Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Chubby Girl Confections, Inc.	**License Number:**	23146		
License Type:	Marijuana Product Manufacturing Facility				
Doing Business As:	Dosed Edibles Alaska				
Physical Address:	3915 Peger Road				
City:	Fairbanks	**State:**	AK	**Zip Code:**	99709
Designated Licensee:	Jessica Rhoads				
Email Address:	dosededibles@yahoo.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	POPPP Documents Included: Lease Between Owner and Lessor Sublease Between Lessor and Licensee Fairbanks North Star Borough Property Summary

OFFICE USE ONLY					
Received Date:		Payment Submitted Y/N:		Transaction #:	

AMCO Received 10/13/2019

SUBLEASE AGREEMENT

FOR 3915 Peger Road, Fairbanks, Alaska 99709

This SUBLEASE ("Lease"), made in Fairbanks, Alaska, with **an effective date of October 1, 2019**, between **Shaun Huot**, whose business and post office address is 209 Falcon Drive, Fairbanks, Alaska 99709, herein referred to as **"Lessor"** and Chubby Girl Confections, Inc. whose business and post office address is: PO Box 10747, Fairbanks, Alaska 99710-0747 hereinafter referred to as **"Lessee"**.

WITNESSETH:

Description of Property. Lessor hereby leases to Lessee and Lessee leases from Lessor on the rent, terms, covenants and conditions as set forth herein, exclusive use of (a) the lease agreement to property at 3915 Peger Road, Fairbanks, Alaska 99709, hereinafter referred to as the "Property", the building and improvements (together "Building") located thereon and (c) the parking area ("Parking Area") surrounding the Building as shown outlined in yellow in the attached Exhibit A includes all areas included in the Lease.

1. **Original Lease.** The property is secured through a lease signed October 1st, 2019 with Nicholas Neade & Destiny Neade (herein referred to as "Property Owners"); the below subsections define the terms of this lease (hereinafter referred to as the "Original Lease"). In the event of any inconsistency between the provisions of the Original Lease and the Sublease Agreement, the Original Lease controls.

   In the event that the original lease is terminated the Lessor, Lessee, upon notice of such termination shall attorn to the Original Lease and shall recognize the Property Owners as its direct contracting party under the Sublease agreement; provided, however, that the Property Owners may elect upon such termination of the Original Lease to terminate the Sublease Agreement and subtenant's right to possession of the property. Subtenant shall execute and deliver, at any time after termination of the Original Lease and upon request of the Property Owner, any instruments necessary or appropriate to evidence such attornment.

   Lessee must conform to the terms and conditions of the ground lease, which terms and conditions the Property Owners shall enforce upon Lessor. No agreement entered by lessor with lessee, including but not limited to the Lease Agreement, shall be binding upon Property Owner and in no event will the Property Owner or Lessor be liable for any obligations in this agreement that does not conform to the Original Lease.

   Subtenant shall indemnify, defend and hold harmless the Property Owner and its employees, agents, and contractors from any and all claims and/or judgements for monetary damages, injunctive relief, employment liens, materialmen's liens, and costs and attorney fees, which may be asserted against the Property Owner in any administrative or judicial forum and which are alleged to have arisen out of Subtenant's occupancy which shall include any claim for property

AMCO Received 10/13/2019

damage, bodily injury or death, emotional or other non-physical injury, or violation of employment, environmental, or public safety laws, ordinances or codes by lessee or by any of its contractors or subcontractors using the premises for any activity, whether within or outside the scope of activities authorized by lessee. The provisions contained in this paragraph shall not be given effect if the active negligence of the Property Owner or its employees is the sole proximate cause of any injury or damage done to the party asserting the claim.

2. **Occupancy of 3915 Peger Road.** The Building and property with the address 3915 Peger Road, Fairbanks, Alaska 99709, will be available immediately after lease is signed and active.

   Fairbanks North Star Borough PAN: 0458848

   Premises Legal Description: Lot 5A2 Peger Industrial Park Out of Lot 5A Peger Industrial Park

   Property Owner and Lessor covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold, and enjoy the premises. Lessor guarantees access to property free of congestion for the term of the lease.

