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REAL ESTATE SUBLEASE

This Sublease Agreement (this "Sublease") is dated March 10th, 2020 by and between One Denali, LLC ("Sublessor"), and Alaskan Grown Products, LLC. ("Subtenant"). The parties agree as follows:

PREMISES. Sublessor in consideration of the lease payments provided in this Sublease, leases to Alaskan Grown Products, LLC DBA Alaskan Grown Cannabis. (the "Premises") located at 14477 Sterling Highway, Ninilchik, Alaska 99639.

TERM. The sublease term will begin March, 10th, 2020 and will terminate on June 30, 2024.

LEASE PAYMENTS. Subtenant shall pay to Sublessor monthly installments of $1000.00 payable on the first day of each month. Payments shall be abated until Subtenant commences business operations.

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

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

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

UTILITIES: Utilities are to be paid by the Subtenant.

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

CUMULATIVE RIGHTS. The rights of the parties under this Sublease are cumulative and shall not be construed as exclusive unless otherwise required by law.

NON-SUFFICIENT FUNDS. Subtenant shall be charged $100.00 for each check that is

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returned to Sublessor for lack of sufficient funds.

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

ACCESS BY SUBLESSOR TO PREMISES. Subject to Subtenant's consent (which shall not be unreasonably withheld), Sublessor shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. However, Sublessor does not assume any liability for the care or supervision of the Premises. As provided by law, in the case of an emergency, Sublessor may enter the Premises without Subtenant's consent. During the last three months of this Sublease, or any extension of this Sublease, Sublessor shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants. During any entry by Landlord or its agents on the premises, Landlord's agents or employees shall be over the age of 21 and shall comply with Subtenant's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

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

COMPLIANCE WITH REGULATIONS. Subtenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters. However, Subtenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

MECHANICS LIENS. Neither the Subtenant nor anyone claiming through the Subtenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Sublease constitutes notice that such liens are invalid. Further, Subtenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Subtenant.

ARBITRATION. Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American

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Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

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

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

SUBLESSOR:

One Denali, Inc
500 W. International Airport Road, #F, Anchorage, Alaska 99518

SUBTENANT:

Alaskan Grown Products, LLC.
HC89 Box 255, Willow, Alaska 99688

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

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

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

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

WAIVER. The failure of either party to enforce any provisions of this Sublease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Sublease.

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

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Except to the extent that the terms and conditions of this Lease Amendment are to the contrary, all other terms and conditions of the original Lease Agreement and any amendments thereto remain in full force and effect.

SUBLESSOR:

One Denali, INC
BY:

DocuSign by:
22F82D3771AE488...
Jason Evans

SUBTENANT:

Alaskan Grown Products, LLC
BY:

DocuSign by:
3CA6A2AB58624E4...
Kalla Peacock

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NINILCHIK BANTA BUILDING LEASE – July 2019

THIS LEASE, hereinafter referred to as the "Lease," is entered into effective the 1st day of July, 2019 by and between **THE NINILCHIK NATIVES ASSOCIATION, INC** of **PO Box 39130 | 15730 Sterling Hwy, Ninilchik, AK, 99639**; phone **(907) 567-3866**; email: **nnai@nnai.net**, hereinafter referred to as "**Owner**," and **Jason Evans** of **ONE DENALI, LLC** of **500 W International Airport Road, #F | Anchorage AK 99518**; phone **(907) 230-9099**; email: **jevans@financialalaska.com**, hereinafter referred to as "**Tenant**."

Please Initial

For and in consideration of the rents reserved hereunder and the terms and conditions set forth herein, Owner hereby rents, demises and leases to Tenant, and Tenant takes and leases from Owner, the hereinafter described Premises all upon the following terms and conditions:

Premises

The building, situated at, 14477 ~~Barbara Drive~~ Sterling Hwy., Ninilchik Alaska 99639 and known as the **"BANTA BUILDING."** See Appendix A

The premises being leased hereby consists of a frame building at T1S R 14W SEC 26 SEWARD MERIDIAN HM 0780021 BANTA SUB ADDN NO 1 & RESUB LOT 4 BLK 1 LOT 1 BLK 3. Leased premises include the lot around the building. Throughout this Lease the area of building space and land area leased by the Tenant shall be referred to as the **"Premises"**.

