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improvements are insured for the full replacement cost. Every policy shall be made payable in case of loss or damage to the parties as their interest may appear, and all compensation, indemnity or other monies paid on account of any loss or damage, other than rental value insurance, shall with all convenient speed be laid out in rebuilding, repairing, or otherwise reinstating the same improvements in a good and substantial manner according to the plan and elevation of the improvements so destroyed or damaged, or according to such modified plan as shall be previously approved by the Lessor in writing. In the event such insurance proceeds are inadequate to accomplish the foregoing, Lessor has the option to cancel the Lease by giving Lessee written notice within thirty (30) days of the casualty and Lessee will assign any interest in said insurance proceeds to the Lessor and such proceeds shall be applied by the Lessor, at its sole option, to rebuilding or repairing of loss, destruction or damage, over the reduction of any indebtedness by Lessee to Lessor, or may be retained by Lessor as payment for damages incurred to the leasehold.

22. **Insurance Rating & Certificates of Insurance**. Lessee, at its own cost and expense, shall obtain the insurance coverage's from an insurance company or companies qualified to do business in the State of Alaska and having a general policy holder's rating of not less than "A" and a financial rating of "XV" or better, as rated in the most current available "Best's Insurance Reports", and shall deposit with Lessor current certificates of insurance together with every receipt for premiums or evidence thereof. All such certificates shall state that such insurance has been endorsed to provide that such insurance cannot be modified or terminated without at least thirty (30) days' prior written notice to Lessor and any mortgagee. If Lessee shall fail to provide any insurance required by this Lease, Lessor may, at its option, procure such insurance and pay the premiums therefore and Lessee shall be obligated to repay every such premium upon demand, plus interest thereon calculated from the date of such payment by Lessor at the rate provided in **paragraph 40** of this Lease.

23. **Condemnation.** If all of the Property or such portion of any building wherein the Property may be located as may be required for the reasonable use of the Property, is taken by eminent domain, this lease shall automatically terminate as of the date Lessee is required to vacate the Property and all rentals shall be paid to that date. In case of taking of a part of the Property, or a portion of any building wherein the leased Property may be located which is not required for the reasonable use of the Property, then this lease shall continue in full force and effect and the rental shall be equitably reduced, based on the proportion by which the floor area of the Property is reduced, such rent deduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to damages to the Property for any taking by eminent domain, and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award, and Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for interruption of or damage to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as a part of the damages recoverable by Lessor.

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24. **Notices.** All notices to be given by the parties hereto shall be in writing and may either be served personally or deposited in the United States mail, postage prepaid, either by registered, certified, or regular mail with certificate of mailing obtained; and if to be given Lessor, to be addressed to Lessor at the address specified above. Notice shall be deemed to be delivered when received by the Lessor or, if to be given Lessee, may be addressed to Lessee at the leased Property or the address specified above. Notice shall be deemed to be delivered when received by the Lessee.

25. **Default by Lessee.** If Lessee shall fail to pay any installment of rent or any additional rent or other charges as and when the same shall become due and payable, and if such default shall continue for a period of ten (10) days after payment shall be due (and within five (5) days of notification by Lessor) or if Lessee shall default in the performance of any of the other items, covenants and conditions of this lease, and if such default shall continue for a period of thirty (30) days after notice in writing specifying the matter claimed to be in default is given by Lessor to Lessee; Lessor shall have the right, at Lessor's option, to terminate this lease and the term hereof, as well as the right, title and interest of Lessee hereunder, unless (except for a default of nonpayment of rent) Lessee shall then diligently be engaged in prosecuting the work necessary to remove said cause or taking the steps necessary to remedy said default, and Lessor may re-enter the Property, using such force as may be necessary, and repossess itself thereof and remove all persons and property from the Property. If Lessor exercises its right of re-entry, Lessor may change the locks to the demised Property without having to provide Lessee with a copy of such key. Notwithstanding any such re-entry, the liability of Lessee for the full rental provided for herein shall not be extinguished for the balance of this lease, and Lessee shall make good such deficiency arising from any re-letting of the Property and reasonable attorney's fees. Lessor will also have the rights of Lessor distrait.

