COMMERCIAL LEASE AGREEMENT

This lease made and entered into this 3rd day of October 2019 between TWO DOGS NORTH, LLC, hereinafter referred to as LESSOR and FOXY ENTERPRISES, hereinafter referred to as LESSEE.

WITNESSETH:

IN CONSIDERATION of the mutual covenants of the parties hereto, the parties hereby agree as follows:

1. PREMISES. The LESSOR, TWO DOGS NORTH, LLC hereby leases to LESSEE, FOXY ENTERPRISES, the property located at 2158 Old Steese Highway North, FAIRBANKS, ALASKA 99712 and legally described as a 60' x 20' portion east of the driveway, at the southwest corner of the property of the driveway on Tax Lot 7, United States Mineral Survey 1932, Below Discovery Claim No. 11 on Gold Stream L Limit Placer. Situated in the Fairbanks Recording District, Fourth Judicial District, State of Alaska, together with the right to use the improvements to that property according to the terms of this agreement. The real property and improvements are hereinafter referred to as "PREMISES."

2. TERM. The term of this agreement shall be 4 YEARS (48 MONTHS), commencing upon receipt of Lessee's Cannabis Retail Sales State of Alaska License and ending four years from that date. At the end of the term the parties may agree to an extension of the lease for additional one-year terms with provisions agreeable to both. Tenancy will automatically convert to a month to month tenancy, with all provisions of this lease remaining in place, until termination of this lease agreement, or until notice is given by either party to either extend or terminate this lease as agreed upon by both parties.

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3. POSSESSION. LESSEE may take early possession of PREMISES, commencing October 4, 2019, in advance of lease term, AT NO CHARGE to prepare the site for commercial purpose.

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4. RENT. For the term of this lease, the rent is 2 % of gross onsite sales or $ 500.00/mo whichever is greater. The rent will be due and payable quarterly on the date when all Fairbanks North Star Quarterly Taxes are due.

5. RENT PAYMENT. All rent payments are to be made to "TWO DOGS NORTH, LLC" and delivered to: P.O. Box 10701, Fairbanks, Alaska 99701.

6. TERMINATION FOR SPECIAL CIRCUMSTANCE. LESSEE may terminate the lease prior to term due to return of LESSEE'S cancer and his subsequent life-threatening medical condition. LESSEE will provide LESSOR a minimum of thirty (30) days' notice of intent to terminate under terms in accordance with Paragraph 12, "SURRENDER" clause of this agreement, and mutually agreed upon by both parties. Any marijuana product will be removed from PREMISES by LESSEE in accordance with State of Alaska Statutes.

7. DEFAULT AND REMEDIES FOR NON-PAYMENT OF RENT. If rent is unpaid when due, and LESSEE fails to pay the rent within Thirty (30) days after written notice by LESSOR demanding payment, the tenancy shall terminate unless both parties agree otherwise. In the event LESSEE defaults and LESSOR terminates tenancy, LESSOR shall contact the Alaska Alcohol & Marijuana Control Office ("AMCO") Enforcement Division and have all marijuana and marijuana product removed by Enforcement prior to entering the facility. LESSOR shall not remove any marijuana or marijuana product.

8. USE OF PREMISES. Use of PREMISES will be to establish and operate a licensed CANNABIS RETAIL SALES STORE for the company called FOXY ENTERPRISES and shall

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conform with all Fairbanks North Star Borough and State of Alaska laws and statutes governing said operation. Lessee shall be allowed to place and prepare a modular building approximately 39' x 9'6" on the site, establish electric power, utilize holding tank for water, and install a septic system if necessary, for sewage. Use of the parking lot for the LESSOR'S own commercial operation shall be shared. LESSOR is allowed operation of an ATM cash machine concession on the premises and is responsible for managing the cash stocking of the machine. LESSOR shall ensure it keep the ATM in good working order for the benefit of LESSEE'S customers' use.

9. QUIET ENJOYMENT. LESSOR covenants that upon paying the rent and performing the covenants herein contained, LESSEE shall peacefully and quietly have, hold, and enjoy the demised premises in this lease agreement.

10. CONSTRUCTION. LESSEE shall construct a retail facility on PREMISES in the approximate size of 60' x 20'. LESSEE shall obtain necessary building permits and bear responsibility for inspection and licensing fees associated with the retail facility.