Tenant shall provide equipment, furniture and furnishings for the Premises. Should any current shelving and furniture belonging to the Owner no longer be needed it will be the Tenants responsibility to relocate them to the owner's storage space.

Term

The initial term of this Lease shall be for a period of FIVE (5) YEARS, commencing July 1, 2019 and continuing until June 30, 2024.

Tenant right to renew may be exercised no earlier than 6 months (180 days) or less than 2 months (60 days) prior to the end of the Lease. Renewal terms include, but may not be limited to, first right of refusal for continued lease to Tenant. Renewal will be for up to an additional FIVE YEAR (5 year) Lease term. No renewal or any other agreement of the Lease shall extend beyond ten (10) years from the initial commencement date, or July 1, 2029. Any renewal agreement shall be subject to Tenant being compliant with all terms of this Lease and not being in default at the time of renewal.

There will be a default option during the initial 5 year Lease in which Tenant has the option to pay a fine of SIX MONTHS (6 months) rent based on rent of years three through five (years 3 – 5) of EIGHT THOUSAND ONE HUNDRED DOLLARS ($8,100.00) plus any applicable KPB Sales Tax, as a termination fee. This fine will be due at the time of vacation of the property and may not be credited to any past or future rent. The default option shall be reduced to THREE MONTHS (3 months) rent based on rent of years three through five (years 3 – 5) of FOUR THOUSAND FIFTY DOLLARS ($4,050.00) plus any applicable KBP Sales Tax, as a termination fee, if termination is a result of loss of retail government licensing or other regulatory license or permit needed for retail distribution of product.

At the time of signing, a deposit of ONE THOUSAND FIVE HUNDRED DOLLARS ($1,500.00) shall be payable. This deposit will be refunded or applied to the final month's rent, at the discretion of Tenant, should the entirety of this contract be fulfilled by both parties.

Default of the Lease in any way, other than the renewal clause option listed above, by Tenant will result in forfeiture of this deposit. Default by Owner will result in a full refund of this deposit.

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Rent
Tenant covenants and agrees to pay Owner the following rent during the initial term of this Lease:

YEAR ONE (months 1 through 6):

Tenant shall pay to Owner rent of FIVE HUNDRED DOLLARS ($500.00) per month, payable in advance on the first day of each month. There shall be a 5-day grace period, after which a late fee of $5.00 per day will accrue.

Tenant shall also include Kenai Peninsula Borough Sales tax currently 3% of the monthly rent payment capped at FIFTEEN DOLLARS ($15.00) with each monthly rent payment for a total of FIVE HUNDRED AND FIFTEEN DOLLARS ($515.00).

YEAR ONE (months 7 through 12) and YEAR TWO (months 13 through 24):

Tenant shall pay to Owner rent of ONE THOUSAND DOLLARS ($1,000.00) per month, payable in advance on the first day of each month. There shall be a 5-day grace period, after which a late fee of $5.00 per day will accrue.

Tenant shall also include Kenai Peninsula Borough Sales tax currently 3% of the monthly rent payment capped at FIFTEEN DOLLARS ($15.00) with each monthly rent payment for a total of ONE THOUSAND AND FIFTEEN DOLLARS ($1,015.00).

YEARS THREE through FIVE:

Tenant shall pay to Owner rent of ONE THOUSAND THREE HUNDRED AND FIFTY DOLLARS ($1,350.00) per month, payable in advance on the first day of each month. There shall be a 5-day grace period, after which a late fee of $5.00 per day will accrue.

Tenant shall also include Kenai Peninsula Borough Sales tax currently 3% of the monthly rent payment capped at FIFTEEN DOLLARS ($15.00) with each monthly rent payment for a total of ONE THOUSAND THREE HUNDRED AND SIXTY-FIVE DOLLARS ($1,365.00).

Prepayment may be made however taxes must be paid on each month of which payment is made.

Use of Premises
The Premises shall be used as a licensed retail cannabis facility compliant with all applicable regulations, and office and storage space as required for Tenant's business. Tenants may not use the premises for any other purpose or purposes without the express written consent of Owner, which consent may not be unreasonably withheld.

No hazardous materials may be stored on premises without written consent from Owner as well as proper storage and safety guidelines. Exceptions will be fuels necessary for heating, such as heating oil and propane.

Lot and area surrounding the building may not become encumbered with items without written consent from Owner.