Each of the following events shall constitute a default:

A. Lessee's failure to make payment of any rent or other payments required of Lessee or any part thereof, if said failure shall continue for a period of ten (10) days after the payment shall be due and within five (5) days of notification by Lessor.

B. A default in the performance of any other covenant or condition on the part of Lessee for a period of thirty (30) days after being served with a notice spelling out the specific default or defaults.

C. The filing of a petition by or against Lessee for adjudication as a bankrupt, appointment of a receiver or trustee of any substantial part of the assets of Lessee or the institution of any proceeding involving Lessee under any reorganization or arrangement, insolvency, dissolution, liquidation, or other similar statutes of the federal government or any state government heretofore or hereinafter enacted.

D. The execution, attachment, or levy upon the leasehold interests or any part of the Leased Property.

E. A finding by the State of Alaska or the Municipality of Anchorage that the

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operation is not in compliance with its licensing condition or requirements and issuance of any Notice of Cease and Desist directives from either the State of Alaska or Municipality of Anchorage, so long as any none compliance is not cured within the time frames as allowed by any governing authority. Any cultivation of marijuana without the proper licensing and permissions being in place shall constitute a default of the terms of this agreement.

F. Lessee's desertion, vacation, abandonment, or suspension of business operation on the Leased Property for a period of five (5) or more days. Notwithstanding the Lessee may upon written notice to Lessor, suspend business activity during low season for a period of time. Such period of time shall be no longer than ten (10) days.

26. **Disposal of Lessee's Property.** For each and every case where Lessor has removed and stored Lessee's property in accordance with one or more provisions of this Lease, in the event that Lessee fails to claim said property by taking actual possession of said property and paying immediately to Lessor any and all sums due as a result of Lessee's obligations under this Lease, including all costs incurred in the removal and storage of said property, within forty-five (45) days from the date of Lessor's removal of said property from demised Property, then said property shall become immediately and indefeasibly vested in the Lessor who shall be at liberty to dispose of such property as it sees fit and Lessee covenants with Lessor that in such event it shall make no claim against Lessor in respect of said property and will pay to Lessor all costs incurred by Lessor in the removal, storage, and disposal of said property. Lessor agrees that any and all proceeds from the disposition of said property shall first be applied to removal, storage, and disposal costs incurred by Lessor, then to any outstanding balance on Lessee's account owed to Lessor, and the balance, if any, shall be the sole property of Lessor. **Notwithstanding the forgoing, Lessor shall not remove or take possession in any manner any marijuana, marijuana product or marijuana waste under this or any other provision in this Lease. If Lessor fails to claim property and said property includes marijuana, marijuana product or marijuana wste, Lessor will promptly contact the Alaska Marijuana and Alcohol Control Office and request enforcement agents remove the marijuana, marijuana product, and/or waste.**

27. **Right to Re-let**. Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease, or it may from time to time without terminating this Lease, make such alterations and repairs as may be necessary in order to re-let the Property, and re-let said Property or a part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable; upon each such re-letting, all rentals received by the Lessor from such re-letting shall be applied first to the payment of any indebtedness other than rent hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such re-letting, including brokerage fees and attorney's fees and costs of such alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Lessor and applied to payment of future rent as the same shall

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become due and payable hereunder. If such rentals received from such re-letting during any month are less than that required to be paid during that month by Lessee hereunder, Lessee shall pay any such deficiency to Lessor before the end of such month. Lessor shall make reasonable effort to re-let said Property at no less than current fair market rent. Termination may, but need not necessarily, be made effective by the giving of written notice to the Lessee of intention to end the term of this lease, specifying a day not earlier than five days thereafter, and upon the giving of such notice, the term of this lease and all rights, title and interest of the Lessee hereunder shall expire as fully and completely on the day so specified as if that day were the date herein specifically fixed for the expiration of the term. No such re-entry or taking possession of said Property by Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this Lease for such previous breach.

