COMMERCIAL LEASE AGREEMENT

This Lease ("Lease") is made this 26th day of April, 2019, by and between **Cannery Row, Inc.**, an Alaska corporation ("Lessor") and **The New Company Store**, an Alaska corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor owns Lot 7 of the Cannery Row Subdivision, here after known as the "Premises"; and

WHEREAS, Lessee desires to lease a portion of Lot 7 of the Cannery Row Subdivision from Lessor for the growing and selling Marijuana products, on the terms and conditions set forth in this Lease; and

NOW THEREFORE the parties agree as follows:

1. LEASE OF PREMISES. Subject to the terms and conditions of this Lease, Lessor leases to Lessee, and Lessee leases from Lessor, a portion (commonly known as 703 Cannery Row Cordova, AK 99574) of the real property identified in Exhibit "A" as Lot 7 of the Cannery Row Subdivision together with all buildings, fixtures and other improvements thereon.

2. TERM. The term of this Lease shall begin on January 1, 2018 and shall expire on Dec 31, 2020, unless sooner terminated as provided herein (the "Lease Term").

3. RENTAL.

3.1 Rent. Lessee shall pay Lessor, and Lessor shall accept from Lessee,. $500 per month. Rent is due in full on the 1st of each month. A 1.5% per month finance charge will be added to any over due account. The first rent payment shall be due on August 1 2019.

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4. USE OF PREMISES. Lessee shall use the Premises solely for the purpose of growing and selling Marijuana products. Lessee shall not use the Premises for any unlawful purpose nor cause, maintain, or permit any public or private nuisance to exist on the Premises, and Lessee shall maintain the Premises in an orderly, neat, and clean condition, free of hazard and nuisance

4.1 Lessor's Operations; Common Areas; Ingress and Egress. Lessee acknowledges that Lessor intends to utilize the unleased portion of the Cannery Row Subdivision for other business operations and activities. Each party agrees to conduct its business operations in such a manner as to not unreasonably interfere with the operations of the other party. Lessee shall have no access to or use of Lessor's Operations. Lessee shall be responsible for employee and customer parking.

4.2 Alteration and Improvements. Lessee shall not construct any improvements or alter the Premises in any way without the prior written consent of Lessor, which may be withheld in Lessor's sole discretion. In the event Lessor approves alteration or improvement of the Premises by Lessee, unless Lessor and Lessee otherwise agree in writing, all such work shall be at Lessee's sole cost and expense, and such alterations or improvements shall become the property of Lessor upon expiration or termination of this Lease.

4.3 Signs. Lessee may place signs on the exterior of the Premises only with Lessor's prior written consent, which consent shall not be unreasonably withheld.

4.4 Additional Equipment. Lessee shall not bring to or allow on the Premises any equipment or machinery in addition to that listed in Exhibit "B" without Lessor's prior written consent, which consent shall not be unreasonably withheld. All such equipment and machinery shall be subject to the insurance requirements of subsection 8.4.

4.5 Compliance with Laws; Permits. Lessee shall comply with all federal, state and local laws, rules and regulations in conducting its operations and in connection with its use and occupancy of the Premises. Lessee shall be solely responsible for obtaining at Lessee's

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sole cost and expense, and shall comply with, state and local permits and licenses necessary for the conduct of its operations and Lessee shall hold Lessor harmless for any failure to obtain or comply with any such permit or license.

4.6 Environmental Concerns. Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, without the prior written consent of Lessor, which Lessor shall not unreasonably withhold as long as Lessee demonstrates to Lessor's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises. If Lessee breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Material on the Premises results in contamination of the Premises, or contamination of the Premises by Hazardous Materials otherwise occurs, or Hazardous Material is released by Lessee, its agents, employees, contractors or invitees, or from the Premises, for which Lessee is legally liable to Lessor or any other party for damage resulting therefrom, then, in addition to Lessee's other obligations hereunder to indemnify, defend and hold Lessor harmless, Lessee shall indemnify, defend and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including without limitation diminution in value of the Premises, damages for the loss or restriction on use of the Premises, or of any amenity of the Premises, damages arising from any adverse impact on marketing the Premises and sums paid in settlement of claims, attorneys fees, consultants fees, and expert fees) which arise during or after the Lease Term as a result of such contamination or release. This indemnification of Lessor by Lessee including, without limitation, costs incurred in connection with any investigation, site condition, or any clean-up, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises results in any contamination of the Premises, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises,

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provided that Lessor's approval of such action shall first be obtained, which approval shall not be unreasonably withheld.