Taxes; Utilities
Owner shall pay the real property taxes on the Premises, effective upon the date of this agreement.

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Tenant shall timely pay all of Tenant's income, trade and business, employee withholding and property taxes including, without limitation, any taxes on any and all furniture, fixtures, equipment and effects located in the Premises.

Tenant shall also timely pay for the following utilities: electricity, snow removal, janitorial, telephone, security, grounds-keeping and heat.

Snow removal shall be at the discretion of Tenant with all fire exits kept clear.

Janitorial services on the portion of the building used by Tenant are the responsibility of Tenant.

Telephone/Internet, grounds-keeping and security services are the responsibility of and at the discretion of the Tenant.

Heat will be the responsibility of the Tenant. Premises Heat includes: one propane heater in the "shop", baseboards around the front lower offices and a small Toyo stove with 300-gal tank in the front offices. Any changes, modifications or additions to the current heat methods must be pre-approved through written request to the Owner.

Condition of Premises

Before assuming occupancy, Tenant shall carefully inspect the Premises. By taking possession of the Premises, Tenant shall have accepted the Premises in its current condition and state of repair and shall be deemed to have acknowledged that the Premises are suitable for Tenant's own purposes.

Repairs and Maintenance

Throughout the term of this Lease, Owner shall be responsible for, and shall keep in good repair, the structural portion of the Premises, including the foundation and supporting walls, the structural ceiling and all utility systems up to the point of entrance to the Premises, unless such repairs are necessitated by reason of the negligence of Tenant or any customer, guest or invitee of Tenant, in which event Tenant shall be responsible for all costs of completing such repairs. Owner reserves the right, without relieving Tenant of its obligations hereunder, to stop heating, ventilating, electric or plumbing services to the Premises when necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements of such services.

Throughout the term of this Lease, Tenant shall maintain in good repair the interior of the leased premises, all equipment located therein and all interior nonstructural portions of the Premises including, without limitation, all partitions, fixtures and all utility lines from the point of entrance into the Premises to the point of actual use. Tenant's repair obligations shall include the repair, maintenance, adjustment, replacement and inspection costs of all tenant's rental equipment in the Premises and all windows and doors (or hardware associated therewith) that may become defaced, cracked or broken during the term of this Lease.

Tenant covenants and agrees that he shall give prompt written notice to Owner of any damage that may occur to or in the Premises, which notice, in the event of an emergency may initially be orally communicated to Owner, provided there is a subsequent written confirmation of the same by Tenant to Owner. It is understood that Owner shall not be required to commence any necessary repairs for which Owner shall be responsible until after receipt of such notice from Tenant. In no event shall Owner be liable to Tenant for any losses or damages sustained by Tenant for loss of use of premises or damage to Tenant's property so long as Owner, after notice, is diligently pursuing any repairs Owner is obligated to perform under this Lease.

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If Tenant refuses or otherwise neglects to effect maintenance, make repairs, maintain the Premises, or if in the Owner's business judgment repairs or maintenance have been inadequately performed, or if Owner shall be required to make exterior or structural repairs by reason of the negligent acts or omissions of Tenant or its customers, guests or invitees, then in any of such events Owner shall have the right, but not the obligation, to effect such repairs or maintenance on behalf of and for the account of Tenant. In such event the costs so expended by Owner shall be reimbursed by Tenant as additional rent and will be paid on the first of the month following a completion of such repairs and itemization of such costs being provided to Tenant.

Compliance with Laws

Tenant shall, at its own cost and expense, execute and comply with all federal, state and local laws and all governmental or quasi-governmental laws, regulations and guidelines presently in effect and all additional and other laws, regulations and guidelines which may hereafter be enacted or go into effect relating to the Premises and Tenant's use thereof. Tenant agrees to any reasonable modifications of access, signage, stairs and area as may be necessary to comply with any applicable law or regulation. Tenant will not cause or permit to be caused any act or practice by negligence, omission or otherwise that would adversely affect the environment, contaminate the soil or permit anything to be done that would violate any environmental laws, regulations or guidelines. Any violation of this covenant shall be a material breach and event of default hereunder.