28. **Damages on Termination**. Should Lessor at any time terminate this Lease for any default, breach or failure of Lessee hereunder, then, in addition to any other rights or remedies available to Lessor hereunder or by law provided, Lessor may have and recover from Lessee, all damages Lessor may incur by reason of such default, breach or failure including, without limitation, court costs and reasonable attorney's fees for services in recovering possession, all costs and expenses of any re-letting including, without limitation, all costs of alterations and repairs, dividing and subdividing, of the Property in connection therewith, all brokerage commissions or other similar expenses of Lessor in connection with such re-letting, or, at the option of Lessor, Lessor may have and recover from Lessee the worth at the time of termination of this Lease, of the excess, if any, of the total minimum rental and percentage rental and other charges reserved in this Lease for the remainder of the term hereof, over the then reasonable rental value of the Property for the same period, all of which amounts, including attorney's fees of Lessor, shall be immediately due and payable by Lessee to Lessor.

29. **Lessor's Consent.** Whenever Lessor's consent is required under the terms hereof, such consent shall be in writing, and shall not unreasonably be withheld.

30. **Non-Waiver of Breach.** The failure of Lessor to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein offered in any one or more instances, shall not be construed to be a waiver or relinquishment of such, or of any other covenants or agreements, but the same shall be and remain in full force and effect.

31. **Removal of Property.** In the event of any entry in or taking possession of the Property as aforesaid, Lessor shall have the right, but not the obligation to remove from the Property all personal property located therein, and may store the same in any place selected by Lessor, including but not limited to, a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without, with notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to

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the cost of such sales, second to the payment of charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, the balance, if any, to be paid to Lessee. **Notwithstanding the forgoing, Lessor shall not remove or take possession in any manner any marijuana, marijuana product or marijuana waste under this or any other provision in this Lease. If Lessor fails to claim property and said property includes marijuana, marijuana product or marijuana waste, Lessor will promptly contact the Alaska Marijuana and Alcohol Control Office and request enforcement agents remove the marijuana, marijuana product, and/or waste.**

Lessee hereby waives all claims for damages that may be caused by Lessor's re-entering and taking possession of the Property or removing and storing the property of Lessee as provided in this lease, and will save Lessor harmless from loss, costs or damages occasioned by Lessor thereby, and such re-entry shall not be considered or construed to be forcible entry.

32. **Surrender Of Property.** At the termination of this Lease, by lapse of time or otherwise, Lessee will peaceably deliver up to Lessor, possession of the demised Property. At the option of Lessor, (at Lessor's sole discretion), with reasonable notice given in writing to Lessee prior to the earlier termination or expiration of the Lease, Lessee shall either a) remove at Lessee's expense those existing alterations or improvements, made by the Lessee requested by Lessor to be removed, by whomsoever made or installed to said demised Property, flush to the wall or floor and Lessee shall make good any damage caused to the Property in the removal of said alterations or improvements, in accordance with Lessee's covenants herein contained to maintain and repair said Property or b) shall peaceably deliver up to Lessor, possession of the demised Property together with all improvements, additions, fixtures, permanently attached or otherwise, and alterations thereon, by whomsoever made or installed, and shall keep thereto, in the same condition of cleanliness, repair, sightliness, order and condition as the demised Property was in upon the commencement of business under the lease, reasonable wear and tear excepted, in accordance with Lessee's covenants herein contained to maintain and repair said Property, without disturbance, molestation or injury, and without credit to Lessee, its sub-lessees, concessionaires or licensees. If no written notice is given to Lessee, Lessee shall at the termination of the lease remove all improvements, additions, fixtures, trade or otherwise and alterations thereon, made by the Lessee.

Lessee shall surrender all keys for the demised Property to Lessor at the place then fixed for the payment of rent.

The Lessee will allow the Lessor during the last month of the term hereof, or during any holdover period, to affix to keep on said demised Property "To Let" notice, and will allow the Lessor to show the Property during Lessor's business hours to prospective tenants with 24 hours notice.

33. **Heirs and Successors.** Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

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34. **Lessor's Liability; Certain Duties.** As used in this lease the term "Lessor" means only the current owner or owners of the title to the Property at the time in question. Each Lessor is obligated to perform the obligations of Lessor under this Lease only during the time such Lessor owns such interest or title. Any Lessor who transfers its title or interest is relieved of all liability with respect to the obligations of Lessor under this lease to be performed on or after the date of transfer. However, each Lessor shall deliver to its transferee all funds that Lessee previously paid if such funds have not yet been applied under the terms of this lease.