In the event of Lessee's failure to comply in a timely manner with any or all of its obligations under this subsection 4.6, Lessor may, at its option, perform any or all of such obligations and all costs and expenses incurred by Lessor in connection therewith shall be deemed to be additional rent to be paid by Lessee to Lessor on demand. Without limiting the generality of the foregoing, Lessor, upon its receipt of any notice from any person or entity, including without limitation the Alaska Department of Environmental Conservation and the Environmental Protection Agency, asserting the occurrence of any violation of any environmental law or regulation on or pertaining to the Premises or Lessee's operations, shall have the right, but not the obligation to exercise any of its rights as provided in this section or to enter into the Premises or to take such actions as it deems necessary or advisable to clean up, remove, resolve, or minimize the impact of or otherwise deal with such occurrence, all at Lessee's expense.

As used in this Lease, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of Alaska, or the United States government.

This subsection 4.6 shall survive the expiration or sooner termination of this Lease for any reason.

5. LIENS. Lessee shall keep the Premises free from any and all liens in connection with Lessee's use and occupancy of the Premises. Lessee shall promptly cause the removal of any such lien and shall otherwise indemnify, defend and hold Lessor harmless from the assertion or recording of any such lien.

6. QUIET ENJOYMENT. Provided Lessee is not in default hereunder, Lessor covenants that Lessee shall be entitled to peaceably and quietly hold, enjoy and occupy the

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Premises during the Lease Term, without any hindrance, interruption, ejection or molestation by Lessor or anyone lawfully claiming by, through or under Lessor.

7. MAINTENANCE AND REPAIRS. Lessee shall keep the Premises, including all furnishings, equipment, appliances and improvements thereon, in good order and condition, and repair and make or cause to be made, all necessary repairs, and replacements arising in the ordinary course of Lessee's operations or as a result of Lessee's use thereof, all at Lessee's expense, subject to the following:

(a) Lessor and Lessee shall share equally the cost of snow removal in the Common Areas.

With respect to a repair not arising in the ordinary course of Lessee's operations or as a result of Lessees use, the parties shall negotiate in good faith as to the allocation between them of the expense therefor at the time the need for such repair arises. If Lessor and Lessee should disagree on the necessity of any repair or the reasonableness of the cost therefor under this Section 7, then Lessor and Lessor agree to resolve such dispute by submitting it to arbitration in Cordova, Alaska.

8. INSURANCE. The parties shall provide and maintain insurance policies written by reliable insurance companies authorized to do business in Alaska as follows:

8.1 Workers Compensation. During the Lease Term, Lessee shall provide and maintain at Lessee's sole cost and expense, worker's compensation insurance as required by law.

8.2 Commercial General Liability. During the Lease Term, Lessee shall maintain at Lessee's sole cost and expense commercial general liability insurance with limits of liability of not less than $500,000 in case of injury, including death, to any one person, and $1,000,000 per occurrence, and a limit of liability of not less than $500,000 for property damage for each occurrence. Prior to commencement of Lessee's Operating Season, Lessee shall provide Lessor with proof of the insurance described in this subsection. The general liability

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policy shall name Lessor to the extent its interests appear and shall provide thirty (30) days written notice to Lessor of cancellation.