3. **Business Purpose.** The Property is to be used the purpose of baking goods, including but not limited to marijuana edibles products, concentrates, and for office space of Lessee, and for no other business or purpose without written consent of Lessor. Any marijuana uses must be licensed and approved through the state department responsible for approving licences and products in Alaska. These uses are always subject to the allowed uses under the Original Lease.

4. **Term & Rent.** The term ("Term") of this lease shall be for 15 months and shall commence on October 1, 2019 and expire on December 31, 2020 inclusive. Rent payments shown below:

   October 1, 2019 to December 31, 2019 shall be $2,500 per month
   January 1, 2020 to December 31, 2020 shall be $5,000 per month

Total Base Rene Lease Payments:	2019	$7,500
	2020	$60,000

   Lessee covenants and agrees to pay Lessor as rent for said Property as above commencing on October 1, 2019 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 prorated using a 365 calendar day period. The rent shall be considered delinquent if not paid by the tenth (10th) 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 tenth (10th) day of each calendar month Lessor may charge Lessee an additional Ten Percent (10%) of minimum monthly rental rate as a late charge. 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. 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.

AMCO Received 10/13/2019

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, 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.

Lessor agrees to promptly provide the Lessee on the 1st day of each month a copy of the receipt paid to the Property Owners by the Lessor. If the Lessor fails to provide a monthly receipt, Lessor expressly authorizes the Property Owner to provide a rent receipt copy directly to the Lessee of this agreement, upon Lessee's request.

5. **Additional Rent.**

   A. In the event that a sales tax on rental income is adopted by any governmental agency during the Term of this Lease or any extended period hereof, Lessee agrees to pay to Lessor, as additional rental, the increased amount of said tax.

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

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

   D. In the event that the Original lease amount or additional costs to the Original Lease is increased those increases will pass to lessee.

6. **Security Deposit.** Lessee shall deposit upon execution of this Lease with Lessor the sum of Dollars ($2,500.00) as security for the full performance of all the provisions of this Lease. If at any time during the Term, or the 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, Lessor shall provide Lessee an accounting of all sums used, along with any documentation evidencing such use. Within seven (7) days of receiving all such documentation, 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.

7. **Property Operating Costs.** Lessee acknowledges the following operating costs and expense to operate and maintain the Property are the responsibility of the Lessee. Such costs are including, but not limited to:

AMCO Received 10/13/2019

electric, heating oil, water, sewer/septic, winter sanding, maintenance and repairs of all portions of the interior of the Building's walls, columns, plumbing limited to faucets and toilets, windows, floors and floor coverings, interior of the Building janitorial services, repairs to lightning fixtures and equipment (including replacement of tubes, ballasts, and bulbs).

8. **Real Property Tax.** Real property tax shall be paid in full by, and are the responsibility of the Property Owner.

9. **Utilities.** Lessee, upon mutual execution of this Lease, will put all utilities into the Lessee's name and take full responsibility during the Term of this Lease for payment of the same. Any utilities in the name of the Property Owner or Lessor and a bill and all supporting documentation (if any) shall be provided and any invoice shall be paid by the Lessee within thirty (30) days of receipt of the same.

Lessor	Subtenant	Expense
0%	100%	Heating, including heating fuel and electricity.
0%	100%	Routine furnace maintenance and annual furnace inspection and electrical service.
100%	0%	Ventilation and air-conditioning, maintenance, and related expenses.
100%	0%	Normal maintenance and repair expenses.
0%	100%	Water and sewer expenses.
0%	100%	Telephone and telecommunication services, including internet.
0%	100%	Sales taxes, if any, operations of the Lessee and personal property taxes and real estate taxes.
100%	0%	Garbage removal services.
100%	0%	Snow Removal.

10. **Lessee's Improvements.** Lessee shall not make any improvements to the Property without the express prior written consent of the Lessor, which consent shall not be unreasonably withheld. All Lessee improvements shall be made at Lessee's sole cost and expense. Lessee has no plans to adapt building for any needs at the time this lease is being signed.

