# COMMERCIAL LEASE AGREEMENT

**THIS COMMERCIAL LEASE (this "Lease") dated this** 1st **day of** September, 2019

**BETWEEN:**

**James and Mindy Millhouse of 407 E Northern Lights Blvd, Anchorage, AK 99503**
Telephone: (907) 351-6699 Fax: _____
(the "Landlord")

OF THE FIRST PART

**- AND -**

**AKGLD2, LLC of 407 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503**
Telephone: (907) 351-6699 Fax: _____
(the "Tenant")

OF THE SECOND PART

**IN CONSIDERATION OF** the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties to this Lease (the "Parties") agree as follows:

## Definitions

1. When used in this Lease, the following expressions will have the meanings indicated:

   a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;

   b. "Building" means the Lands together with all buildings, improvements, equipment, fixtures, property and facilities from time to time thereon, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;

   c. "Common Areas and Facilities" mean:



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i. those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be leased to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and

ii. those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;

d. "Lands" means the land legally described as:

i. Parcel: 009-013-41-000;
LAMPERT BLK 1 LT 14A;

e. "Leasable Area" means with respect to any rentable premises, the area expressed in square feet of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the center line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;

f. "Premises" means the building at 407 E Northern Lights Blvd, Anchorage. AK 99503 and comprises a Leasable Area of 12774 square feet.

g. "Rent" means the total of Base Rent and Additional Rent.

**Intent of Lease**



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2. It is the intent of this Lease and agreed to by the Parties to this Lease that rent for this Lease will be on a gross rent basis meaning the Tenant will pay the Base Rent and any Additional Rent and the Landlord will be responsible for all other service charges related to the Premises and the operation of the Building save as specifically provided in this Lease to the contrary.

**Leased Premises**

3. The Landlord agrees to rent to the Tenant the building municipally described as 407 E Northern Lights Blvd, Anchorage. AK 99503, (the "Premises") and comprises a Leasable Area of 12,774 square feet. The Premises will be used for only the following permitted use (the "Permitted Use"): Landlord is aware that the primary purpose of this property is for a Standard Marijuana Cultivation and a Marijuana Retail Store and that the landlord does not have permission to touch or remove any Marijuana or Marijuana Product from the licensed premises.
Neither the Premises nor any part of the Premises will be used at any time during the term of this Lease by Tenant for any purpose other than the Permitted Use.

4. Subject to the provisions of this Lease, the Tenant is entitled to the exclusive use of parking (the 'Parking') on or about the Premises. Only properly insured motor vehicles may be parked in the Tenant's space. 40+ parking stalls available for premises

**Term**

5. The term of the Lease commences on September 1, 2019 and ends on September 1, 2022.

6. Should the Tenant remain in possession of the Premises with the consent of the Landlord after the natural expiration of this Lease, a new tenancy from month to month will be created between the Landlord and the Tenant which will be subject to all the terms and conditions of this Lease but will be terminable upon either party giving one month's notice to the other party.

**Rent**

7. Subject to the provisions of this Lease, the Tenant will pay a base rent of $25,000.00, payable per month, for the Premises (the "Base Rent").

8. The Tenant will pay the Base Rent on or before the 1st day of each and every month of the term of this Lease to the Landlord.



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**Use and Occupation**

9. Landlord is aware that the primary purpose of this property is for a Standard Marijuana Cultivation and a Marijuana Retail Store and that the landlord does not have permission to touch or remove any Marijuana or Marijuana Product from the licensed premises at any time.

10. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with all statutes, bylaws, rules and regulations of any federal, provincial, municipal or other competent authority and will not do anything on or in the Premises in contravention of any of them.

**Advance Rent**

11. On execution of this Lease, the Tenant will pay the Landlord advance rent (the "Advance Rent") to be held by the Landlord without interest and to be applied on account of the first installment of Base Rent as it falls due and to be held to the extent not so applied as security for and which may be applied by the Landlord to the performance of the covenants and obligations of the Tenant under this Lease.

**Quiet Enjoyment**

12. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

**Renewal of Lease**

13. Upon giving written notice no later than 60 days before the expiration of the term of this Lease, the Tenant may renew this Lease for an additional term. All terms of the renewed lease will be the same except for any signing incentives/inducements and this renewal clause.

**Tenant Improvements**

**Utilities and Other Costs**

14. The Tenant is responsible for the direct payment of all utilities in relation to the Premises.

**Insurance**



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15. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a Tenant's Policy of Insurance.

16. The Tenant is responsible for insuring the Landlord's contents and furnishings in or about the Premises for either damage and loss for the benefit of the Landlord.

17. The Tenant is responsible for insuring the Premises for damage or loss to the structure, mechanical or improvements to the Building on the Premises for the benefit of the Tenant and the Landlord. Such insurance should include such risks as fire, theft, vandalism, flood and disaster.

18. The Tenant is responsible for insuring the Premises for liability insurance for the benefit of the Tenant and the Landlord.

19. The Tenant will provide proof of such insurance to the Landlord upon request.

**Attorney Fees**

20. All costs, expenses and expenditures including and without limitation, complete legal costs incurred by the Landlord on a solicitor/client basis as a result of unlawful detainer of the Premises, the recovery of any rent due under the Lease, or any breach by the Tenant of any other condition contained in the Lease, will forthwith upon demand be paid by the Tenant as Additional Rent. All rents including the Base Rent and Additional Rent will bear interest at the rate of Twelve (12%) per cent per annum from the due date until paid.

**Governing Law**

21. It is the intention of the Parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Alaska, without regard to the jurisdiction in which any action or special proceeding may be instituted.

**Severability**



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22. If there is a conflict between any provision of this Lease and the applicable legislation of the State of Alaska (the 'Act'), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

**Assignment and Subletting**

23. The Tenant will not assign this Lease, or sublet or grant any concession or license to use the Premises or any part of the Premises. An assignment, subletting, concession, or license, whether by operation of law or otherwise, will be void and will, at Landlord's option, terminate this Lease.

**Care and Use of Premises**

24. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises.

25. Vehicles which the Landlord reasonably considers unsightly, noisy, dangerous, improperly insured, inoperable or unlicensed are not permitted in the Tenant's parking stall(s), and such vehicles may be towed away at the Tenant's expense. Parking facilities are provided at the Tenant's own risk.

26. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.

27. The Tenant will not engage in any illegal trade or activity on or about the Premises.

28. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

**Surrender of Premises**

29. At the expiration of the lease term, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

**Hazardous Materials**



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30. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

**Rules and Regulations**

31. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot, laundry room and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

**General Provisions**

32. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or nonperformance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.

33. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.

34. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recovered by the Landlord as rental arrears.

35. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.

**IN WITNESS WHEREOF** the Parties to this Lease have duly affixed their signatures under hand and seal, or by a duly authorized officer under seal, on this 1st day of September, 2019

RICHARD BEEZLEY
Notary Public
State of Alaska
My Commission Expires Oct 30, 2022


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(Witness)

James and Mindy Millhouse (Landlord)

AKGLD2, LLC (Tenant)

(Witness)

Per: (SEAL)

RICHARD BEEZLEY
Notary Public
State of Alaska
My Commission Expires Oct 30, 2022



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