COMMERICAL LEASE

1. **PARTIES.** This Commercial Lease (this "Lease"), dated, for reference purposes only, June 1st, 2019, is made by and between Happy Pepper, LLC ("Landlord") and FSE, Inc., (the "Tenant").

2. **PREMISES.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for the term, at the rental and upon all the conditions set forth herein, the premises located at 506 Merhar Ave., Fairbanks, AK 99701 (see Exhibit A for space leased identification).

3. **TERM.**

3.1 **INITIAL TERM.** The Lease term shall commence on July 1st, 2019 and shall continue for 60 months.

3.2 **OPTION TO RENEW**. Provided that Tenant is not in default in any manner of the Lease agreement, the Tenant shall have the option to renew the Lease for an additional period of five (5) years so long as Tenant shall provide Landlord with written notice of their election to renew at least 90 days prior to the expiration of the term hereof and so long as Tenant is current as to all obligations contained herein and is not in default under the terms and conditions setout within this Lease. Tenant shall have a second option to renew, provided that Tenant is not in default of any provision of this Lease, for an additional five (5) years, provided Tenant provides at least 90 days' notice to Landlord (written) notifying Landlord of its election to exercise the option to renew. For each five-year renewal term, the Rent shall increase by 3%.

4. **RENT.**

4.1 Commencement of Rent in the sum of Twenty-two thousand dollars ($22,000) per month. Rental payment under this lease shall commence on the 1st day of July, 2019.

4.3 **Security Deposit.** Simultaneously with the execution of this Lease Tenant has deposited with Landlord the sum of $44,000. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefor, deposit cash with Landlord in an amount equal to the amount used or applied, and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned

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to Tenant within thirty (30) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

4.4 **Late Charge.** If any payment is not paid within five (5) days of the due date, then there shall be added as additional rent an amount equal to 10 percent (10%) of the delinquent payment for the month or portion thereof after the date it was due, provided, however, if such sum and late charges are not paid in full on or before the tenth (10th) day of the month, such sum shall commence to bear interest at the rate of ten and one-half percent (10.5%) per annum until paid in full.

4.5 **Payment of Rent.** All rent payments shall be sent to Landlord at the following address 1770 Donald Ave, Suite B, Fairbanks, AK 99701 or to such other address as Landlord may from time to time designate.

5. CONSTRUCTION OF IMPROVEMENTS.

5.1 Tenant understands that it is responsible for the quality, design, expense, compliance, and all permits necessary to buildout the Premises for its intended use.

5.2 Tenant shall be responsible for cost of all buildout expenses, permit fees, inspections, compliance with all applicable codes, signage, permits, maintenance and installation. Tenant understands and agrees that it must utilize bonded and insured contractors and engineers for its buildout. All buildout plans, designed, and signage must be approved by Landlord, said approval shall not be unreasonably withheld. All signage & buildout and related improvements shall comply to all municipal and governmental codes.

Tenant shall be responsible for the design, construction and installation of Tenant's own leasehold improvements, trade fixtures, including, but not limited to all lights, branch wiring beyond the panel, floor coverings, parking lot and landscapin g improvements required due to the Municipality's change of use permit, dumpster enclosure, interior partitioning, decor, shelves, racks and counters, provided that the design and decor shall be subject to the reasonable prior written approval of Landlord, and Tenant shall provide Landlord with appropriate design drawings for approval prior to the construction and installation of Tenant's leasehold improvements.

Tenant shall not do or directly contract for anything to be done causing the Premises to be encumbered by liens of any nature, and shall, whenever and as often as any lien is recorded against said property, purporting to be for labor or materials furnished or to be furnished to Tenant, discharge the same of record within 10 days of the date the lien is recorded by recording the bond contemplated is A.S. 34.35.072 or otherwise appropriately satisfy the subject lien in full. Failure to do so by Tenant results in a material breach of this Lease.

Tenant shall obtain waivers of lien rights and releases of claims from contractors, subcontractors, and suppliers in connection with Tenant's leasehold improvements and shall indemnify and hold Landlord harmless from the same.