Assignment or Subletting

Tenant may not assign, hypothecate, mortgage or encumber this Lease or any interest therein or sublease or permit the Premises or any part thereof to be used by other persons or firms without the Owner's written consent, which consent may not be unreasonably withheld. In the event the Owner were to provide written consent and the Tenant assigned or sublet its interest in this lease, notwithstanding any such assignment of this Lease, or subletting of the Premises, it is agreed and understood that Tenant shall remain primarily liable for and shall not be released from the performance of all of the terms and conditions of the Lease which the Tenant is required to observe and perform.

Improvements and Alterations

Tenant may only make alterations or improvements to the Premises that are at the sole cost and expense of Tenant and only if:
(1) such alteration or improvement does not reduce the value of the premises or result in any lien or encumbrance upon the premises and
(2) Tenant obtains Owner's written consent prior to the commencement of any such work.
All consented to alterations and improvements shall be done and performed in a good and workmanlike manner using only quality furnishings, fixtures and equipment and materials.

When this Lease is terminated Tenant shall repair any damage to the premises resulting from the installation or removal of any equipment installed by Tenant or on Tenant's behalf.

If Tenant wishes to remove any: fixtures, additions or improvements attaching to the realty at the termination of the lease, Tenant shall obtain Owner's consent to such removal prior to Tenant's construction the fixture, improvement or addition and Tenant shall repair any damage caused by such installation and removal. If such consent is not obtained the addition or improvement shall stay with the premises upon termination of the lease.

Tenant agrees to protect, indemnify, save and hold Owner harmless on account of any injury to third persons or property by reason of Tenant's construction of any changes, additions or alterations, and to protect, indemnify and save Owner harmless from the payment of any claim of any kind or character on account of bills for labor, materials or utility service furnished or claimed to have been furnished in connection therewith. It is agreed between Owner and Tenant that Owner shall not be required to

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execute an acknowledgment of right to lien pursuant to AS 34.35.010, et sq., as now enacted or hereafter amended. Tenant shall not permit any mechanics' or similar liens to be lodged against or remain upon the Premises for labor performed or materials furnished to Tenant, or claimed to have been performed or furnished, on behalf of, or otherwise at the direction of or with the consent of Tenant, whether such work was performed or materials were furnished before or after the commencement of this Lease. Owner may require Tenant to furnish evidence satisfactory to Owner that Tenant and any contractor or firm hired by Tenant carry satisfactory insurance insuring against all risks normally insured against in such situations, which policies will name Owner as an additional insured where appropriate.

Indemnity; Liability

Tenant shall indemnify Owner and save Owner harmless from all claims, suits, actions, damages, liability and expense (including actual attorney fees) in connection with loss of life, bodily or personal injury or property damage arising from or out of an occurrence on, upon or at the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or occasioned solely or in part by any act or omission of Tenant, its agents, contractors, employees, servants, invitees, licensees or concessionaires, either within the Premises or without.

In the event that Owner shall be made a party to any litigation commenced by any persons against Tenant, then Tenant shall indemnify, defend, protect and hold Owner harmless from any liability arising therefrom and shall pay all costs and expenses of Owner, including actual attorney fees.

Owner shall not be responsible or liable at any time for any loss or damage to merchandise, stock in trade, equipment, fixtures or other personal property of Tenant or to Tenant's business. Owner shall not be responsible or liable for any defect, latent or otherwise, in the building, or for any defect, latent or otherwise, in any of the equipment, machinery, utilities, appliances or apparatus within the Premises. Owner and Owner's agents and employees shall not be liable for, and Tenant waives all claims for, loss or damage to the business of Tenant or damage to any person or property sustained by Tenant or any person claiming through Tenant resulting in any accident or occurrence in or upon the Premises. Owner indemnifies Tenant from any claims, suit action, damages arising out of any occurrence outside of the premises and caused solely by Owner's negligence.

Insurance

Tenant, at its own cost and expense, shall obtain and maintain in full force and effect during the entire term of this Lease a policy or policies of insurance covering the following risks:

A. Fire and extended coverage, vandalism and malicious mischief insurance covering Tenant's personal property, equipment and other improvements within the Premises to the extent determined appropriate by Tenant. Risk of loss of all such Tenant's property is on Tenant In no event shall Owner be liable for any loss to Tenant.