8.3 Boiler and Hazardous Materials Insurance. During the Lease Term, Lessee shall provide and maintain at Lessee's sole cost and expense boiler and hazardous materials insurance sufficient to provide coverage in connection with all of Lessee's operations on and use of the Premises. The policy or policies of insurance described in this subsection shall name Lessor as additional insured, and shall provide thirty (30) days written notice to Lessor of cancellation.

8.4 Property Insurance. During the Lease Term, Lessee shall provide and maintain at Lessee's sole cost and expense, property insurance on the Premises, insuring against loss or damage from fire and such other risks as are customarily included in the broad form of extended coverage, in an amount of coverage of not less than FIVE HUNDRED THOUSAND DOLLARS ($500,000). The policy shall name the Lessor as the insured. During the Lease Term, Lessee shall provide and maintain at Lessee's sole cost and expense, property insurance on any equipment or machinery not described in Exhibit "B" but which Lessee installs on the Premises during the Lease Term.

9. UTILITIES; FUEL. Lessor shall be responsible for furnishing the following utilities to the Premises, during the Lease Term: water, sewer and electricity. Lessee shall be solely responsible for the cost of such utilities. Lessee shall pay the utility costs on or before the fifteenth day of each month, and Lessee shall hold Lessor harmless in the event of any failure to pay such utility costs as and when they become due. A 5% finance charge will be added for invoices not paid by the fifteenth.

10. TAXES. Lessor shall be responsible for the payment of real property taxes levied against the Premises, up to 14 mil. Lessee shall be responsible for and shall pay all other taxes, assessments, fees and/or charges of every kind and character imposed as a result of or in connection with Lessee's operations on or use of the Premises, including without limitation City

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of Cordova sales taxes, rental taxes , personal property taxes and real property taxes. Lessee shall hold Lessor harmless in the event of any failure to pay such taxes as and when become due.

11. SUBLEASING AND ASSIGNMENT. Lessee shall not assign, sublease, pledge, or otherwise encumber this Lease, either voluntarily or through operation of law, without the written consent of Lessor, which consent may be withheld in Lessor's discretion.

12. OPERATIONS. Lessee shall be solely responsible for operation of the Premises during the Lease Term, including, without limitation, the employment of all personnel necessary to Lessee's operations. All such persons shall be solely employed by Lessee and shall not be employees of Lessor.

13. INDEMNIFICATION.

13.1 By Lessee. Lessee shall protect, defend, indemnify and hold harmless Lessor and Lessor's officers, directors, shareholders, servants, employees, contractors, subcontractors, agents, representatives and affiliates from and against any and all demands, claims, actions, arbitrations, proceedings, suits, liabilities, losses, damages, injuries, deaths, fees, costs, awards, penalties, interest, debts and judgments (together, the "Damages") to the extent arising out of or relating in whole or in part, to (a) any acts or alleged acts or omissions of Lessee or Lessee's affiliates, officers, directors, shareholders, agents, representatives, servants, employees, contractors, subcontractors, sublessees, permittees, licensees, or invitees or (b) breach of or failure to perform or satisfy, any of the representations, warranties, covenants and agreements made by Lessee in or under this Lease; provided, however, that Lessee's indemnification hereunder shall not apply to the extent the damages caused by acts or omissions of Lessor's affiliates, officers, directors, shareholders, agents, representatives, servants, employees, contractors, subcontractors, sublessees, permittees, licensees or invitees.

13.2 By Lessor. Lessor shall protect, defend, indemnify and hold harmless Lessee from and against any and all damages to the extent suffered by Lessee as a result of the breach of or failure to perform or satisfy any of the representations, warranties, covenants

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and agreements made by Lessor in or under this Lease; provided that Lessor's indemnification hereunder shall not apply to extent the damage is caused by acts or omissions of Lessee's affiliates, officers, directors, shareholders, agents, representatives, servants, employees, contractors, subcontractors, sublessees, permittees, licensees or invitees.

