Commercial Building Lease Agreement

THIS AGREEMENT, made and entered into this 1st day of May, by and between, FROSTBITE LEASE SERVICES, LLC. an Alaska Limited Liability Company, the Landlord, whose address, for the purpose of this lease is:

PO Box 724, (mailing), 32273 Old Nash Road, (physical) Seward, Alaska 99664

And

MOOSE GARDEN, LLC an Alaska Limited Liability Company, the Tenant, whose address is, P.O. 190856 Anchorage, Alaska 99519.

1. PREMISES AND TERM. Landlord leases to Tenant under a "Full Service Agreement". the following real estate, situated at 32273 Old Nash Rd. Seward AK in Kenai Peninsula Borough, Alaska, together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a lease beginning on the ~~1st day of, May, 2019~~ July 14, 2019 and ending on the ~~1st day of May 2023~~ July 14, 2023 (a duration of four years), upon the condition that Tenant performs as provided in this lease. The lease may be extended for an additional term, up to 4 years, upon mutual agreement between the Landlord and Tenant of any changes, omissions or revisions to the lease terms as set forth by either party. BM BM

2.RENT. Tenant agrees to pay Landlord as rent, SEVEN THOUSAND ONE HUNDRED TWENTY-FIVE DOLLARS ($7,125.00) per month, in advance commencing on the ~~first~~ day of ~~May, 2019~~ July 14, 2019 and on the first day of each month thereafter, during the term of this lease. Rent for any partial month shall be prorated as additional rent. In the event the tenant terminates the lease prematurely, this will in no way release the tenant from any liability or clause put forth in this lease agreement or liability for damage to the building done by the tenant. All sums shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall be subject to a charge of $25 per day until paid in full. When the rent is delivered by mail it is the Tenants responsibility to mail payment early enough to reach the Landlord by the due date.

Sales Tax: There is, levied by the Kenai Peninsula Borough, a consumer's sales tax of up to 3 percent maximum rate on all retail sales, on all rents, and on all services made or rendered within the borough, measured by the gross sales price of the seller. The sales tax referred to shall be applied only to the first $500.00 of each separate sale, rent or service transaction.

3.POSSESSIOION. Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease. SHOULD LANDLORD BE UNABLE TO GIVE POSSESSION ON SAID DATE, TENANT'S ONLY DAMAGES SHALL BE A PRO RATA ABATEMENT OF RENT.

4. PROPERTY TAX. Tenant shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises. and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

5. OCCUPIED SPACE. The space occupied by the Tenant will be equal to 2250 SF of first floor space measured from the exterior of the building structure. Tenant will have driveway access to the exterior entrances of the building to include (up to 4

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vehicles) and/or interior vehicle parking. Tenant shall use the premises only for business activities, storage of equipment related to tenant's business.

6. BUILD OUT. The Landlord will provide interior alterations as agreed. 10 include interior walls, ventilalion system, security system, etc.

7.SIGNAGE. Tenant may at its expense install a sign on the building to advertise the business, provided the sign does not damage the building.

8. USE, CARE AND MAINTENANCE.

8.1 TENANT takes the premises as is, except as herein provided. **Tenant intends to use the building for cannabis cultivation.**

8.2 LANDLORD shall keep the following in good repair: roof, exterior walls, foundation, sewer. plumbing, heating, wiring, windows and window glass, parking area and driveways to include reasonably smooth graded and snow removal to allow access to building. Landlord shall not be liable for failure to make any repairs; or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant. **Landlord is aware of the Tenant's intended use as a cannabis cultivation facility. Landlord understands and acknowledges that no cannabis product can be obtained by Landlord from Tenant, whether in lieu of rent or otherwise.**

8.3 TENANT shall be responsible for the cost of repairs when damage is a result of actions of the Tenant or any of its agents, contractors, employees or invitees or as a result of any action related to the Tenants business activities on the premises.

8.4 TENANT shall maintain the premises in a reasonably safe, serviceable, clean and presentable condition, and except for the repairs and replacements provided to be made by Landlord in subparagraph (8.2) above, shall make all repairs, replacements and improvements to the premises, INCLUDING ALL CHANGES, ALTERATIONS OR ADDITIONS ORDER.ED BY ANY LAWFULLY CONSTITUTED GOVERNMENT AUTHORITY DIRECTLY RELATED TO TENANTS USE OF THE PREMISES. Tenant shall make no structural changes or alterations without prior WRITTEN consent of the Landlord.