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Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant by this instrument. At least ten (10) days before commencing or causing to be commenced any work that is or may be the subject of a lien for work done or materials furnished to the Premises, Tenant shall notify Landlord in writing thereof, to allow Landlord, if it desires, to post and record notices of non-responsibility or to take any other steps the Landlord deems appropriate to protect its interest.

Upon completion of construction the Tenant shall provide to Landlord valid lien releases and satisfactory proof of payment of all liens, claims based on notices of right to lien, and other claims against the Premises, and a Certificate of Occupancy for the Premises from the City of Fairbanks. If the Tenant's improvements are less than $5,000 Landlord shall not require a Certificate of Occupancy.

6. **ADDITIONAL CHARGES.** In addition to the rent provided for hereunder, and commencing at the same time as any rental commenced under this Lease, **Tenant shall be responsible for pro-rated share real estate taxes and insurance.** Tenant agrees to reimburse Landlord it's prorated cost for the (1) real property taxes assessed against the property, (2) the property insurance premium. Tenant shall pay to landlord monthly as additional rent upon notice from Landlord that property taxes were assessed and that Tenant's pro rated portion is due.

7. **UTILITIES.** Effective Upon Signature, Tenant shall be responsible for obtaining service and paying all charges for its own gas, electric, dumpster, water, sewer, refuse, telephones, janitorial and parking lot maintenance to include snow plowing, sanding, application of ice melt and clearin g of sidewalks.

8. **USE.** The Premises shall be used and occupied only for the purpose of Cannabis Retail, Cultivation, and Manufacturing Establishments. Tenant will not commit or allow to be committed any waste upon the Premises or any public, private, or mixed nuisance or other act or thing which disturbs the quiet enjoyment of any other tenants in the Building. Tenant shall comply with all laws relating to its use of the Premises and shall observe such reasonable rules and regulations as may be adopted and published by Landlord for the safety, care and cleanliness of not only the Premises but also the Building and for the preservation of good order therein. Tenant, with Landlord's written consent which may be withheld in Landlord's sole discretion, may sublease all or part of the premises.

9. **MAINTENANCE, REPAIRS AND ALTERATIONS.**

9.1 **Landlord's Obligations.** Subject to any damage caused by the negligence or intentional act or omission of tenant or tenant's agents employees or invitees, or

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Tenant's contractors, Landlord, at Landlords expense, shall keep in good order, condition and repair the foundation and structural portions of the exterior walls and exterior roof of the building. Tenant shall install odor control filtration system if marijuana odor is detected outside the building or on the upper level of the building.

9.2 **Tenant's Obligations**. Subject to the provisions of Section 9.1 and Section 11, Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises and every part thereof, including but not limited to the light bulb replacement, plumbing, any mechanical or electrical apparatus, doors, window frames, hardware, glass and nonstructural ceilings and walls. Tenant shall, at the expiration or termination of this Lease, surrender and deliver up the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use, wear and tear excepted. Tenant shall repair any damage to the Premises or the Building occasioned by its use thereof or by the removal of Tenant's trade fixtures, furnishings and equipment, which repair shall include the patching and filling of holes and repair of structural damage and re-constructing all walls, lighting, and office spaces to the original condition pre-tenant occupancy.

9.3 **Landlord's Rights**. If Tenant fails to perform Tenant's obligations under this Section 9, Landlord may (but shall not be required to) enter upon the Premises after ten (10) days prior written notice to Tenant and put the same in good order, condition and repair or otherwise cure the default, and the cost of such action plus fifteen percent (15%) thereof shall become due and payable as additional rent to Landlord together with Tenant's next rental installment.

9.4 **Alterations and Additions**. Tenant shall not, without Landlord's prior written consent, make any alterations, additions or improvements in the Premises. As a condition to giving such consent, Landlord may require that Tenant remove any such alterations, improvements, additions or utility installations at the expiration of the term and restore the Premises to their prior condition. Tenant shall not permit any mechanics or material men's liens to be filed against the Premises and shall hold Landlord harmless from any damage, loss or expense arising out of any such work. All work on the Premises shall be done in compliance with all applicable governmental codes and regulations. At Landlord's option, all alterations, improvements or additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the term. Tenant's machinery, equipment and trade fixtures other than those which are affixed to the Premises so that they cannot be removed without material damage to the Premises shall remain the property of Tenant and may be removed by Tenant, subject to the provisions of Section 9.2.