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11. **Acceptance of Property.** Lessee has fully investigated the conditions 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 Indoor Air Quality (IAQ) within the building and the environmental condition of the building. Lessor shall not be liable for any latent or patent defects therein; provided, however, to the best of Lessor's knowledge, information and belief no known Hazardous Materials have ever been released and/or discharged on the Property.

    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. Lessee agrees there is to be no smoking in the building.

    The Property 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 store all of his equipment and have offices in the space. 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.

    Lessee will cooperate with Lessor and will, at any time with 24 hour advanced notice, allow Lessor and Lessor's representative's access to any Lessee's records with respect to the Property for environmental inspection purposes only.

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

AMCO Received 10/13/2019

12. **Use.** Lessee shall continuously conduct and carry on in said Property, during each and every business day of the Term hereof, the business for which said Property are leased, and that no stock of goods will be carried, or anything done in or about the Property which will increase the present rate of insurance. 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, 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-lessees 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.

    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, fertilizers, pesticides, and other related gardening products if used and disposed of per the manufacturer's directions.

13. **Lines and Insolvency.** Lessee shall keep the Property, free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. 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, and then the Lessor may cancel this lease at Lessor's option.

14. **Assignment.** 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 the Property Owner and Lessor which shall not be unreasonably withheld. 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

AMCO Received 10/13/2019

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 Property Owner or Lessor shall not be unreasonably withheld. Lessor to advise the Lessee of their approval or disapproval within 14 days after receipt of the affiliated company's financial reports.

15. **Access.** Lessor shall have the right, but not the obligation, at all reasonable times with notice during the Lease Tern to inspect the Property and conduct such tests and investigations to evaluate the Property and or the Building. Lessee will allow Property Owner, Lessor or Lessor's agent free access at all reasonable times in and to said Property for the limited 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.

16. **Maintenance and Repairs.** 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.

No Lessee will alter, change, replace or re-key any lock or install a new lock on any door of the demised Property. Lessor, its agents or employees, will retain a pass (master) key to all door locks on the demised Property. Any new door locks required by Lessee or any change in keying of existing locks will be installed or changed by Lessor following Lessee's written request to Lessor and will be at Lessee's expense. All new locks and re-keyed locks will remain operable by Lessor's pass (master) key. Lessor will furnish Lessee, free of charge, with two (2) keys to each door lock on the demised Property. Lessor shall have the right to collect a reasonable charge for additional keys requested by Lessee. 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 rekeying the locks after the termination of Lessee's tenancy.

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AMCO Received 10/13/2019

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, which shall not be unreasonably withheld. Any signs placed on the Property shall be 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 Property caused thereby, and if not removed by Lessee, then Lessor may have same removed at Lessee's expense. All signage must be incompliance with the Fairbanks North Star Borough sign ordinance.

    Lessor shall have the right to place and maintain "For Rent," "For Lease," or "For Sale" signs in a conspicuous place on said Property within the last six (6) months of this Lease tern excluding if Lessee is in default.

18. **Indemnifications.** Lessee shall defend and indemnify Lessor and save it harmless from and against any and all liability, damages, costs, or expenses, including attorney's fees, arising from any act, omission, or negligence of 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 gross negligence and/or willful misconduct 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 is 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, and 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 and Property Owner as an additional insured, in an amount not less than ONE MILLION ($1,000,000.00) 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. Liability insurance shall include, but not limited to, coverage protecting against liability arising from or related to the cultivation, manufacture and/or wholesale sale of marijuana and/or marijuana products.

AMCO Received 10/13/2019

21. **Fire Insurance.** Lessor will, during said Term, keep all improvements now or hereafter erected on said Property 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 pursuant to **paragraph 22** herein, in the name of the Property Owner 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 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 the insurance payout is not enough to rebuild or if Lessor determines they will not re-build, Lessor has the option to cancel this Lease by giving Lessee written notice within thirty (30) days of the casualty.