    Lessee shall give written notice of any failure by Lessor to perform any of its obligations under this lease to Lessor and to any ground lessor, mortgagee, or beneficiary under any deed of trust encumbering the property whose name and address have been furnished to Lessee in writing. Lessor shall not be in default under this lease unless Lessor (or such ground lessor, mortgagee or beneficiary) fails to cure such non-performance within thirty (30) days after receipt of Lessees notice. However, if such nonperformance reasonably requires more than thirty (30) days to cure, Lessor shall not be in default if such cure is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

    Notwithstanding any term or provision herein to the contrary, the liability of Lessor for the performance of its duties and obligations under this lease is limited to Lessor's interest in the Property and the Project, and neither the Lessor nor its partners, shareholders, officers or other principals shall have any personal liability under this lease.

35. **Holdover.** If Lessee shall, with the consent of Lessor, hold over after the expiration of the term of this lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by laws of the State of Alaska. During such tenancy, Lessee agrees to pay Lessor one hundred twenty five percent (125%) of the rent payable immediately prior to such expiration, unless a different rate is agreed upon, and to be bound by all the terms, covenants and conditions as herein specified, so far as they are applicable.

36. **Subordination.** This lease is subject and is hereby subordinated to all present and the future mortgages, deeds of trust and other encumbrances affecting the Property or the property of which said Property are a part. Lessee agrees to execute, at no expense to Lessor, any instrument, which may be deemed necessary or desirable by Lessor to further effect the subordination of this lease to any mortgage, deed of trust or encumbrance.

37. **Attornment** If Lessor's interest in the property is acquired by any ground Lessor, beneficiary under a deed of trust, mortgagee, or purchase at a foreclosure sale, Lessee shall attorn to the transferee of or successor to Lessor's interest in the property and recognize such transferee or successor as Lessor under this lease. Lessee waives the protection of any statute or rule of law, which gives or purports to give Lessee any right to terminate this lease or surrender possession of the property upon the transfer of Lessor's interest. In reciprocity, should title transfer via sale, transfer or foreclosure, as long as Lessee has continuously performed under the terms and

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conditions of this Leasehold, then such successor entity shall attorn to Lessee.

38. **Estoppel Certificates.** Upon Lessor's written request, Lessee shall execute, acknowledge and deliver to Lessor a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been canceled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Lessor is not in default, under this Lease (or, if Lessor is claimed to be in default, stating why); and (v) such other representations or information with respect to Lessee or the Lease as Lessor may reasonably may require. Lessee shall deliver such statement to Lessor within ten (10) days after Lessor's request. Lessor may give any such statement by Lessee to any prospective purchaser or encumbrancer of the Property. If Lessee does not deliver such statement to Lessor within such ten (l0) day period, Lessor, and any prospective purchaser or encumbrancers, may conclusively presume and rely upon the following facts: (I) that the terms and provisions of this Lease have been changed except as otherwise represented by Lessor; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Lessor; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Lessor is ;not in default under the Lease. In such event, Lessee shall be estopped from denying the truth of such facts.

39. **Costs and Attorney's Fees**. If Lessee or Lessor shall bring any action for any relief against the other, declaratory or otherwise, arising out of this lease, including any suit by Lessor for the recovery of rent or possession of the Property, the losing party shall pay the successful party a reasonable sum for attorney's fees in such suit, and such attorney's fees shall be deemed to have accrued on the commencement of such action. In case of any breach by Lessee of its covenants herein contained, Lessor may at any time without notice, cure such breach for the account and at the expense of Lessee. Lessee will pay to Lessor within 10 days after the date of Lessor making personal delivery of statements therefore, (a) all reasonable and actual costs and expenses, including reasonable attorney's fees incurred or paid by Lessor, but required to be paid by Lessee under any covenant herein contained or paid or incurred by Lessor in enforcing any of the covenants and conditions of this Lease, in protecting itself against any breach thereof, in remedying any breach thereof, incurring any breach by Lessee of its covenants herein contained, in recovering possession of the demised Property or any part thereof or in collecting any delinquent rent or other charges payable hereunder by Lessee, or in connection with any litigation (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made party, and (b) a reasonable fee for reviewing and processing any request by Lessee for Lessor's consent or approval, which fee shall be a flat-rate service charge as established by the policy of Lessor, including without limitation reasonable fees of attorneys and other consultants retained by Lessor and the costs of Lessor's regular salaried staff in connection therewith, whichever is greater.