10. INSURANCE: INDEMNITY.

10.1 **Liability Insurance**. Tenant shall maintain in force during the term of this Lease a policy of comprehensive public liability insurance issued by a company acceptable to Landlord and insuring Tenant and Landlord against any liability, including without limitation damage to other portions of the Building, arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, such insurance shall be in an amount of not less than Two Million Dollars ($2,000,000.00) General Aggregate and One

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Million Dollars ($1,000,000.00) for each occurrence. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Such policies shall name Landlord and Landlord's agents as additional insured and shall provide that they may not be cancelled without thirty (30) days prior written notice to Landlord. Landlord shall be furnished with a certificate evidencing issuance of such policy of liability insurance, and such certificate shall recite that said policy may not be cancelled without thirty (30) days prior written notice to Landlord. If Tenant shall fail to maintain said insurance, Landlord may but shall not be required to procure and maintain the same, at the expense of Tenant. **Tenant shall provide Landlord with such certificate prior to entering the Premises or starting tenant improvement work.**

10.2 **Personal Property Insurance.** Tenant shall be responsible for obtaining and maintaining insurance on all its personal property and property of others stored and located at, about or upon the Premises to cover such personal property for damage, theft, destruction and other forms of loss in amounts sufficient for the replacement thereof in the event loss.

10.3 **Property Insurance.** Tenant shall maintain in force during the term of this Lease, a policy of insurance of an amount not less than $1,000,000.00, issued by a company authorized to engage in the insurance business in the State of Alaska, insuring the Building against damage or destruction by fire and/or by perils covered by the standard form of extended coverage endorsements to fire insurance policies in the State of Alaska in effect at the time when the policies are obtained to include limits that cover the full replacement of the building. Tenant shall provide proof of said insurance.

10.4 **Hold Harmless**. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work or thing which may be permitted or suffered by Tenant in or about the Premises and shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provisions of this Lease or arising from any negligence of Tenant or any of its agents, contractors, employees or invitees and from any and all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, excepting where said damage arises solely out of the negligence of Landlord.

10.5 **Exemption of Landlord from Liability**. Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees or customers or any other person in or about the Premises; nor, unless caused solely by its negligence, shall Landlord be liable for personal injury to Tenant or Tenant's employees, agents, contractors and invitees, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Landlord or Tenant. Landlord shall not be liable for any damages

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arising from any act or neglect of any other tenant, if any, of the Building in which the Premises are located.

11. **DAMAGE OR DESTRUCTION.** In the event the Premises are damaged to such an extent as to render the same un-tenantable in whole or in a substantial part thereof or are destroyed, it shall be optional with Landlord to have Tenant repair or rebuild the same; and after the happening of any such event, Tenant shall give Landlord or Landlord's agent immediate written notice thereof. Landlord shall have not more than (30) days after date of such notification to notify Tenant in writing of Landlord's option for Tenant to repair or rebuild said Premises or the part so damaged as aforesaid, and if Landlord elects Tenant to repair or rebuild said Premises, Tenant shall prosecute the work of such repairing or rebuilding without unnecessary delay.

In the event the Building in which Premises are located shall be damaged (even though the Premises hereby leased shall not be damaged thereby) to such extent that, in the opinion of Landlord, it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Landlord to terminate this Lease by written notice served on Tenant within thirty (30) days after such damage or destruction.

12. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with the rules and regulations as may be adopted and published which Landlord may from time to time promulgate and/or modify. Landlord shall not be responsible to Tenant for the nonperformance of any of said rules and regulations by any other tenants or occupants.

13. **LIENS AND INSOLVENCY.** Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials ordered, or obligations incurred by Tenant. If Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant and if the receivership, assignment or other liquidating action is not terminated within thirty (30) days of any such appointment, then Landlord may terminate this Lease and Tenant's right of possession under this Lease, at Landlord's option. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, the leasehold interest granted to Tenant by this instrument.