22. **Insurance Rating & Certificates of Insurance.** Lessor, at its own cost and expense, shall obtain the insurance coverages from an insurance company or companies qualified to do business in the State of Alaska.

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.

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.

AMCO Received 10/13/2019

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 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 distrain.

    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.
    B. A default in the performance of any other covenant or condition of 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. Lessee's desertion, vacation, abandonment, or suspensions of business operation on the Leased Property for a period of five (5) 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. **NOT USED.**

27. **Right to Sub-letting.** Lessee has no rights to re-let the Property described in this Lease without prior written approval from both the Lessor and Property Owner.

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

AMCO Received 10/13/2019

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.** Except as provided in paragraph 47, 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 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 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.

    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

AMCO Received 10/13/2019

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.

In the event Lessee does not provide its notice to exercise their option the Lessee will allow the Lessor during the last six months of the Term hereof, or during any holdover period, to show the Property during Lessor's business hours to prospective tenants with 24 hour advance 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.

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 non-performance 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 neither the Lessor nor its partners, shareholders, officers or other principals shall have any personal liability under this lease.

Lessor Initials SH Lessee Initials JR

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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 Property Owner, 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.

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 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 (l 0) 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 (10) 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 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 of 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 IO days after the date of Lessor making

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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, , including without limitation reasonable fees of attorneys and other consultants retained by Lessor.

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 twelve percent (12%) per annum; 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. **Option to Purchase.** If Property Owner decides to sell the Property, which decision is at Property Owner's sole discretion, at any time during the lease Term, Lessee shall be given written notice and provided thirty (30) days to negotiate the sales price with Property Owner's in good faith, if Lessor declines options to purchase. If a Purchase and Sale Agreement cannot be reached between the parties in the time provided, the Property may be listed on the open market for sale.

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46. **Renewal Term.** Ninety days prior to the termination of this sublease, Lessee is to notify the Lessor of intent to renew the lease of to vacate the premises. If the notice if not given in writing the Lessor may begin to actively market the premises for lease.

47. **Marijuana Product.** Lessor may not take possession or remove marijuana and marijuana products from the premises. Lessor agrees to contact Alaska's Alcohol & Marijuana Control Office at (907) 269-0350 if marijuana or marijuana product to have marijuana or marijuana product removed from the property for any reason.

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

LESSOR:

Shaun Huot

By: _____

Dated: Oct. 2/2019

LESSEE:

Chubby Girl Confections, Inc.

By: Jessica Rhoads, Owner

By: Jessica Rhoads

Dated: 10/02/2019

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COMMERCIAL LEASE AGREEMENT

THE PARTIES. This Lease Agreement agreed on October 1, 2019, with updated terms on November 18, 2019, is between:

The Lessor is 2 individual(s) known as Nick Neade and Destiny Neade with a mailing address of Ray Braiser @ Re/Max, 105 Adak St, Fairbanks, Alaska, 99701, hereinafter referred to as the "Lessor."

AND

The Lessee is 1 individual(s) known as Shaun Huot with a mailing address of the Property's Address, hereinafter referred to as the "Lessee."

The Lessor and Lessee hereby agree as follows:

DESCRIPTION OF LEASED PREMISES. The Lessor agrees to lease to the Lessee the following described 1260 square feet (SF) of commercial space located at 3915 Peger Road, Fairbanks, Alaska, 99709.

Lot: 5A2 Peger Industrial Park

Additional Description. Included with lease: Fenced lot, Commercial kitchen with baking supplies (see detailed list)

Hereinafter referred to as the "Premises."

USE OF LEASE PREMISES. The Lessor is leasing the Premises to the Lessee and the Lessee is hereby agreeing to lease the Premises for Marijuana Manufacturing.

Any change in use or purpose of the Premises other than as described above shall be upon prior written consent of Lessor only otherwise the Lessee will be considered in default of the Lease Agreement.

EXCLUSIVE USE. The Lessee shall not hold exclusive rights on the Premises. The Lessor shall hold the rights to lease of the Property to any same or like use as the Lessee.