B. Comprehensive general public Liability Insurance on an occurrence basis with minimum limits of liability in an amount of not less than $1,000,000.00 for bodily, personal injury or death to any one person and to the limit not less than $1,000,000.00 for bodily injury, personal injury or death to more than one person and in the amount of not less than $2,000,000.00 general aggregate and in an amount not less than $500,000.00 with respect to damage to property, including water damage legal liability which insurance shall contain an endorsement naming Owner as an additional insured.

C. Worker's Compensation Insurance and Unemployment which shall contain an express waiver of any right of subrogation against Owner.

All policies of insurance to be obtained and furnished by Tenant hereunder shall be issued and carried in the name of Tenant and Owner, as their respective interests may appear. Owner shall be named as an

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additional insured on the policy or policies. All such policies of insurance shall be issued by a financially responsible company or companies authorized to issue the policy or policies and licensed to conduct insurance business within the State of Alaska and shall contain the following endorsements: (a) that any such insurance shall not be subject to cancellation, termination or material changes except after thirty (30) days prior written notice by registered mail to Owner by the insurance company; and (b) that Owner shall not be liable for any damage by fire or other casualty covered by such insurance, no matter how caused, it being understood that Tenant shall look solely to insurer or insurers for reimbursement.

Owner and Tenant waive their right to recover damages against each other for any reason whatsoever to the extent the damaged party recovers indemnity from its insurance carrier. Any insurance policy obtained by Tenant which does not name Owner as an additional insured shall contain an express waiver of any right of subrogation by the insurance company against Owner. Minimum limits of any insurance coverage required to be carried by Tenant shall not limit the liability of Tenant to Owner as provided in this Lease.

Tenant shall not do, suffer to be done or keep or permit to be kept anything in, upon or about the Premises which will contravene the insurance policy or policies of Owner that insure Owner against loss or damage by fire or other hazards or which will cause an increase in the cost of such insurance to Owner. If anything is done, omitted to be done or permitted to be done by Tenant or kept or permitted by Tenant to be kept in, upon or about the Premises that shall cause the rate of fire or other insurance pertaining to the Premises to be increased beyond the otherwise applicable or minimum rate, Tenant will pay the amount of such increase promptly upon demand from Owner.

Fire Loss or Damage

In the event that the Premises shall be partially damaged by any casualty insurable under a policy of fire or extended insurance coverage issued to Owner and Tenant, then Tenant shall, upon receipt of the proceeds from such insurance, undertake the repair and restoration, as applicable, of the Premises and the building to substantially the same condition as existed prior to the casualty, with such changes as Tenant may reasonably desire to make and as approved by Owner.

Owner will carry landlord's fire insurance on the building. Tenant shall be responsible for fire insurance on contents.

Inspection and Access

Owner and its agents, employees and contractors including, but not limited to, its lenders and insurance company inspectors shall have the right to enter the Premises to examine or to make such inspections as may be deemed necessary. However, the foregoing shall not be deemed or construed as an obligation on the part of Owner to undertake or effect any inspection not expressly required in this Lease.

Relationship of Parties

At all times and for all purposes under or material to this Lease, Tenant and Owner shall have only the relationship of landlord and tenant. Neither Owner nor Tenant are the partner, agent or employee of the other except as may be specifically stated in writing.

Default

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

A. The failure by Tenant to pay the rent as and when due and such failure shall continue for a period of ten (10) days after written notice of such failure to Tenant by Owner.

B. The failure by Tenant to observe or perform any of the terms, conditions, agreements, obligations,

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covenants or provisions of this Lease to be observed and performed by the Tenant, other than the failure to pay the monthly rent, where such failure shall continue for a period of twenty (20) days after written notice thereof by Owner to Tenant Provided, however, that if the nature of the default by Tenant is such that more than twenty (20) days are reasonably required for its cure, Tenant shall not be deemed to be in default if Tenant commences such cure within such twenty (20) day period and thereafter diligently prosecutes such cure to completion.

Remedies Upon Default

In the event of any default or breach by Tenant, Owner may at any time thereafter, with or without notice or demand, and without limiting Owner in the exercise of a right or remedy which Owner may have by reason of such default or breach:

A. Declare the lease to be terminated and terminate the right of Tenant to possession of the Premises and in such event this Lease shall terminate, and Tenant shall immediately surrender possession of the Premises to Owner. In such event Owner shall be entitled to recover from the Tenant all past due rent and other charges due under this Lease, the expenses of reletting the Premises, including the cost to renovate and alter the Premises for a replacement tenant, rent for the period of time between termination and reletting, actual attorney fees and costs, the difference, if any, between amount of rent paid by a replacement tenant and the amount of rent required to be paid by Tenant under this Lease and any other damages awarded by a court of competent jurisdiction.

