COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE (the "Lease") is made and entered into this 31st day of August, 2020, by and between **Pioneer Ventures, LLC. as** "Landlord", and **5031 Eagle Street, LLC. as** "Tenant".

1. PREMISES. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises encompassing approximately 3600 sq. ft. located on the entire 2nd floor at **5031 Eagle Street, Unit C, in the City of Anchorage, State of Alaska**, described further in Exhibit "A" (the "Premises").

2. BUSINESS PURPOSE. The Premises are to be used for the purpose of conducting **an indoor nursery and cultivation operations** therein, or for any other lawful purpose. Landlord warrants that the Premises are presently zoned so that they may be used for the intended purpose.

3. TERM. The term of this Lease shall be for **Ten (10) years** and shall commence on the **1st day of September, 2020 and expire on the 31st day of August, 2030**, inclusive. Tenant shall have the right to occupy the Premises upon commencement of the lease agreement and shall be billed pro-rata for any common utility or maintenance costs incurred by Landlord that are not separately metered. All metered services shall be transferred to the Tenant's name effective as of the commencement of the lease. Tenant shall have a total of 5 months of abated rent starting from September 1, 2020. Notwithstanding the forgoing, after the end of year three (3) of the initial term, Tenant shall, have the unilateral right at its option to Terminate the Lease with no further obligations, provided Tenant gives Landlord six (6) months written notice.

4. RENT. Tenant shall deposit with Landlord the rental amount due for the first month's Minimum Rent ($5,000.00) in addition to a Security Deposit equal to 1 month of rent ($5,000.00) upon execution of this Lease. Tenant shall pay to Landlord as base rent for the Premises as follows:

a. September 1, 2020 to January 31, 2021: $0.00 (100% Abated)
b. February 1, 2021 to August 31, 2021: $5,000.00 Per Month.

Rents shall be escalated 2.5% of the previous lease rate for each year on the anniversary of the lease. Upon the expiration of this lease period, Tenant shall be entitled to a unilateral option to extend for two (2) more five (5) year periods with a 6-month advance notice, provided that they are not any material default of this Lease.

The monthly rent shall be payable in advance, on the first (1st) day of each month. Rent for any period which is for less than one (1) month shall be a pro-rata portion of the monthly installment. Rent shall be payable, without notice or demand and without deduction, offset or abatement, to Landlord at the following address:

Pioneer Ventures' LLC.
2308 Pete's Place
Anchorage, Alaska 99517

Initials: _____ _____

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or to such other address as Landlord may from time to time designate. Payment after the 5th day of the month shall accrue a late-fee of 5% of the monthly rent due. Arrearages shall accrue interest in addition to the late-fee of 1.5% per month starting from the due-date until paid in full. Landlord shall accept cash, check, or certified funds for rental payments.

5. SECURITY DEPOSIT Simultaneously with the execution of this Lease Tenant has deposited with Landlord the sum of **Five Thousand and 00/100 ($5,000.00)**. 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 therefore, 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 fully and faithfully performs every provision of this Lease and has left the premises in substantially the same or better condition, the security deposit or any balance thereof shall be returned 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. In the event Tenant is unable, despite commercially reasonable efforts, to secure necessary marijuana cultivation license and municipal permits and approvals within one year from date of execution, then Tenant shall have the option, but shall not be required to, terminate this Lease and forfeit its Security Deposit and pay a penalty of $5,000.00 to Landlord in exchange for being released for the remaining term of this Lease.

6. ADDITIONAL TERMS. Tenant is responsible for interior maintenance of it's premises, but shall not be responsible for repairing any building systems that serve the entire building, even if partially located in Tenant's leased space.

7. UTILITIES. Tenant shall pay for it's own metered utilities and Landlord shall provide billing for any unmetered services for the facility and Tenant shall pay its pro rata share of said unmetered services.

8. INDEMNIFICATION. All personal property on the Premises shall be at the risk of Tenant; Landlord or Landlord's agents shall not be liable for any damage, either to person or property, sustained by Tenant or others caused by the negligent or willful misconduct of Tenant. Tenant agrees to defend and hold Landlord and Landlord's agents harmless from any and all claims for damages suffered or alleged to be suffered in or about the Premises by any person, firm or corporation. This clause shall not apply if the damage or alleged damage to person or property is caused by or arises from the gross negligence or willful misconduct of Landlord or Landlord's agents, employees, or contractors.