14. DAMAGE OR DESTRUCTION.

14.1 Right to Terminate. In the event the Premises are destroyed or damaged by fire, earthquake, or other casualty, it shall be optional with Lessor to repair or rebuild the same. Unless Lessor shall, within sixty (60) days after the happening of any such damage or casualty, notify Lessee of its election to terminate this Lease, this Lease shall continue. If Lessor does not terminate this Lease, Lessor shall restore the Premises or cause the Premises to be restored to the extent insurance proceeds are available therefor.

14.2 Repair; Insurance Proceeds. Lessor shall not be required to repair or restore any damage or injury or replace any equipment, inventory, fixtures or other personal property of Lessee or others located on the Premises. Any proceeds payable to Lessor from insurance policies carried by or in the name of Lessor shall be the sole and exclusive property of Lessor.

15. CONDEMNATION.

15.1 Right to Terminate. In the event of a taking of all or any part of the Premises, Lessor shall have the option to terminate this Lease by written notice to Lessee within thirty (30) days of the date when title to the part so condemned vests in the condemnor.

15.2 Continuation of Abatement. If any part of the Premises shall be taken or condemned for a public or quasi-public use, and a part thereof remains which in Lessor's good faith determination may be used for Lessee's purposes hereunder, then upon Lessor's election,

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this Lease shall not terminate with respect to the remaining portion, but this Lease shall, only as to the part so taken, terminate as of the date title shall vest in the condemnor, and the rent payable hereunder shall be adjusted by Lessor to equitably reflect the reduction in the Premises.

15.3 Award. If part or all of the Premises shall be taken or condemned, all compensation awarded upon such condemnation or taking shall go to the Lessor, and Lessee shall have no claim thereto, and Lessee hereby irrevocably assigns and transfers to the Lessor any right to compensation or damages to which the Lessee may be entitled during the term hereof by reason of the condemnation of all or part of the Premises; provided, that the Lessee shall have the right to receive any award for moving or relocation costs or other awards granted specifically to it.

16. REPRESENTATIONS AND WARRANTIES.

1. Condition of Premises; "As Is". Lessee has examined and knows the condition of the Premises, including the equipment therein, and has received the same in good condition and working order. Lessor has not made any representations regarding the Premises or equipment except as set forth in this Lease. Lessee is leasing the Premises and equipment therein "AS IS WHERE IS, WITH ALL FAULTS."

17. DEFAULT AND REMEDIES:

17.1 Lessee's Default. Each of the following events shall constitute a default or breach of this Lease by Lessee:

(a) If Lessee shall file a petition in bankruptcy or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act, or make an assignment for the benefit of creditors, or become insolvent or unable to pay its debts as they become due.

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(b) If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee, and such proceedings shall not be dismissed within thirty (30) days after the institution thereof.

(c) If Lessee shall fail to pay Lessor any rent or any other sum due under this Lease when said sum shall become due and shall not make the payment within ten (10) days after notice thereof by Lessor to Lessee.

(d) If Lessee shall fail to perform or comply with, or breach, any of the representations, covenants, terms or conditions of this Lease and if the nonperformance shall continue for a period of twenty (20) days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within such twenty-day period, Lessee shall not in good faith have commenced performance within the twenty-day period and shall not diligently proceed to completion of performance.

(e) If Lessee shall vacate or abandon the Premises.

17.2 Remedies. In the event of any default by Lessee hereunder, the rights of Lessor shall be as follows:

Lessor shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Lessee hereunder, by giving Lessee not less than five (5) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title, and interest of Lessee hereunder shall terminate in the same manner and with the same force and effect as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined, except that Lessee shall continue to be liable to Lessor as set forth below in this subsection 17.2.