B. Recover possession of the Premises without intervention of any court and without result to any legal process or proceeding.

C. Seek and obtain an injunction to enjoin any breach or threatened breach by Tenant and invoke any right or remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary termination and other remedies were not provided for in this Lease.

D. Pursue any other remedy now or hereafter available to Owner under the laws or judicial decisions of the State of Alaska.

Damages

If this Lease is terminated because of a default by Tenant or if Owner re- enters the Premises by summary dispossession proceedings, ejectment or by any suitable action or proceeding at law, or in equity, or by agreement, or by force or otherwise, Tenant shall pay to Owner as damages, at the election of Owner:

A. Any amount due as rent through and including the time Owner obtains a replacement tenant for the Premises. Tenant shall not be entitled to any credit or offset of this damage item, except as such rent may have actually been collected from Tenant, a replacement tenant or from anyone else. Nor shall Tenant be entitled to assert as a defense the failure of Owner to use good faith efforts to secure a replacement tenant for the Premises.

B. The difference, if any, between the amount of rent required to be paid by Tenant under this Lease and the amount of rent paid or to be paid by a replacement tenant.

C. All reasonable costs to repair, renovate or modify the Premises for a replacement tenant.

D. Actual costs and attorney fees incurred by Owner because of the breach by Tenant.

Eminent Domain

If all of the Premises are taken by the power of eminent domain exercised by any governmental or quasi-

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governmental authority, this Lease shall terminate as of the date Tenant is required to vacate the Premises and the rent, and other charges due hereunder shall be paid to that date. The term "eminent domain" shall include the taking or damaging of property by, through or under any government or quasi-governmental authority and any purchase or acquisition in lieu thereof, whether or not the damaging or taking is by the government or any other person. If more than 25% of the floor area of the Premises shall be taken or appropriated this Lease may, at the option of either party, be terminated by written notice given to the other party not more than thirty (30) days after Owner and Tenant receive notice of the taking or appropriation, and such termination shall be effective as of the date the Tenant is required to vacate the portion of the Premises so taken. If this Lease is so terminated all rent and other charges due hereunder shall be paid to the date of termination. Whenever any portion of the Premises is taken by eminent domain and this Lease is not terminated, Owner shall, at its expense, proceed with all reasonable dispatch to restore, to the extent that it is reasonably prudent to do so, the remainder of the Premises to the condition it was in immediately prior to such taking. Tenant shall, at its expense, proceed with all reasonable dispatch to restore all fixtures, furniture, furnishings, leasehold improvements, floor coverings and equipment to the same condition they were in immediately prior to such taking. From the date Tenant is required to vacate that portion of the Premises taken, the rent shall be reduced in proportion to the amount of floor space taken as compared to the total floor space.

Remedies Cumulative – Waiver

It is understood and agreed that the remedies of Owner hereunder are cumulative and the exercise of any right or remedy by Owner due to a default or breach by Tenant shall not be deemed a waiver and shall not alter, affect or prejudice any right or remedy which Owner may have under this Lease, or by law or inequity. Neither the acceptance of rent nor any other acts or omissions of Owner at any time or times after the happening of any event authorizing the cancellation or forfeiture of this Lease shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Owner of its right to cancel or forfeit this Lease, upon the notice provided for herein, at any time that cause for cancellation or forfeiture may exist, or be construed so as at any time to preclude Owner from promptly exercising any other option, right or remedy that it might have under any term or provision of this Lease, or at law or in equity. The failure of either party to insist in any one or more instances upon the strict performance of any covenant, agreement, term or condition hereof shall not be construed as a waiver or relinquishment of the future performance of such one or more obligations of this Lease or the right to exercise any such right, remedy or election.

Acceptance of Payments

It is specifically understood and agreed that acceptance of any sum by Owner which is less than the amount claimed is due by the Owner, shall not act as, nor be deemed to be, a waiver of such claimed amount or a compromise or accord and satisfaction of the amount claimed as due.