14. **DEFAULTS.** In the event of a default or abandonment by Tenant, Landlord shall contact AMCO Enforcement to remove all marijuana or marijuana product – Landlord shall not take possession of any marijuana/marijuana product. The occurrence of any one or more or the following events shall constitute a default and breach of this Lease by Tenant:

14.1 **Vacation of Premises**. The vacating or abandonment of the Premises by Tenant, refer to Section 22.

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14.2 **Failure to Provide Rent**. The failure by Tenant to provide rent as described in Section 4.1 or any other payment required to be made by Tenant hereunder as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant;

14.3 **Failure to Perform Covenants**. The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than described in Section 16.2 above, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion; and

14.4 **Renewed Default**. The commission by Tenant of any default described above a second time and within two (2) months following the time when Tenant has been given notice of such a default under Section 16.2 or Section 16.3 and has cured the same within the permitted time.

15. **REMEDIES IN DEFAULT.** In the event of any such default or breach by Tenant, Landlord may, at any time thereafter, in its sole discretion, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

15.1 **Termination.** Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises; reasonable attorneys' fees; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and Additional Charges called for herein for the balance of the term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission or tenant improvement, if applicable, paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum legal rate;

15.2 **Enforce Rights.** Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and Additional Charges as may become due hereunder; or

15.3 **Other Remedies.** Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

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16. **PRIORITY.** Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust now or at any time hereafter constituting a lien upon the Premises or the Building containing the same, to any and all advances to be made thereunder, and to the interest thereon, and to all renewals, replacements and extensions thereof; provided that the mortgagees or the beneficiaries named in said mortgages or deeds of trust shall agree to recognize this Lease in the event of foreclosure if Tenant is not in default hereunder and if Tenant attorns to the mortgagee. Within five (5) days after written request from Landlord, Tenant shall execute any documents that may be necessary or desirable to effectuate the subordination of this Lease to any such mortgages or deeds of trust and shall execute estoppel certificates as requested by Landlord from time to time in the standard form of any such mortgagee or beneficiary.

17. **CONDEMNATION.** If all of the Premises or any portion of the Building as may be required for the reasonable use of the Premises shall be taken by eminent domain (or by a voluntary conveyance made in lieu of a taking by eminent domain), this Lease shall automatically terminate as of the date Tenant is required to vacate or will be deprived of the reasonable use of the Premises, and all rentals shall be paid to that date. In the case of taking of a part of the Premises, Tenant may, at it's election, terminate this Lease by notice in writing to Landlord within (10) days after the receipt by Tenant of written notice of the proposed taking, and with any such notice by Tenant to Landlord to be effective on a date which shall be specified by Tenant in the notice but shall be no later than thirty (30) days after the date of the giving of notice. If within said thirty (30) day period Tenant does not exercise its right to terminate this Lease because of a taking of a part of the Premises 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 Premises is reduced, such rent reduction to be effective as of the date when possession of such portion is delivered to the condemning authority. Landlord reserves all rights to damages to the Premises for any taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or for interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be put for Tenant's moving expenses and for the interruption of or damage to Tenant's business; provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Landlord.

18. **PARKINGAND COMMON AREAS.**

18.1 **Landlord's Obligations and Rights.** Landlord covenants that there shall be an area for common areas and parking areas for the nonexclusive use of Tenant during the full term of this Lease; provided that the condemnation or other taking by any public authority or sale in lieu of condemnation of any or all of such common and parking areas shall not constitute a violation of this covenant.

Notwithstanding anything herein contained to the contrary, Landlord shall be entitled to alter the Building services or facilities and the location of driveways, sidewalks or other common areas and to extend existing buildings or erect new buildings or extend existing building(s) above

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the Premises or other rentable Premises or common areas of the Premises or add new common areas to or on the Premises; and upon any alteration of the common areas or upon commencement of construction of any addition or additions to the Premises and upon any addition of the new common areas, Landlord and Tenant shall execute such further and other documents as may be required to reflect such alterations of the common areas to exclude areas taken for construction of additional buildings or to include areas added as new common areas, as the case may be.