If this Lease shall be terminated as herein provided, Lessor may immediately or at any time thereafter reenter the Premises and remove any or all persons and property therefrom, by

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any suitable proceeding at law, without liability therefor, without such reentry diminishing Lessee's obligation to pay rent for the full Lease Term hereof, and Lessee agrees to pay Lessor any deficiency arising from reentry and reletting of the Premises at a lesser rental than provided herein. Lessor shall apply the proceeds of any reletting first to the payment of such reasonable expenses as Lessor may have incurred in recovering possession of the Premises, and removing persons and property therefrom, and in putting the same into good order or condition or preparing or altering the same for reletting, and all other expense incurred by Lessor for reletting the Premises; and then to Lessee's obligation to pay rental. Any such reletting may be for the remainder of the Lease Term or for a longer or shorter period. In any such case, and whether or not the Premises, or any part thereof, be relet, Lessee shall pay to Lessor the full rent due for the remaining Lease Term and all other charges required to be paid by Lessee.

In the event of a default by Lessee, and Lessor reenters the premises, Lessor 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 Lessee cannot be reached, abandons the property, or similar event. In this event, Lessor shall contact AMCO to remove all marijuana product and plant material.

18. SURRENDER AND HOLDING OVER. Lessee shall, at the expiration or earlier termination of this Lease, peaceably surrender possession of the Premises to Lessor in the condition as existed prior to Lessee's occupancy (or, in the event any alterations or improvements approved by Lessor are made hereunder, then in the condition in which they shall be after the making thereof) except for ordinary wear and tear.

Lessee shall not make any claim to the Premises against the interest of Lessor, and if Lessee holds the Premises after expiration or termination of this Lease, a tenancy from month-to-month shall be created hereby at the rental rate of $5,000 per month. The acceptance of the rental by Lessor will not extend any term of this Lease in any manner.

Any personal property of Lessee's remaining on the Premises after expiration or termination of this Lease shall become the property of Lessor or, at Lessor's sole option, may be

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stored by Lessor at Lessee's expense, with the exception of any and all marijuana plants, products, plant material, plant waste, genetics or any other part of the marijuana plant. Any marijuana related product or plant material left by Lessee shall be removed by the Enforcement Division of the Alaska Marijuana and Alcohol Control Office ("AMCO"). Lessor shall immediately notify AMCO of any marijuana related plant material or products left by Lessor and shall request removal by AMCO.

19. GENERAL PROVISIONS.

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

19.2 Applicable Law. This Lease and the respective rights, remedies and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Alaska.

19.3 Venue and Jurisdiction. In the event that a questions, dispute or requirement for interpretation or construction should arise with respect to this Lease, the jurisdiction and venue thereof shall lie exclusively with the courts of the Third Judicial District for the State of Alaska, at Anchorage, Alaska.

19.4 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee; and neither the method of computation of rent, nor any other provisions contained in this Lease nor any acts of the parties shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

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19.5 Notices. Each notice required or allowed under this Lease or by law shall be in writing; shall contain a clear and concise statement setting forth the subject and substance thereof and the reasons therefor; and shall be personally delivered, faxed or duly mailed by certified mail, return receipt requested, to each party to this Lease at its following address or to such other addresses that party may have most recently given such notice of to all other parties:

Lessor: **Cannery Row, Inc.**
One Cannery Row
P.O. Box 120, Cordova, AK 99574
Telephone: (907) 424-5920
Facsimile: (907) 424-7195
Attention: Greg Meyer

Lessee: **The New Company Store**
P.O. Box 1043, Cordova, AK 99574
Telephone: (907) 424-3097
Attention: Melina Meyer

19.6 Books and Records. Lessee shall keep true and accurate books and records of its operations under this Lease and of its sales of products processed under this Lease, and Lessor, or its designee, shall have the right to inspect and copy such books and records upon reasonable request.

19.7 Inspection of Plant. Lessor reserves the right to inspect the Premises at reasonable times upon reasonable notice to Lessee. Notwithstanding the forgoing, during any entry by Lessor or its agents on the premises, Lessor's agents or employees shall be over the age of 21 and shall comply with Lessee's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Lessee's 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

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Board Regulations. At no time shall Lessor have more than five persons enter the premises and any Lessor employees/agents shall remain in direct eyesight of Lessor's agent.