9. 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,

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without limitation, damages to other portions of the building arising out of the ownership, use, occupancy or maintenance of the Leased Premises and all areas appurtenant thereto. Such insurance shall be in an amount of not less than One Million Dollars ($1,000,000.00). Such policy shall name Landlord and Landlord's agent as additional insureds and shall provide that they may not be canceled without ten 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 canceled 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.

Landlord shall maintain in force during the term of this Lease a policy of insurance issued by a company authorized to engage in the insurance business 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 the policies are obtained.

Tenant shall be responsible for any increases in insurance premiums that may be increased due to Tenant's activities on the Premises; provided, however, that in the event of an increase referred to in the preceding sentence, Landlord and Tenant shall cooperate in good faith to find alternative insurance policies or programs that may provide suitable coverage.

10. WAIVER OF SUBROGATION. So long as their respective insurers so permit, each of Tenant and Landlord waives any and all rights of recovery against the other, or against the officers, employees, agent and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, for such loss or damages insured against under any insurance policy in force at the time of such loss or damage

11. CARE OF PREMISES. During the term of this Lease, Landlord shall repair and maintain the building systems, building structure, including the foundation and supporting walls, structural supports and exterior and support walls, roof and all utility systems up to the point of entry into the Premises, in good condition and repair. Tenant shall, at all times throughout the term of the Lease, at its sole cost and expense, keep and maintain the Premises in a good, clean and sanitary condition and state of repair. Tenant shall be responsible for maintaining and repairing the exterior doors to the unit's entrances, the interior doors and all windows.

12. USE. Tenant shall use the Premises for marijuana cultivation and processing of the same. Tenant shall conduct wholesale sales from the Premises. In the event Tenant and Tenant's agents plan on being gone for more then one business week at a time from the facility, Tenant shall notify Landlord of the length of the anticipated absence.

13. LIENS AND INSOLVENCY. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. In the event Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may cancel this Lease, at Landlord's option.

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14. ASSIGNMENT AND SUBLETTING. Tenant shall not assign this Lease nor sublet the whole or any part of the Premises to any person or entity, and any such assignment or subletting shall be void, unless Tenant obtains prior written permission from the Landlord for the assignment or subletting. Landlord's written permission shall not be unreasonably withheld. As used herein, the term "Assignment" includes, without limitation, a majority change in ownership in who owns the entity known as 5031 Eagle Street, LLC. In the event a majority change of ownership is contemplated, Landlord shall be noticed and if no objection is received within 14 days of notification, approval of the ownership change shall be deemed approved by Landlord. Landlord shall not unreasonably withhold approval.

15. ACCESS. With prior reasonable notice, Tenant will allow Landlord or Landlord's agents, mutually agreed scheduled access to the Premises during business hours for the purpose of inspection or of making repairs, additions, or alterations to the Premises or any property owned by or under the control of Landlord as may be needed from time to time. Landlord shall have the right to place and maintain "For Rent" signs in a conspicuous place on the Premises, other than exterior doors and windows, for sixty (60) days prior to the expiration of this Lease if Landlord and Tenant have not agreed to renew the Lease. Landlord and any of Landlord's agents or employees, must comply with Tenant's required Marijuana Establishment Visitor Policy, which requires that Landlord and/or its agents/employees shall provide Tenant with valid identification verifying age over 21, must wear a Visitor Badge, sign into the Visitor Log, stay within eyesight of Tenant or its agents, and shall never cause there to be more than five (5) visitors for every one (1) Tenant or Tenant's agents.

16. POSSESSION. Tenant agrees to accept the Premises in "as-is" condition and shall be responsible for all improvements within the leased premises.

17. NOTICES. All notices under this Lease shall be in writing and delivered in person or sent by registered or certified mail, return receipt requested, to Landlord and to Tenant at the addresses set forth below, 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.

The addresses are:

LANDLORD: **Pioneer Ventures, LLC**
2308 Pete's Place
Anchorage, Alaska 99517

TENANT: **5031 Eagle Street, LLC**
c/o Jana D. Weltzin, Esq.
901 Photo Avenue, Second Floor
Anchorage AK 99503

18. SIGNS. Any signs placed on the Premises shall be with the prior written approval of Landlord, which shall not be unreasonably withheld, and shall be so placed upon the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury to the Premises caused thereby, and if not so removed by Tenant, then Landlord may have same removed at Tenant's expense.