18.2 **Tenant's Rights.** Tenant, for the use and benefit of itself and its agent, employees, customers, and licensees, shall have the nonexclusive right in common with Landlord and other present and future owners and tenants and their agents, employees, customers, and licensees to use said common and parking areas during the entire term of this Lease for ingress, egress and automobile parking.

18.3 **Rules and Regulations.** Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, regulations and charges for parking as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the following: (1) the restricting of employee parking to a limited, designated area or areas; and (2) the regulation of the removal, storage and disposal of Tenant's refuse and other rubbish.

19. **ENERGY CONSERVATION LEGISLATION.** In the event that any legislative enactment or decree of governmental authority shall require fundamental changes in the heating, lighting and electrical systems or the fuel or power source utilized by such systems, Landlord reserves the right, at any time and from time to time, to make changes in, additions to, subtractions from or rearrangements of the Premises and the common areas of the Premises to accommodate the required changes to the said systems or conversion to a different fuel or power source; and Landlord reserves the right to install a central heating system to serve all Premises and to erect, use and maintain wiring, mains, pipes, conduits and other means of distributing heat to the Premises and in and through the Premises for the benefit of other portions of the Premises; and Landlord and all persons authorized by it shall have the right, from time to time, to enter upon the Premises for the purpose of access thereto for installation, maintenance and repair, and such entry shall not be deemed to be an interference with Tenant's possession under this Lease. In the event Landlord is obligated to carry out such conversion, Tenant agrees to reimburse Landlord for its proportionate share of the costs of operating said central heating systems and to utilize the said central heating system in the place and stead of Landlord's existing heating system. Such repairs, alterations, additions or improvements shall be affected at such times and in such manner as to cause as little interruption to Tenant as possible. So long as Landlord shall not interfere with Tenant's business in the Premises more than is reasonably necessary in the conduct of such repairs, changes, improvements and alterations, Tenant shall not have any right to object. All of the alterations, improvements, repairs or additions mentioned in this paragraph made in compliance with and by reason of legislative enactment or decree of governmental authority shall be made without any claim for damages or indemnification against Landlord or diminution or abatement of rent.

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20. **NONWAIVER.** Waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

21. **SURRENDER OF POSSESSION.** Upon expiration of the term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord.

22. **HOLDING OVER.** If Tenant shall, with the written consent of Landlord, 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 the laws of the State of Alaska. During such tenancy, Tenant agrees to pay Landlord rent at the rate of One Hundred Fifty percent (150%) of the rental as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

23. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease or sublet the said premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to use or occupy said premises for any portion except to a firm that the Tenant has an interest in, without the written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld; and consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person; any assignment or subletting which is consented to by the Landlord shall not relieve the Tenant herein of responsibility under this Lease.

The Landlord shall have the right to assign this Lease at any time without consent of the Tenant, and the assignee or assignees, if any, of the Landlord shall take subject to all the terms and conditions of this Lease.

Tenant's interest in all sub-Leases shall be assigned to Landlord as security for payment of rents and performance of covenants herein required.

24. **NOTICES.** All notices under this Lease shall be in writing and delivered in person or sent by registered mail, return receipt requested, to Landlord at the same place rent payments are made and to Tenant at the Premises or to such other respective addresses as may hereafter be designated by either party in writing. Notices mailed as aforesaid shall be deemed given on the date of such mailing. Email may be used to as notice for either party:

Tenant:
Shaun@goodtitrations.com

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Landlord
Info@goodtitrations.com

25. **COSTS AND ATTORNEYS'FEES.** If by reason of any default on the part of Tenant it becomes necessary for Landlord to employ an attorney, or in case Landlord shall bring suit to recover any rent due hereunder or for breach of any provision of this Lease or to recover possession of the Premises, or if Landlord shall bring an action for any relief against Tenant, declaratory or otherwise, arising out of this Lease, and Landlord shall prevail in such action, then and in any such events Tenant shall pay Landlord a reasonable attorneys' fee and all costs and expenses expended or incurred by Landlord in connection with such default or action.