19.8 No Waiver of Breach. No failure by either party hereto to insist upon the strict performance of the other of any term, covenant, or condition of this Lease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such terms, covenant or condition. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

19.9 Survival. No expiration or termination of this Lease shall expire or terminate any liability or obligation to perform which arose prior to the termination or expiration. Without limiting the foregoing, the parties expressly agree and acknowledge that Lessee's obligations pursuant to Section 4.6 shall survive the termination or expiration of this Lease.

CANNERY ROW, INC.

Date: 4-27-2019

SYLVIA LANGE
Vice President, Secretary

THE NEW COMPANY STORE.

Date: April 27th 2019

MELINA MEYER
President

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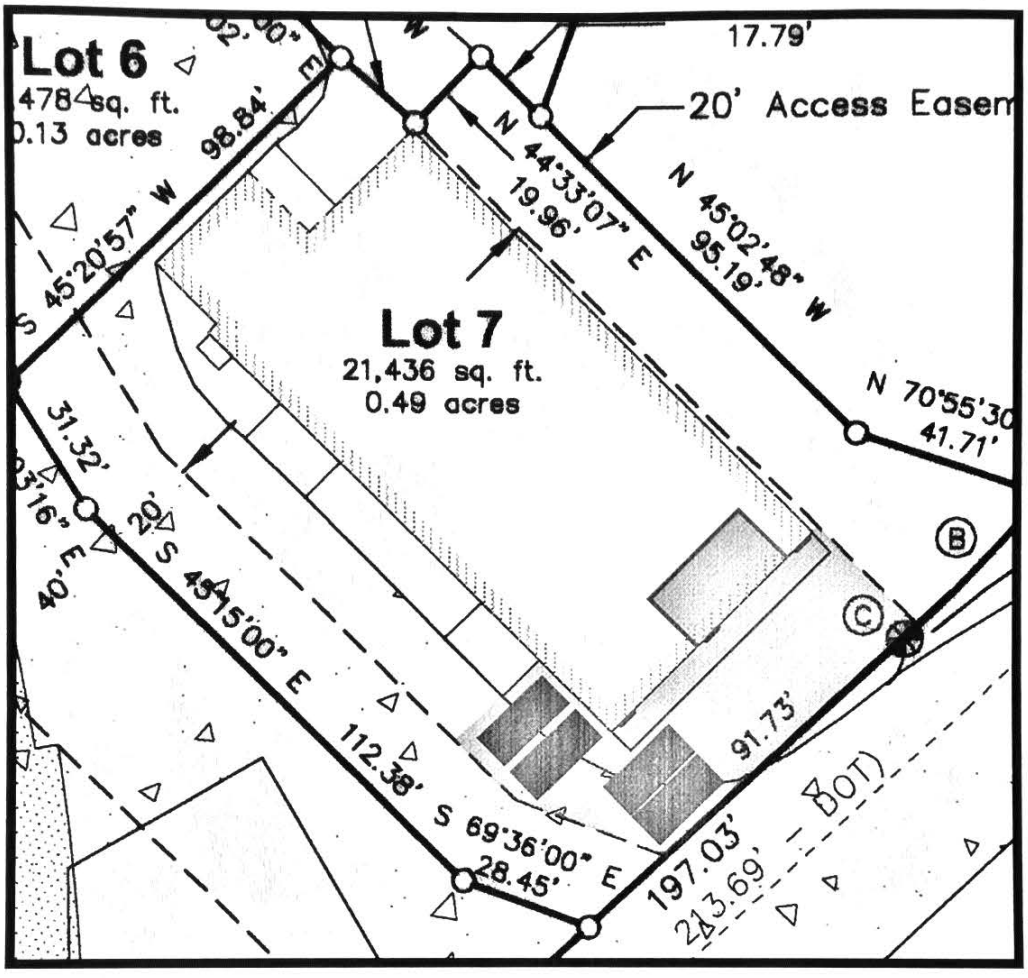
LIST OF EXHIBITS:

Exhibit No. Description

A. Premises, Lessor's Leased Area.

B. Description of Equipment included in Premises.

Exhibit A: leased area



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