Modifications

No agreement hereafter made between Owner and Tenant shall be effective to change, modify, waive, release, discharge, terminate or effect an abandonment of this Lease in whole or in part unless such agreement is in writing, expressly refers to this Lease and is signed by both parties.

Title and Quiet Enjoyment

Owner represents that it has full right and authority to execute and perform the obligations to be performed by it under this Lease and to grant the leasehold estate herein created. Owner covenants that Tenant, upon paying the rents reserved herein and performing the obligations, terms, provisions, conditions, covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the Premises for the uses and purposes set forth herein.

Attorney Fees

If either of the parties are required to bring or maintain any action, including assertion of any

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counterclaim or cross-claim in a proceeding, including a bankruptcy proceeding or receivership, or any other proceeding instituted by a party hereto or by others or otherwise refers this Lease to an attorney for the enforcement of any of the obligations, terms, provisions, conditions, covenants and agreements of this Lease, the prevailing party in such action shall, in addition to all other payments required herein, receive from the other all costs incurred by the prevailing party including attorney fees and such costs and attorney fees which prevailing party incurs on any appeal.

Partial Invalidity

If any term, provision, condition, covenant or agreement of this Lease, or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of the Lease or the application of such term, provision covenant or agreement to any person or circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term provision condition covenant and agreement of this Lease shall be valid and enforced to the fullest extent permitted by law.

Notices

Except as may be otherwise expressly provided in this Lease, all notices and statements required or permitted under this Lease shall be in writing and shall be deemed to be given and received when delivered in person or sent by United States registered or certified mail, return receipt requested, with postage prepaid and directed to the party at the address set forth in the first paragraph of this lease. Either party may designate a different post office or mail delivery address as may from time to time be appropriate for the purpose of receiving notice by giving appropriate notice to the other of such new designation.

Complete Integrated Agreement.

This Lease and the documents it references contains all the agreements of the parties with respect to any matter covered or mentioned in this Lease and no prior agreements or understandings pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective nor binding on any party until fully executed by both parties. This is an integrated agreement.

Holdover

In the event that Tenant occupies and remains in possession of the Premises after the expiration of this Lease without having executed a new lease or an extension or renewal of this Lease, Tenant shall be deemed in occupancy and possession of the Premises as a tenant for month to month only. If Tenant occupies and remains in possession of the Premises after the expiration of this Lease, and if either party thereafter desires to terminate said occupancy at the end of any month, then the party that desires to so terminate the same shall give the other party at least thirty (30) days written notice to that effect. Failure on the part of Tenant to give such notice shall obligate Tenant to pay the full rent and other charges reserved under this Lease.

Removal of Tenant's Property and Improvements upon Termination

After expiration or sooner termination of this Lease, Tenant shall remove all furniture, equipment, inventory and other Tenant property. Any property not removed shall be deemed abandoned and Owner shall have the option of either removing and disposing of such item(s) at Tenant's expense and without any Owner liability, or retaining such item(s) which shall become solely the property of Owner without any further claim thereto by Tenant. In the event the removal of any property by Tenant causes any damage to the premises, Tenant shall promptly repair such damage at Tenant's own cost and expense.

In the case of marijuana inventory, Owner shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska Alcohol and Marijuana Control Office (AMCO) prior to

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any access to the licensed premises if Tenant cannot be reached, abandons the property, or similar event.

Governing Law

This Lease shall be governed by and construed according to the laws of the State of Alaska. Both parties hereto have had the opportunity to consult counsel in entering into this agreement and the rule of construction that ambiguities are to be interpreted more strictly against the draftsman shall not apply.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the day and year first herein written.

OWNER

_____ _____

Loren Prosser Date
CEO
Ninilchik Natives Association, Inc.

TENANT

_____ _____

Jason Evans Date
Managing Member
One Denali, LLC

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OWNER

Loren Prosser
CEO
Ninilchik Natives Association, Inc.