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19. ALTERATIONS. Tenant shall not make any alterations, additions or improvements in the Premises, without having obtained the written consent of Landlord, which shall not be unreasonably withheld, and all alterations, additions and improvements which shall be made, shall be made at the sole cost and expense of Tenant and shall become the property of Landlord only in the event those additions, alterations and improvements that cannot be removed without damage to the premises, otherwise those additions, alterations and improvements shall remain in and be surrendered with the Premises as a part thereof at the termination of this Lease, without disturbance, molestation or injury. If Tenant shall perform work with the consent of Landlord as aforesaid, Tenant agrees to comply with all laws, ordinances, rules and regulations of the pertinent and authorized public authorities. Tenant further agrees to hold Landlord free and harmless from damage, loss or expense arising out of said work. Tenant shall be entitled to remove its trade fixtures, provided that said removal does not cause damage to the Premises.

20. DEFAULT AND RE-ENTRY. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due or if Tenant shall violate or default in any of the covenants and agreements herein contained, then Landlord may cancel this Lease upon giving the notice required by law and re-enter the Premises; but, notwithstanding such re-entry by Landlord, the liability of Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant covenants and agrees to make good to Landlord any deficiency arising from a re-entry and re-letting of the Premises at a lesser rental than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained
by Landlord. In the event Tenant abandons the Premises, Landlord shall contact AMCO Enforcement prior to reentering so that AMCO Enforcement can come and remove all marijuana and marijuana plants from the Premises

21. COSTS AND ATTORNEY'S FEES. If by reason of any default on the part of Landlord or Tenant it becomes necessary for Landlord or Tenant to employ an attorney, or in case Landlord or Tenant 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 or Tenant shall bring action for any relief against the other, declaratory or otherwise, arising out of this Lease, the party that prevails in such action shall be entitled to recover a reasonable attorney's fee and all costs and expenses expended or incurred by the prevailing party in connection with such default or action.

22. ACCEPTANCE OF PREMISES. Tenant hereby accepts the Leased Premises "as is" and in their present condition and accepts this lease subject thereto and all matters disclosed thereby and by any exhibits attached hereto.

23. NON-WAIVER OF BREACH. The failure of Landlord or Tenant to insist upon strict performance of any of the covenants and agreements of this Lease or to exercise any option herein conferred in any one or more instance shall not be construed to be a waiver or relinquishment of any such or any other covenants or agreements, but the same shall be and remain in full force and effect.

24. REMOVAL OF PROPERTY. In the event of any entry in or taking possession of the Premises as aforesaid, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property located therein, including without limitation inventory, and may store the same in any place selected by Landlord, including but not

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limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof and the balance, if any, to be paid to Tenant. Notwithstanding the forgoing, . Landlord shall not remove or take possession of any marijuana or marijuana plants.

25. HEIRS AND SUCCESSORS. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Lease shall be binding upon the heirs, legal representatives, successors and assigns of either or both of the parties hereto.

26. 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 in which the Premises are located. During such tenancy, Tenant agrees to pay Landlord rent equal to one hundred fifty percent (150%) of the rental amount 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.

27. FIRE AND OTHER CASUALTY. In the event the Premises are damaged by fire, earthquake or other casualty to such an extent as to render the same untenantable in whole or in a substantial part thereof, it shall be optional with Landlord to rebuild or repair the same; and after the happening of any such contingency, Tenant shall give Landlord or Landlord's agents immediate written notice thereof. Landlord shall have not more than ninety (90) days after the date of such notification to notify Tenant in writing of Landlord's intentions to rebuild or repair the Premises, or the part so damaged as aforesaid, and if Landlord elects to rebuild or repair the Premises, Landlord shall prosecute the work of such rebuilding or repairing without unnecessary delay, and during such period the rent of the Premises shall be abated in the same ratio that that portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. If Landlord shall fail to give the notice aforesaid, Tenant shall have the right to declare this Lease terminated by written notice served upon Landlord or Landlord's agents. In the event the building in which the Premises hereby Leased are located shall be destroyed or damaged by fire, earthquake or other casualty (even though the Premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Landlord it shall not be practicable to rebuild or repair, then it shall be optional with Landlord to terminate this Lease by written notice served on Tenant within ninety (90) days after such destruction or damage.