TERM OF LEASE. This Lease shall commence on October 1, 2019 and expire at Midnight on September 30, 2020 ("Initial Term").

RENT AMOUNT. Payment shall be made by the Lessee to the Lessor in the amount of $1,890.00 for the Initial Term of this Lease Agreement hereinafter referred to as the "Rent."

RENT PAYMENT. The Rent shall be paid under the following instructions:

Rent shall be paid by the Lessee to the Lessor on a per month basis with payment due no later than the 1st of every month.

Rental shall be paid at Re/Max, made payable to Ray Braiser.

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RETURNED CHECK (NSF). If the Lessee attempts to pay Rent with a check that is not deemed valid by a financial institution due to non-sufficient funds, or any other reason for it to be returned, the Lessee will be subject to a fee of $50 in addition to any late fee.

LATE FEE. The Lessor shall change a $75.00 late payment fee if the rent is not paid by the 7th of each month by the Lessee.

OPTION TO RENEW. The Lessee shall not have the right to renew this Lease Agreement.

EXPENSES. In accordance with a Modified Gross Lease the responsibility of the expenses shall be attributed to the following:

It is the intention of the Parties, and they hereby agree, that in addition to the Rent, the Lessee shall be obligated to pay the following expenses to the Lessor on a per month basis:

COMMON AREA MAINTANCE (CAM's) – The Lessee shall be responsible for all costs related to the parking area maintenance, snow removal, landscaping, trash removal, janitorial services, and security systems on the Premises.

REAL ESTATE TAXES – Lessor shall pay, during the terms of this Lease, the real estate taxes and special taxes and assessments (collectively, the "taxes") attributable to the premises and accruing during such term.

INSURANCE – The Lessor shall provide and maintain any personal liability or property damage insurance with no payment obligation by the Lessee.

UTITLIES – The Lessee shall be responsible for any and all utilities to the Premises in relation to the total property area.

SECURITY DEPOSIT – A securing deposit shall not be required in advance upon the signing of this Lease.

FURNISHINGS. The Lessor will provide the following furnishings to the Lessee upon the state of this Lease's Initial Term: See Chattel addendum

PARKING. Parking shall be provided to the Lessee in a dedicated manner provided on the Premises. There is no set number of parking spaces provided to the Lessee.

There shall be no fee changed to the Lessee for the use of the Parking Space(s).

OPTION TO PURCHASE. See attached lease option agreement.

RECORDING. The Lessee shall be withheld from recording this Option or Purchase Agreement unless the Lessee has the written consent of the Lessor.

LEASEHOLD AGREEMENT. The Lessee agrees that no leasehold improvements, alterations or changes of any nature, (except for those listed on any attached addenda) shall be made to the leasehold Premises or the exterior of the building without first obtaining the consent of the Lessor in writing, which consent shall not be unreasonably withheld, and thereafter, any and all leasehold improvements made to

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the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Lessor at the expiration or termination of this Lease Agreement. Furthermore, any leasehold improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the building housing the subject leasehold Premises. If the Lessee makes any improvements to the Premises the Lessee shall be responsible for payment.

Nothing in this Lease shall be construed to authorize the Lessee or any other person acting for the Lessee to encumber the rents of the Premises or the interest of the Lessee in the Premises or any person under and through whom the Lessee has acquired its interest in the Premises with a mechanic's lien or any other type of encumbrance. Under no circumstances shall the Lessee be construed to be the agent, employee or representative of Lessor. In the event a lien is placed against the Premises, through actions of the Lessee, Lessee will promptly pay the same or bond against the same and take steps immediately to have such lien removed. If the Lessee fails to have the Lien removed, the Lessor shall take steps to remove the lien and the Lessee shall pay Lessor for all expenses related to the Lien and removed thereof and shall be in default of this Lease.

LICENSES AND PERMITS. A copy of any and all local, state or federal permits acquired by the Lessee which are required for the use of the Premises shall be kept on site at all times and shall be readily accessible and produced to the Lessor and/or their agents or any local, state, or federal officials upon demand.