26. **LANDLORD'S ACCESS.** Landlord and its agent shall have the right to enter the Premises at reasonable times for the purpose of inspecting it, showing it to prospective purchasers or lenders and making such repairs as Landlord may deem necessary or desirable. Landlord may, at any time, place on or about the Building any ordinary "For Lease" signs and may, during the last ninety (90) days of the term of this Lease, place on or about the Premises any ordinary "For Sale or Lease" signs, without rebate of rent or liability to Tenant. Landlord shall comply with the AMCO mandated visitor policy and shall not enter the premises without signing into the visitor log, producing identification, and complying with all aspects of the required Visitor Policy regulations.

27. **CAPTIONS AND CONSTRUCTION.** The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

28. **REMOVAL OF PROPERTY.** If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises at the termination of this Lease or when Landlord has the right of reentry, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost of storing any such property after it has been stored for a period of ten (10) days or more, Landlord may, at its option, sell or permit to be sold any or all of such property at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant, and shall apply the proceeds of such sales as follows: first, to the cost and expense of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs or charges for storing any such property; third, to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant. This section is not meant to refer to marijuana/marijuana product property.

29. **SUCCESSORS.** All of the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns, except as expressly limited herein.

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30. **ACCEPTANCE OF PREMISES.** Tenant shall accept the Premises "as is" at the commencement of the term of this Lease and in their then present condition and subject to all applicable zoning, municipal, county, borough, and state laws, ordinances and regulations governing and regulating the use of the Premises and accept this Lease subject thereto and all matters disclosed thereby and by any exhibits attached hereto. Tenant acknowledges that neither Landlord nor Landlord's agents have made any representation or warranty as to the suitability of the Premises for the conduct of Tenant's business.

31. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the Premises by Landlord, Landlord shall be and hereby is entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

32. **ENTIRE AGREEMENT.** This Lease sets forth the entire understanding and agreement of Landlord and Tenant with respect to the Premises and the Lease thereof, and all prior understandings or agreements are merged herein. This Lease may be amended or modified only in writing signed by both parties.

33. **LEASE NOT AN OFFER.** The submission of this Lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord executes a copy of this Lease and delivers the same to Tenant.

34. **HAZARDOUS AND TOXIC SUBSTANCES.** Tenant agrees that so long as this Lease shall remain in effect, that the property described herein shall NOT be used in or for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous or toxic substances, including medical waste, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended 42U.S.C. Section 9601, et seq. (1980), and as those terms are defined in any applicable state or local laws, or regulations. Tenant agrees to fully indemnify and hold harmless Landlord against any and all claims and losses resulting from a breach of this provision of this Lease. This obligation to indemnify shall survive the payment of all rents and the termination of this Lease.

35. **FORUM SELECTION.** This Lease shall be construed in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Lease, the same shall be commenced in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, Alaska. Tenants agree specifically that venue and jurisdiction in that court is proper, and further agree to submit themselves to the jurisdiction of that court. Tenants shall not claim that said forum is an inconvenient forum.

36. **EXECUTION AUTHORITY.** Landlord and Tenant, by their signatures below, warrant that they have read and understand this Lease and that the terms and conditions contained herein represent the full and complete agreement of the parties. If Tenant is a

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corporation or limited liability company, each individual executing this Lease on behalf of the corporation represents that they are duly authorized to execute and deliver this Lease on behalf of the corporation or limited liability company, in accordance with duly adopted resolutions of the board of directors of the corporation or limited liability company, that such action and execution is in accordance with the bylaws of the corporation or limited liability company, and that the Lease is binding upon the corporation or limited liability company in accordance with its terms. Landlord represents that she is in sole title to the Premises and has unchallenged authority to enter into this Lease and to be bound by the terms contained herein.

37. **AMBIGUITIES**. Landlord and Tenant will have the opportunity and are encouraged to have their own attorneys review this Agreement prior to signing and thus this Agreement when executed shall represent the agreement of the parties and the rule of construction that ambiguities are construed against the drafter shall not apply.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the dates set forth below their respective signatures.

Landlord:

Happy Pepper, LLC

By: Shaun Tacke Date: 06/01/2019
Title: Managing Agent

Tenant:

FSE, Inc.

By: President Date: June 1, 2019
Title: President

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Initial (L)

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