11. UTILITIES. LESSEES shall pay the following utilities:

a. ELECTRIC: Golden Valley Electric Association. LESSEE is responsible for fees associated with bringing power to the PREMISES and payment of service fees for electric power.

b. FUEL: LESSEE is responsible for providing fuel for heat to the PREMISES.

c. REFUSE: LESSEE will be responsible for all refuse removal to a FNSB Refuse Collection Site.

d. SNOW REMOVAL: LESSEE is responsible for snow removal of parking areas, access points to the property, sidewalks, etc. LESSEE agrees to keep driveway and sidewalks clear of snow and ice and maintain these areas in a safe manner.

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e. CABLE/PHONE/INTERNET: LESSEE will be responsible for any associated service costs for these items, internet, telephone, computer services, etc.

f. LESSOR is to pay/contract for special communications required for the ATM terminal concession operation.

12. SURRENDER. Upon termination of the lease, LESSOR may purchase from LESSEE the structure, and any improvements built on PREMISES, including fixtures and equipment necessary to conduct the business for $ 8,000.00. Payment may be made in equal monthly installments for a term of 48 months. In addition, LESSEE grants the Rights of First Offer to LESSOR for purchase of the business and legal transfer of the marijuana retail license at a price to be agreed upon by both parties at the time of surrender.

13. INSURANCE. LESSEE will maintain casualty and liability insurance for the PREMISES with an aggregate amount up to $300,000 per occurrence and will name LESSOR as additional insured. LESSEE will provide policy to LESSOR within 5 business days of execution of this lease. LESSEE is encouraged to purchase a policy covering personal property as it will not be covered by LESSOR'S policy.

14. ENVIRONMENTAL CONDITION. LESSEE accepts from LESSOR the ENVIRONMENTAL CONDITION the PREMISES is presently in. LESSOR warrants the PREMISES is free from any/all contaminations, hazardous items, and has no open investigations with the Alaska Department of Environmental Conservation. LESSEE warrants that during the period of its lease and occupancy, LESSEE will cause no environmental or contamination issues to the property. If in the event of business operation, an environmental issue does arise, LESSEE warrants that they will hold LESSOR HARMLESS and free of any/all items and encumbrances arising from LESSEE'S issue(s) from the event(s).

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15. TAXES. Commencing in 2020 LESSOR shall pay Fairbanks North Star Borough real estate taxes against the land and LESSEE shall pay the real estate taxes attributed to the modular building for the term of this lease.

16. INDEMNIFICATION. LESSEE agrees to indemnify, hold harmless, and defend LESSOR and its agents from any and all liability to any person or persons for damages, claims, suits, liabilities, costs, and expenses arising from LESSEE'S occupancy and use of the PREMISES including without limitation the use of all property, inventory, and equipment of LESSEE, and/or arising from acts by the LESSEE, its agents, servants, employees, customers, contractors.

17. IMPROVEMENTS. All improvements made by LESSEE to PREMISES shall remain a part thereof and shall occur to the benefit of the LESSOR unless LESSOR approves of or directs such removal, provided that LESSOR pays LESSEE the purchase price for the building identified in Paragraph 12.

18. SUBORDINATION. This lease shall be subordinate to any/all existing and future deeds of trust that are recorded against the PREMISES.

19. NOTICE. Notice and Rent Checks to LESSOR are to be mailed to:

Two Dogs North, LLC
Attn: Ralph Glasgow
P.O. Box 10701
Fairbanks, AK 99710

Notices to LESSEE are to be mailed to:

Foxy Enterprises
Glen Kroshus, President
P.O. Box 60948
Fairbanks, AK 99706

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20. REPAIRS AND MAINTENANCE. LESSEE shall have the responsibility to make any and all repairs to PREMISES over the term of this lease from normal deterioration or malfunction of the building components. LESSEE shall be responsible for structural, mechanical, and electrical repairs to the PREMISES.

21. COMPLETE AGREEMENT. This agreement sets out the entire agreement between the parties and no modifications may be made to it except in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have agreed to the aforementioned terms and conditions.

TWO DOGS NORTH, LLC

DATED: October 3, 2019

By: _____
Ralph Glasgow, LESSOR

RCG

FOXY ENTERPRISES

DATED: October 3, 2019

By: _____
Glen Kroshus, LESSEE

W.G. LEFTHAND
My Commission Expires
NOTARY PUBLIC
With Office
STATE OF ALASKA

I, RALPH C. GLASGOW, as the landlord on this lease consent that Glen and Barbara Kroshus are the tenants doing business as Foxy Enterprises.
Agreed upon this 27th Day of March 2020.

Glen Kroshus
GLEN KROSHUS

Barbara A. Kroshus
BARBARA A. KROSHUS

X Ralph C. Glasgow
RALPH C. GLASGOW, lessor

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