28. HAZARDOUS SUBSTANCE DISCLOSURE. Landlord and Tenant shall promptly disclose to the other, in writing, if Landlord or Tenant knows or has reasonable cause to believe that any toxic, dangerous or hazardous substance, as those terms are defined under federal, state, or local law, has come to be located in, on, about, over, or beneath the Premises. In addition, Tenant shall execute a written statement to Landlord no later than thirty (30) days after the end of each lease year describing in detail any and all toxic, dangerous, or hazardous substances, as those terms are defined under federal, state, or local law, which Tenant knows, or has reasonable cause to believe, have come

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to be located in, on, about, over, or beneath the Premises, or that there are no toxic, dangerous, or hazardous substances in, on, about, over, or beneath the Premises.

29. CONDEMNATION. It is understood and agreed that if the whole or any part of the Premises shall be taken by exercise of the right to condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all of which shall hereafter be considered condemnation), then, upon the passing of title of the Premises or any part thereof to the condemner, this Lease, at the option of Landlord, shall become null and void and the term herein granted shall cease and terminate, anything herein to the contrary notwithstanding. If Landlord elects to continue the Lease after condemnation, then this Lease shall continue in full force and effect as to the remainder of such Premises, and all terms herein provided shall continue in effect except that the rent shall be reduced in proportion to the amount of the Premises condemned, and Landlord, at its cost and expense, shall make all necessary repairs and alterations to the Premises required by such taking in order to make the remaining portion thereof tenantable.

30. SURRENDER. Tenant agrees, on the last day of the term or earlier termination of this Lease, to surrender the Premises to Landlord in as good condition and repair as they are upon occupancy, except for the reasonable use, wear and tear thereof.

31. 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.

32. SALE OF PREMISES BY LANDLORD. In the event of any sale of the Premises, Landlord is freed from any and all obligations from this lease. New purchaser shall assume all obligations set forth under this lease as a condition to purchasing the building. This lease shall remain in full effect until lease expiration, including any Tenant renewal options.

33. 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 the venue and jurisdiction in that court are proper, and further agree to submit themselves to the jurisdiction of that court. Tenants shall not claim that said forum is an inconvenient forum.

34. 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.

35. BROKER'S COMMISSION. No Brokerage commission shall be paid for this transaction.

36. RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request of either party, both parties shall executive a memorandum or "short form" of this Lease for purposes of recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Premises and the Lease term, and shall incorporate this Lease by reference.

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37. LEASE, NOT 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 shall execute a copy of this Lease and deliver the same to Tenant.

38. LICENSEE RELATIONSHIPS. Landlord and Tenant acknowledge that Mark Ha is a Real Estate Licensee in the state of Alaska and has an ownership interest of the Tenant entity.

39. Subordination Clause: This Lease may be subordinate to a deed of trust, or other mortgages, whether existing now or in the future, but only on the condition that Landlord's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the lender which Non-Disturbance Agreement provides that Tenant's possession and stated use of the Premises, and this Lease, will not be disturbed.

End of provisions.

Executed on the 31st day of August, 2020.

Landlord
Pioneer Ventures, LLC

By: Mark Ha, Manager

Executed on the 31st day of AUGUST, 2020.

Tenant
5031 Eagle Street, LLC.

By:

Its: MEMBER + MANAGER

Exhibit "A"

Legal Description

Interair Subdivision Block 2, Lot 5G

Approximately 3600 sq. ft. of the 2nd floor in building located at

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5031 Eagle Street, Unit C Anchorage, Alaska 99503

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ROBERT E CLIFT
CAROLYN CLIFT
6402 HAMPTON DR
ANCHORAGE, AK 99504-4534

1311

89-7206/3252

31 August 2020
Date

CHECK ARMOR FRAUD PROTECTION

Pay to the Order of Pioneer Ventures $ 10,000 xx/xx

Ten thousand and no Hundredths Dollars

Photo Safe Deposit® Details on back

Hallmark Checks

CREDIT UNION 1
(907) 339-9485
(800) 478-2222
www.cu1.org

For

Robert E Clift

⑆325272063⑆60 00026232 3⑈1311

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