7-1-19
Date

TENANT

Jason Evans
Managing Member
One Denali, LLC

7/1/19
Date

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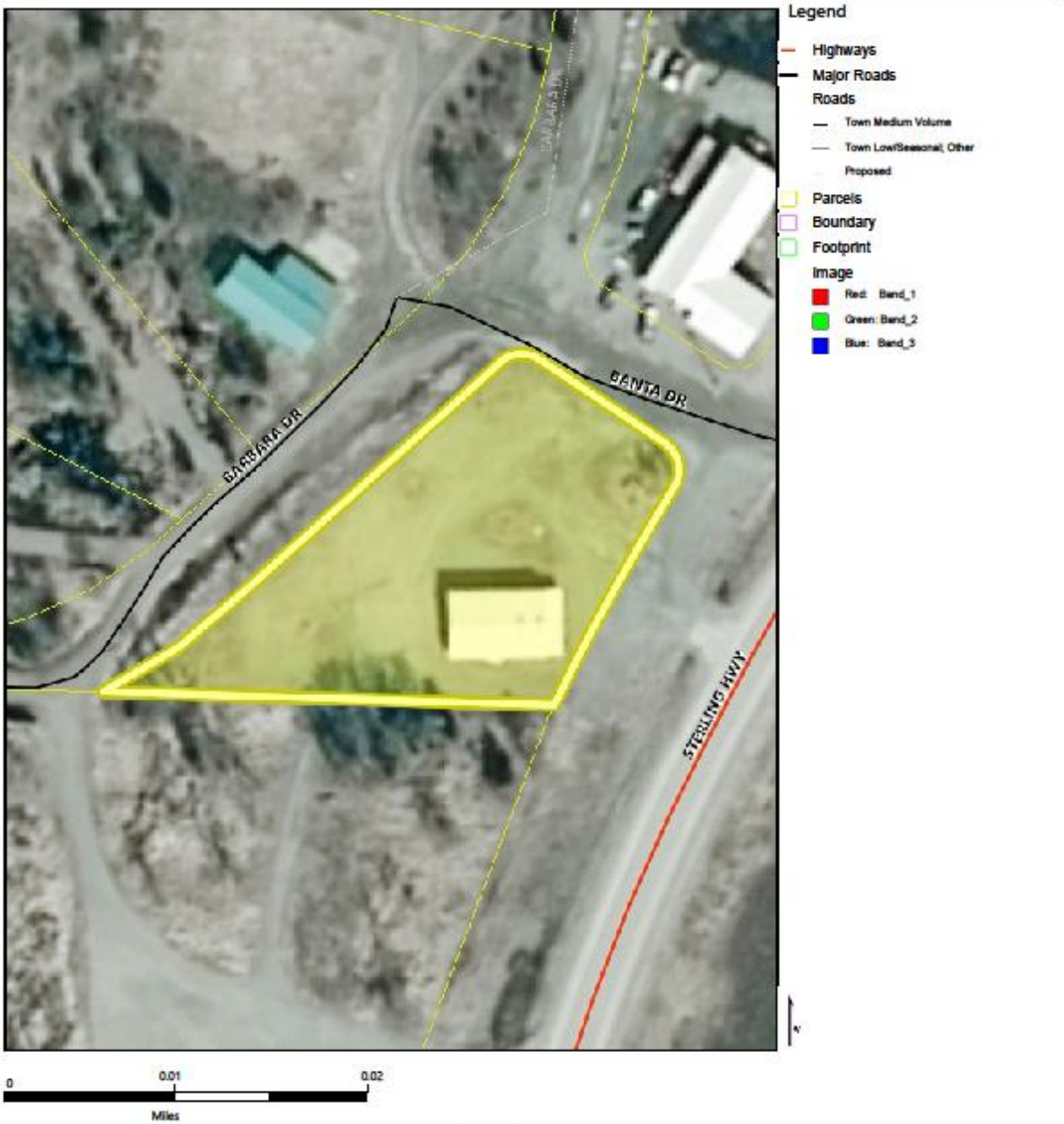
Appendix A

14477 Sterling HWY Parcel View (KPB# 15720013) and improvements (6/20/19)

Kenai Peninsula Borough GIS Division
Land Cover



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. This application was designed to provide information about landcover types on the Kenai Peninsula. It is intended for general informational purposes only and should not be used in place of any official information from an authoritative agency. All the datasets herein were mapped at a scale describing a much larger area than most parcels and therefore land cover boundaries may not match exactly with your property lines. Furthermore, land cover can change over time and the characteristics of a type may vary seasonally. The data displayed herein is neither a legally recorded map nor survey and should only be used for general reference purposes. It is not intended to be used for measurement. Kenai Peninsula Borough assumes no liability as to the accuracy of any data displayed herein. Original source documents should be consulted for accuracy verification.

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