MAINTENANCE. The Lessee shall be responsible for all repairs and maintenance on the Premises due to normal wear and tear on the Premises. Particularly items which need immediate attention including but not limited to, the replacement of light bulbs, normal repaid and cleaning of windows, cleaning of bathrooms, clearing of toilets, etc. The Lessee shall properly maintain the premises in a good, safe, and clean condition and shall properly and promptly remove all rubbish and hazardous wastes and see that the same are property disposed of according to all local, state or federal laws, rules, regulations or ordinances.

In the event the Premises is damaged as a result of any neglect or negligence of Lessee, his employees, agents, business invitees, or any independent contractors serving the Lessee or in any way as a result of the Lessee's use and occupancy of the premises, then the Lessee shall be primarily responsible for seeing that the proper claims are placed with the Lessee's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for see that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Lessor, and the party or parties causing said damage.

SALE OF PROPERTY. Lessee shall, in the event of the sale or assignment of Lessor's interest in the building of which the premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the vent of exercise of the power of sale under any mortgage made by Lessor covering the premises, attorn to the purchaser and recognize such purchase as Lessor under this Lease.

INSURANCE. In the event Lessee shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Lessor may, but shall not be required to, obtain the same and charge the Lessee for same as additional rent. Furthermore, Lessee agrees not to keep upon the premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and

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Received 12/9/2019

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in the event the insurance rates applicable to fire and extended coverage covering the premises shall be increased by reason of any use of the premises made by Lessee, then Lessee shall pay the Lessor, upon demand, such increase in insurance premium as shall be caused by said use or Lessee's proportionate share of any such increase.

SUBLET/ASSIGNMENT. The Lessee may sublet the Premises to Jessica Rhoads, or any business owned by Jessica Rhoads, including, but not limited to, Chubby Girl Confections Inc.

DAMAGED TO LEASED PREMISES. In the event the building housing the leased premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Lessee and which precludes or adversely affects the Lessee's occupancy of the leased premises, then in every such cause, the rent herein set forth shall be abated or adjusted according to the extent to which the Premises have been rendered unfit for use and occupation by the Lessee and until the demised premises have been put in a condition at the expense of the Lessor, at least to the extent of the value and as nearly as possible to the condition of the premises existing immediately prior to such damage. It is understood, however, in the event of a total or substantial destruction to the Premises that in no even shall the Lessor's obligation to restore, replace or rebuild exceed an amount equal to the sum of the Insurance proceeds available for reconstruction with respect to said damage.

The Lessee shall, during the term of this Lease, and in the renewal thereof, at its sole expenses, keep the interior of the lease premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use expected. This obligation would include the obligation to replace any plate glass damage as a result of the neglect or acts of Lessee or guests or invitees. Furthermore, the Lessee shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contaminates on the premises. Lessee shall also be responsible for the cost, if any, which would be incurred to bring contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

HAZARDOUS MATERIALS LAW. Shall mean any and all federal, state, or local laws, ordinances, rules, decrees, orders, regulations, or court decisions relating to hazardous substances, hazard materials, hazardous waste, toxic substances, environmental conditions on, under, or about the Premises, the Building, or the Property, or soil and ground water condition, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Hazardous Materials Transportation Act, any other law or legal requirement concerning hazardous or toxic substances, and any other amendments to the foregoing.

LESSEE'S DEFAULT AND POSSESSION. In the event that the Lessee shall fail to pay said rent and expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 7 days, after receiving notice of said default, then the parties hereto expressly agree and covenant that the Lessor may declare the Lease terminated and may immediately re-enter said premises and take possession of the same together with any of Lessee's personal property, equipment or fixtures left on the premises which items may be held by the Lessor as security for the Lessee's eventual payment and/or satisfaction of rental defaults or other defaults of Lessee under the Lease. It is further agreed, that if the Lessee is in default, that the Lessor shall be

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Received 12/9/2019

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entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Lessor in violation of its security interest in said items of personal property. Furthermore, in the event of default, the Lessor may expressly undertake all reasonable preparations and efforts to release the Premises including, but not limited to, the removal of all inventory, equipment or leasehold improvements of the Lessee's, at the Lessee's expense, without the need to first procure an order of any court to do so, although obligated in the interim to undertake reasonable steps and procedures to safeguard the value of Lessee's property, including the storage of the same, under reasonable terms and conditions at Lessee's expense, and, in addition, it is understood that the Lessor may sue the Lessee for any damages or past rents due and owing and may undertake all and additional legal remedies then available.