9. UTILITIES AND SERVICES. The landlord shall pay for all the utilities and services which may be used on the premises in the leased portion of the building. Independent heat and electrical systems will be provided to service the space leased by the Tenant. Landlord shall not be liable for damages for failure to perform as herein provided, or for any stoppage for needed repair or for improvements arising from causes beyond the control of Landlord. Tenant is required to provide an electrical service account with Seward Public Utilities and an auto-fill heating oil account with Shoreside Petroleum or other heating oil supplier approved by the Landlord. A $25 per day penalty will be charged for each account and each day starting at the first day of the agreement that the tenant fails to provide these required utility service accounts.

10. SURRENDER. Upon Termination of this lease, Tenant will surrender the premises to Landlord in good and clean conditions, except for ordinary wear and tear or damage without fault or liability of Tenant. Continued possession, beyond term of this lease and before acceptance of a long-term extension by both parties and the acceptance of rent by landlord shall constitute a month-to month extension of this lease.

11. ASSIGNMENT AND SUBLETTING. No assignment or subletting, either voluntary or by operation of law, shall be effective without the prior written consent of landlord, which consent shall not unreasonably be withheld.

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12. INSURANCE. Tenant shall be responsible to provide insurance documentation to the landlord as forth in 12.1-12.10 below. The landlord will provide all insurance coverage required.

12.1 GENERAL. Tenant acknowledges that the Landlord has an interest in maintaining a comprehensive insurance program for the Building and its tenants.

12.2 LIABILITY, INSURANCE, INDEMNITY. Tenant shall obtain and keep in force during the term of this Lease an "occurrence-based" (and not a "claims-made") policy of Commercial General liability insurance insuring Tenant., and naming Landlord as an additional insured. against any liability arising out of the ownership, use. occupancy or maintenance of the Premises and all appurtenant areas. Such insurance shall be in an amount of not less than One Million Dollars ($1,000.000.00) for injury, death or property damage. The limits of the insurance shall not, however, limit the liability of Tenant under this Lease.

12.3 PROPERTY AND BUSINESS INTERPRETATION INSURANCE. Tenant shall, at its own expense. also obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to Tenant's fixtures, equipment. office supplies and all other personal property of Tenant and its employees, agents. and invitees. and shall, at its own expense, obtain business interruption insurance with minimum limits of Fifty Thousand Dollars ($50.000.00). to include Owners building and fixtures.

12.4 INSURANCE POLICIES. Tenant shall deliver to Landlord copies of policies of insurance or certificates evidencing the existence and amounts of insurance with the Landlord listed as an insured. Tenant shall, within thirty (30) days prior to the expiration of such policies, furnish Landlord with extensions. or Landlord may order such insurance and charge the cost to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies referred to in Article 12.

12.5 TENANT'S RESPONSIBILITY FOR INSURANCE. Tenant shall maintain on the building a policy of insurance covering loss to the Building, but with the cost of that insurance to be borne by Tenant, and with Landlord to be the named insured. The Tenant shall provide Landlord with a copy of that insurance policy. The tenant shall secure and maintain all insurance required to cover the leased property.

12.6 WAIVER OF SUBERGATION. Notwithstanding any other Article or provision of this Lease, Landlord and Tenant each release. relieves. and waives its entire right of recovery against. the other and the other's employees, agents and contractors, for loss of business. loss of rents. and damage to its property arising out of or incident to perils. to the extent covered by fire and extended coverage, and liability insurance endorsements approved for use in the Stace of Alaska. that occur in, on. or about the Premises, the Building common areas, parking areas and improvements, whether caused by the negligence of either party. their agents, employees, or contractors. Each party shall obtain from its insurer or insurers provisions permitting waiver of such claims against the other party for said loss or damage within the scope of the applicable insurance.

12.7 TENANT'S HOLD HARMLESS. To the extent not covered by insurance proceeds, Tenant shall indemnify, defend and hold Landlord and its officers, directors. shareholders. employees, agents and other representatives harmless from any and all claims

arising from Tenants use and/or possession of the Premises or from the conduct of its business or from any activity, work or things which may be permitted or suffered by Tenant in or about the Premises, except such work as is carried our at the

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request or direction of the Landlord, 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, attorney's fees, expenses and liabilities incurred in the defense of any such claims or any actions or proceedings. This obligation shall include, but not be limited to, the burden and expense or defending all claims, suits and administrative proceedings {with counsel reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless. false or fraudulent. or termination of this Lease, the discharge of all other obligations owed by the parties to each other. and any transfer of title to the Premises (whether by sale, foreclosure, deed in lieu of foreclosure, or otherwise).