40. **Interest.** The Lessee shall pay to Lessor, on demand, interest on all sums payable by Lessee to Lessor pursuant to the provisions of this Lease, from the date due until paid, at the rate of ten and one-half percent (10.5%) per annum or such higher rate as shall equal the maximum

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rate of interest allowed by Alaska statutes, or any statute succeeding thereto or substituted therefore; provided, however, that in no event shall the interest rate charged by Lessor exceed the maximum rate per annum allowed by applicable law for said period.

41. **Rules and Regulations by Lessor.** Lessee shall comply with all reasonable rules and regulations hereafter and from time to time adopted by Lessor for the use, safety, care and preservation of the Property.

42. **Janitorial.** Lessee is responsible for keeping the Property in a neat and clean condition including the interior and exterior of the building and all parking areas.

43. **Force Majeure.** If Lessor cannot perform any of its obligations due to events beyond Lessor's control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Lessor's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions.

44. **Other Miscellaneous Conditions.** Upon payment by Lessee of the rent hereinafter reserved and upon observance and performance of the covenants by Lessee herein contained, Lessee shall peaceably hold and enjoy the demised Property for said term without hindrance or interruption by Lessor or any other persons lawfully or equitably claiming by, through or under it except as herein expressly provided.

    Lessee agrees to operate all of the leased Property during the entire term of this lease with due diligence and efficiency, unless prevented from doing so by causes beyond Lessee's control.

45. **First Right of Refusal to Lease:** Lessor shall notify Lessee in the event the Lessor will move out of its occupied space. The space will be put on the market or negotiated at that time for lease with Lessee to the benefit of both parties. If an agreement is not made, the Lessee will have the right to match the exact terms and conditions (as long as they are not in default with any terms and conditions of this lease agreement) of an acceptable offer made to Lessor from a third party. Lessee shall have forty eighty (48) hours from being provided the lease offer to approve of the exact terms and conditions in writing, otherwise the "First Right of Refusal to Lease" shall terminate.

46. **Marijuana License Approval:** Upon mutual execution, Lessee shall immediately apply to the appropriate governmental bodies to attempt to qualify this Property to be licensed for the purposes of a marijuana ~~growing operation~~ facility as approved by the SOA and MOA. In the event, Lessee is unable to receive governmental approval, time allotted to obtain at Lessees discretion, then with written notice from Lessee to Lessor this Lease Agreement shall terminate. All rents paid to thirty (30) days after notice has been provided to Lessor and the security deposit shall be forfeited to the Lessor. Condition of the Property shall be returned to the original condition as accepted by Lessee on commence. Any fixtures attached to the

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Property shall be come the Lessors upon termination.

47. **MISCELLANEOUS PROVISIONS.**

47.1 Time is of the essence of each provision of this Lease.

47.2 Whenever consent or approval of a party is required, that party shall not unreasonable withhold such consent or approval, however, Lessor may exercise its sole discretion in consenting or withholding consent to use or restriction in use of the Premises under the applicable paragraph of this Lease or consenting or withholding consent to assignment or subletting under the applicable paragraph of this Lease. Any such consent or approval must be in writing and signed by Lessor to be valid and must be given in advance.

47.3 If Lessee is a corporation, Lessee shall deliver to Lessor, on execution of this Lease, a certified copy of a resolution of its board of directors authorizing the execution of this Lease and naming the officers that are authorized to execute this Lease on behalf of the corporation.

47.4 This Lease shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns, except as otherwise provided in this Lease.

47.5 This Lease shall be governed by and construed and enforced in accordance with the laws of the State of Alaska.

47.6 This Lease contains all the agreements of the parties and cannot be amended or modified except by a written agreement signed by the parties hereto.

47.7 All provisions contained in this Lease, whether covenants or conditions, on the part of Tenant shall be deemed to be both covenants and conditions.