LESSOR'S DEFAULT. The Lessee may send written notice of the Lessor stating duties or obligations that have not been fulfilled under the full performance of this Lease Agreement. If said duties or obligations have not been cured within 0 days from receiving such notice, unless the Lessor needs more time to cure or remedy such issue in accordance with standard industry protocol, then the Lessor shall be in default of this Lease Agreement.

If the Lessor should be in default the Lessee shall have the option to terminate this Lease Agreement and be held harmless against any of its terms or obligations.

DISPUTES. If any dispute should arise in relation to this Lease Agreement the Lessor and Lessee shall first negotiate amongst themselves in "good faith." Afterwards, if the Lessor and Lessee fail to resolve the dispute through negotiation then the parties shall be allowed to submit their cases in accordance with the local court system.

INDEMNIFICATION. The Lessee hereby covenants and agrees to indemnify, defend and hold the Lessor harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Lessee's use and occupancy of the premises, and further shall indemnify the Lessor for any losses which the Lessor may suffer in connection with the Lessee's use and occupancy or care, custody and control of the premises. The Lessee also hereby covenants and agrees to indemnify and hold harmless the Lessor from any and all claims or liabilities which may area from any latent defects in the subject premises that the Lessor is not aware of at the signing of the lease or any time during the lease term.

BANKRUPTCY – INSOLVENCY. The Lessee agrees that in the vent all or a substantial portion of the Lessee's assets are placed in the hands of a receiver or a Trustee, and such state continues for a period of 30 days, or should the Lessee make an assignment for the benefit of creditors or be adjudicated bankrupt, or should the Lessee institute any proceedings under the bankruptcy act or any amendment thereto, then such Lease or interest in and to the leased premises shall not become as asset in any such proceedings and, in such event, and in addition to any and all other remedies of the Lessor hereunder or by law provided, it shall be lawful for the Lessor to declare the term hereof ended and to re-enter the leased land and take possession thereof and all improvements thereon and to remove all persons therefrom and the Lessee shall have no further claim thereon.

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Received 12/9/2019

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SUBORDINATION AND ATTORNMENT. Upon request of the Lessor, Lessee will subordinate its rights hereunder to the lien of any mortgage now or hereafter in force against the property or any portion thereof, and to all advances made or hereafter to be made upon the security thereof, and to any ground or underlying lease of the property provided, however, that in such case the holder of such mortgagee, or the Lessor under such Lease shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Lessee shall not be in default under the terms of this Lease. Lessee agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secure thereby.

Lessee shall, in the vent of the sale or assignment of Lessor's interest in the building of which the Premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Lessor covering the Premises, attorn to the purchase and recognize such purchase as Lessor under this Lease.

USAGE BY LEASE. Lessee shall comply with all rules, regulations and laws of any governmental authority with respect to use and occupancy. Lessee shall not conduct or permit to be conducted upon the premises any business or permit any act which is contrary to or in violation of any law, rules or regulations and requirements that may be imposed by any authority or any insurance company with which the premises is insured, not will the Lessee allow the premises to be used in any way which will invalidate or be in conflict with any insurance policies applicable to the building. In no event shall explosives or extra hazardous materials be taken onto or retained on the premises. Furthermore, Lessee shall not install or use any equipment that will cause undue interference with the peaceable and quiet enjoyment of the premises by other Lessees of the building.