12.8 LANDLORD'S HOLD HARMLESS. To the extent not covered by insurance proceeds. Landlord (I) shall indemnify, defend and hold Tenant and its officers. directors. shareholders. employees, agents and other representatives harmless from any and all claims arising from landlords use and/or possession of the Building or from the conduct of its business or from any activity, work or things which may be permitted or suffered by Landlord in or about the Building or Premises, not including the business or activities of other tenants in the Building, (2) shall indemnify. defendant and hold Tenant harmless from any failure by Landlord to meet its affirmative obligations under this Lease. such as proper maintenance of parking lots. sidewalks. and common areas. and (3) shall further indemnify, defend and hold Tenant harmless from and against any and all claims arising from any breach of default in the performance of any obligation on Landlord's part to be perfom1ed under the provisions of the Lease or arising from any obligation of Landlord or any of its agents, contracts employees or invitees. not including other tenants in the Building, and from any and all cost, attorney's fees. expenses and liabilities incurred in die defense of any such claims or any actions or proceedings. This obligation shall include, but not be limited lo, me burden and expense of defending all claims. suits and administrative proceedings (with counsel reasonably approved by the indemnified parties). even if such claims, suits or proceedings are groundless. false or fraudulent, and the conducting of all negotiations of any description, and the paying and discharging. when and as the same become due, any and all judgments, penalties or other sums due against the indemnified parties. The obligations of landlord in this paragraph shall survive the expiration or termination of this Lease The discharge of all other obligations owed by the parties to each other. and any transfer of title to the Premises (whether by sale, foreclosure, deed in lieu of foreclosure. or otherwise).

12.9 HAZARDEOUS SUBSTANCES Tenant agrees to indemnify, defend. save and hold Landlord harmless from any and all claims, liabilities. costs (including reasonable attorney's tees), and damages of whatsoever kind or nature, arising out of the release, threatened release, storage, generation. transportation, reclamation. recycling, or disposal of any hazardous waste, toxic substance, or any other regulated substance in, on or near the Premises caused by Tenant, its employees. agents. officers, directors, invitees or assigns use often Premises during the term of the Lease or any extension. Notwithstanding the foregoing, Tenant's obligations and liabilities to Landlord shall be deemed not to extend to matters pre-existing at the time of the Lease. involving building components incorporated in the Building or the Premises. unless so incorporated by Tenant; or involving hazardous substances which flow, migrate or percolate into. onto, or under the Premises from locations out□ide the Premises. Such indemnification shall require Tenant lo remediate at Tenant's sole cost and expense any such release or threatened release of hazardous waste or any regulated substance caused by Tenant to the satisfaction of the State's environmental authority department and any other governmental entity having jurisdiction, and shall require Tenant to comply with all federal, state and local statutes, rules, regulations. ordinances, orders and permits applicable to hazardous waste, toxic substance, or any other regulated substance. The Tenant agrees to provide copies of all permits require for the use. handling and storage of any controlled substance used, stored or handled on the Landlords property leased by the Tenant. The provisions or this paragraph shall survive termination of this Lease as to any claim asserted arising out of an act or omission of Tenant prior to the termination of the Lease.

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12.10 Exemption of Landlord from Liability. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or for any loss of income or damage" to the property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, storm. electricity, gas, water, rain or other acts of God, or from the breakage. leakage, obstruction or other defects of pipes, sprinklers, wires, appliances. plumbing, air conditioning or lighting fixtures. or from any other cause, whether tbc said damage or injury results from conditions arising upon the Premises or upon other portions of the Building. or from other sources or places. Tenant acknowledges that its sole remedy from this kind of loss is the business interruption insurance required under Article 12.3.

13.DAMAGE OR DESTRUCTION.

13.1 Option to Terminate. If the Premises or the Building are materially damaged or destroyed during the term of this Lease, landlord may, at landlords' option, cancel and terminate this lease by giving sixty (60) days written notice to Tenant of Landlord's election to do so within sixty (60) days after the date of the occurrence of such damage.

13.2 Abatement of Rent. If the Premises are partially damaged or destroyed and Landlord repairs or restores it without terminating this lease, the rent payable for the period during which such damage repair or restoration continues shall be abated in reasonable proportion to the degree to which the damage bears to the entire Premises. If damage to the Premises or the Building causes tenant to involuntarily cease business operations. rent payable during the period of business cessation shall be abated. Landlord shall have a reasonable period of time under the circumstances to complete repairs.