47.8 If any provision of this Lease shall be held to be invalid, void or unenforceable, the remaining provisions shall not be affected or impaired, but shall remain in full force and effect.

47.9 Section headings in this Lease are provided for convenience only and do not affect the scope, meaning or intent of the Lease provisions.

47.10 In the event of variation or discrepancy, Lessor's original copy of this Lease shall control.

47.11 It is understood and agreed that this Lease shall not be binding until and unless all parties have signed it, and it is specifically conditioned upon Lessee successfully obtaining a marijuana cultivation facility license, ("license"). Should the Lessee not be able to obtain said license, then upon 30 days written notice, Lessor shall be allowed to terminate this lease prior to the expiration of the initial term, or renewal term should the license be lost or not be able to be renewed by Tenant for any reasons.

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47.12 No receipt of money by Lessor from Lessee after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Premises shall reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required.

48. DEFINITIONS.

48.1 The definitions contained in this Lease shall be used to interpret this Lease.

48.2 As used in this Lease, the following words and phrases shall have the following meanings:

Alteration - any addition of, change to, or modification of, the Premises made by Lessee, including, without limitation, fixtures, but excluding trade fixtures as defined here, and Lessee's improvements as defined here.

Authorized representative - any officer, agent, employee, or independent contractor retained or employed by either party, acting within authority given him by that party.

Condemnation - the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and a voluntary sale or transfer by Landlord to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

Condemnor - any public or quasi-public authority, private corporation or individual, having the power of condemnation.

Damage - injury, deterioration, or loss to a person or property caused by another person's act or omission, including death.

Damages - a monetary compensation or indemnity that can be recovered in the courts by any person who has suffered damage to his person, property, or rights through another's act or omission.

Date of taking - the date the condemnor has the right to possession of the property being condemned.

Destruction - any damage, as defined here, to or disfigurement of the Premises.

Encumbrance - any deed of trust, mortgage, or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

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Expiration - The coming to an end of the time specified in this Lease as its duration, including any extension of the term of this Lease resulting from the exercise of an option to extend.

Good condition - the good physical condition of the premises and each portion of the Premises, including, without limitation, signs, windows, show windows, appurtenances, and Lessee's personal property as defined herein. "In good condition" means first-class, neat, clean and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.

Hold harmless - to defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorney's fees), causes of action, claims, or judgments arising out of or relating to any damage, as defined here, to any person or property.

Law - any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal or other government agency or authority having jurisdiction over the parties or the premises, or both, in effect either at the time of execution of this Lease or at any time during the term of this Lease, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).

Lender - the beneficiary, mortgagee, secured party, or other holder of an encumbrance, as defined here.

Lien - a charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act. Most of the liens referred to in this Lease are mechanic's liens.

Maintenance - repairs, replacement, repainting, cleaning.

Person - one or more human being, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.

Provisions - any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in this Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

Rent - minimum monthly rent, percentage rent, prepaid rent, security deposit, real property taxes and assessments, common area charges, operating costs, insurance,

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utilities, and other similar charges payable by Lessee to Lessor.

Restoration - the reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return destroyed portions of the Premises and other property to be substantially the same physical condition as they were in immediately before the destruction.

Successor - assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this Lease, to the rights and obligations of either party.

Taxes - all real estate taxes, including state equalization factor, if any, payable for any part of the term of this Lease, exclusive of penalties or discounts, on the Property; any taxes which shall be levied in lieu of any such taxes on the gross rentals of the Property; any special assessments against the Property which shall be required to be paid during the calendar year in respect to validity of any such taxes, charges or assessments, such expense to be applicable to the period of the item contested.

Lessee's improvement - any addition to or modification of the Premises made by Lessee before, at, or near the commencement of the term including, without limitation, fixtures (not including: Lessee's trade fixtures, as defined here).

Lessee's personal property - Lessee's equipment, furniture, merchandise, and movable property placed in the Premises by Lessee, including Lessee's trade fixture, as defined here, but specifically excluding that equipment, furniture, and movable property in location as set forth in Exhibit "A". which property is owned by the Lessor and is specifically being leased to the Lessee herein.

Lessee's trade fixture - any property installed in or on the Premises by Lessor for purposes of trade, manufacture, ornament, or related use.