SIGNAGE. Lessee shall not place on any exterior door, wall or window of the premises any sign or advertising matter without Lessor's prior written consent and the approval of the local municipality. Thereafter, Lessee agrees to maintain such sign or advertising matter as first approved by Lessor in good condition and repair. Furthermore, Lessee shall conform to any uniform reasonable sign plan or policy that the Lessor may introduce with respect to the building. Upon vacating the premises, Lessee agrees to remove all signs and to repair all damages caused or resulting from such removal.

PETS. Pets shall be allowed on the Premises without any restriction or conflict by the Lessor with the Lessee being fully responsible for damage caused by any such Pet on the Premises.

CONDITION OF PREMISES/INSPECTION BY LESSEE. The Lessee acknowledges that they have had the opportunity to inspect the Premises and acknowledges with its signature on this Lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. The Lessor makes no representation or warranty with respect to the condition of the premises or its fitness or availability for any particular use, and the Lessor shall not be liable for any latent or patent defect therein. The Lessee represents that Lessee has inspected the premises and is leasing and will take possession of the premises with all current fixtures present in their "as is" condition as of the date hereof.

AMERICANS WITH DISABILITIES ACT. Per 42 U.S. Code § 12183 if the Lessee is using the Premises as a public accommodation (e.g. restaurants, shopping centers, office buildings) or there are more than 15 employees the Premises must provide accommodations and access to persons with

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Received 12/9/2019

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disabilities that is equal or similar to the available to the general public. Owners, operators, lessors, and lessee of commercial properties are all responsible for ABA compliance. If the Premise is not in compliance with the Americans with Disabilities Act any modification or construction will be the responsibility of the Lessee.

ESTOPPEL CERTIGICATION. Lessee at any time or from time to time, upon at least ten (10) days prior notice by Lessor, shall execute, acknowledge and deliver to Lessor, and/or to any other person, firm or corporation specified by Lessor, a statement certifying that the Lease is unmodified and in full force and effect, or if the Lease has been modified, then that the same is in full force and effect except as modified and stating the modification, stating the dates to which the fixed rent and additional rent have been paid, and stating whether or not there exists any defaults by Lessor under this Lease and, if so, specifying each such default.

HOLDOVER PERIOD. Should the Lessee remain in possession of the Premises after the cancellation, expiration, or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement shall immediately forfeit any Security Deposit that was placed at the commencement of this Lease. In addition, the Lessor will begin eviction proceedings in accordance with local laws followed by seeking damages along with any accrued attorney's fees.

WAIVER. Waiver by Lessor of a default under this Lease shall not constitute a waiver of a subsequent default of any nature.

GOVERNING LAW. This Lease shall be governed by the laws of the State of Alaska.

NOTICES. Notices shall be address to the following:

Lessor:

Nick Neade and Destiny Neade

c/o Ray Braiser @ Re/max, 105 Adak St, Fairbanks, Alaska 99701

Lessee:

Shaun Huot

3915 Peger Road, Fairbanks, Alaska 99709

ADDITIONAL TERMS AND CONDITIONS. This property is being leased as a Commercial Marijuana Manufacturing facility. If the lease goes into default, the Landlord(s) and/or Property Manager may lock main gate. No parties of this Lease or their agents may enter the premises without an Alcohol and Marijuana Control Office representative on site to take control of any marijuana, marijuana product, or other product or documentation controlled and/or regulated by the State of Alaska or its agencies.

AMENDMENT(S). No amendment of this Lease shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

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SERVERABILITY. If any term or provision of this Lease Agreement is illegal, invalid or unenforceable, such term shall be limited to the extent necessary to make it legal and enforceable, and, if necessary, severed from this Lease. All other terms and provisions of this Lease Agreement shall remain in full force and effect.

BINDING EFFECT. This Lease and any amendments thereto shall be binding upon the Lessor and Lessees and/or their respective successors, heirs, assigns, executors and administrators.

LESSOR SIGNATURE

Signature DocuSigned by: B06A6CDABB09432... Date 12/7/2019

Nick Neade

Signature DocuSigned by: A395080B8D3847C... Date 12/6/2019

Destiny Neade

LESSEE SIGNATURE

Signature Date 11/18/2019

Shaun Huot

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