Term - the period of time during which Lessee has a right to occupy the Premises.

Termination - the ending of the term for any reason before expiration, as defined here.

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IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first above written.

LESSOR:

Abercrombies, LLC.

By: _____
Trina Johnson
Its: Managing Member

LESSEE:

Revel Property Management, LLC.

By: _____
Eli Lehrmann
Its: Member

By: _____
Raquel Lehrmann
Its: Member

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT ON THIS 18 day of August, 2017 before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Eli & Rachel Lehrmann, to me known to be the person described in and who executed the above and foregoing instrument on behalf of Revel Property Management, LLC, and acknowledged to be that he/she signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

STATE OF ALASKA
OFFICIAL SEAL
Natalie Hausinger
NOTARY PUBLIC
My Commission Expires 03/16/19

_____
Notary Public, Third Judicial District
State of Alaska

My commission expires 03/16/19

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT ON THIS 21 day of August, 2017, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Trina Johnson, to me known to be the person described in and who executed the above and foregoing instrument on behalf of Abercrombies, LLC, and acknowledged to be that he/she signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Lessor Initials EL Lessee Initials RVL

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STATE OF ALASKA
NOTARY PUBLIC
Mary E. Rogers
My Commission Expires 7.1.2020

Mary E. Rogers
Notary Public, Third Judicial District
State of Alaska
My commission expires 7.1.2020

PERSONAL GUARANTEES

The undersigned (Guarantors) in consideration of the execution of the Commercial Lease Agreement hereby unconditionally guarantees and promises to pay or perform on demand any and all debts, obligations, and liabilities of Revel Property Management, LLC (Lessee) under or arising out of the Commercial Lease Agreement entered by and between Abercrombies, LLC and Lessee for the two northerly bays of approximately 5,190 square feet of space located at 6209 Mike Street, Anchorage, Alaska. This is a continuing guarantee which applies to any renewal, extension, modification or amendment of the lease agreement, without Notice to Guarantor(s).

Guarantors hereby waive each and all of the following:

a. Notice of acceptance of this guarantee
b. Notice of any renewal, extension, modification, or amendment of the lease.
c. Notice of Lessee's default under the lease.
d. The right, if any, to benefit of or to direct the application of the security deposit.
e. The right to require Abercrombies, LLC to proceed against the Lessee or any other party prior to proceeding again either or both Guarantors and agree that Abercrombies, LLC may proceed against the Guarantors directly and independently of any other party liable and the cessation of the liability of any other party for any reason other than full payment, shall not in any way affect the liability of this Guarantors.
f. Any defense of the Lessee or any other liable party.

GUANTORS:

Eli Lehrmann

Raquel Lehrmann

Lessor Initials EL Lessee Initials RVL

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STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY THAT ON THIS 18 day of August, 2017 before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Eli & Rachel Lehrmann, to me known to be the persons described in and who executed the above and foregoing instrument on their own behalf, and acknowledged to be that he/she signed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Natalie Hausinger

Notary Public, Third Judicial District
State of Alaska
My commission expires 03/16/19

STATE OF ALASKA
OFFICIAL SEAL
Natalie Hausinger
NOTARY PUBLIC
My Commission Expires 03/16/19

Lessor Initials EL Lessee Initials RVL

Received by AMCO 10/1/19

October 11, 2019

Alcohol & Marijuana Control Office
550 West 7th Ave, Suite 1600
Anchorage, AK 99501

Re: License Transfer Application
#14073 Black Bear Nursery

AMCO Staff,

Please be advised that the proposed transfer of the above-mentioned Marijuana Standard Cultivation License, from Black Bear Enterprises LLC to Denali Fire Black LLC will maintain a continued relationship with the existing entities. The current Lessee (Revel Property Management LLC) is an affiliated entity with Black Bear Enterprises LLC through several member parties and the existing lease structure will be adhered to on the Premises.

Should you have any further questions or require any additional information, please do not hesitate to contact me at any time.

Sincerely,

Eli Lehrmann

Eli Lehrmann
Licensee #14073, Black Bear Nursery
Member, Revel Property Management LLC
Member, Black Bear Enterprises LLC
Member, Denali Fire Black LLC

Received by AMCO 10/11/19