14.Assignment and Subletting.

14.1 Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign. transfer, or sublet all or any part of tenant's interest in this lease or in the premises without Landlord's prior written consent, which shall not be unreasonably withheld. Any attempted assignment, transfer. or subletting without such consent shall be void and shall constitute a breach of this Lease.

14.2 No Release of Tenant. Regardless of Landlord's consent, no subletting or assignment shall release tenant of tenant's obligation to pay the rent and to perform all other obligations to be performed by tenant for the term of this lease, unless released in writing by landlord. The acceptance of rent by Landlord from any other persons shall not be deemed to be a waiver by landlord of any provisions of this lease. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

15. LIABILITY FOR DAMAGE. Each party shall be liable to the other for all damage to the property of the other negligently, recklessly' or intentionally caused by that party (or their agents, employees or invitees), except to the extent the loss is insured and subrogation is waived under the owner's policy.

16. IDEMNITY. Except for the negligence of landlord, tenant will protect, defend, and indemnify landlord from and against any and all loss, costs, damage and expenses occasioned by, or arising out of any accident or other occurrence causing or inflicting injury or damage to any person or property, happening or done in, upon or about the premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by tenant or any person claiming through or under tenant.

17. MECHANICS' LIENS., Neither tenant, nor anyone claiming by, and through, or under tenant, shall have the right to file any mechanic's lien against premises. tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the premises.

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18. DEFAULT, NOTICE OF DEFAULT AND REMEDIES.

18.1 Events of Default. Each of the following shall constitute an event of default by Tenant {I) failure to pay rent when due; (2) failure to maintain utilities to the building i.e. electricity and heating oil, (3) failure to observe or perform any duties, obligations agreements, or conditions imposed on tenant pursuant to the terms of the lease; (4) abandonment of the premises. "Abandonment" means the Tenant has failed to engage in its usual and customary business activities on the premises for more than fifteen (15) consecutive business days; (5) Institution of voluntary bankruptcy proceedings by tenant; Institution of involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of tenant under this lease agreement; appointment of a receiver for the property or affairs of tenant, where the receivership not vacated within ten (I 0) days after the appointment of the receiver.

18.2 Notice of Default. Landlord shall give tenant a written notice specifying the default and giving the tenant ten (10) days in which in correct the default. If there is a default (other than for nonpayment of a monetary obligation of tenant, including rent) that cannot be remedied in the (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent 10 additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365-day period.

18.3 Remedies. In the event Tenant has not remedied a default in a timely manner following a Notice or Default, Landlord may proceed with all available remedies at law or in equity. including but not limited to the following: (I) Termination landlord may declare this lease to be terminated and shall give tenant a written notice of such termination the event of termination of this lease, landlord shall be entitled to prove claim for and obtain judgment against tenant for the balance of the rent agreed to be paid for the term herein provided, plus all expenses of landlord in regaining possession of the premises and the reletting thereof, including attorney's fees and court costs. crediting against such claim, however. any amount obtained by reason of such reletting; (2) Forfeiture. If a default is not remedied in a timely manner, Landlord may then declare this lease to be forfeited and shall give Tenant a written notice of such forfeiture, and may, at the time, give Tenant notice to quit.

18.4 Special Default Notice regarding Cannabis Cultivation

In the event of Tenant's default, Landlord will not take possession of or remove any marijuana product from the premises. Further, the Alaska Marijuana Commission (AMCO) will be notified immediately ~~of~~ See removal of ~~marijuana~~ Add product in the event of default. Tenant will be responsible for the cost required for removal of all equipment, inventory, (non cannabis), and any assets in the event of default.

19. SIGNS. Landlord, during the last ninety days of this lease, shall have the right to maintain on the premises either or both a "For Rent" or "For Sale" sign. Tenant will permit prospective tenants or buyers to enter and examine the premises.

20. NOTICES AND DEMANDS. All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this lease when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid.

21. PROVISIONS BINDING. Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors. heirs, administrators, executors and assigns of the parties hereto.

22. ADDITIONAL PROVISIONS. Tenant will be required to obtain and provide to the landlord documentation of all insurances protecting the leased property and permits for the use bundling and storage of and potentially hazardous materials used or stored in the course of tenant's business activities. If tenant shall fail to keep or perform any of the covenants or

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agreements herein contained, the landlord may deliver written notice giving tenant ten (10) days to cure breach, failing which this agreement will terminate in twenty (20) days and landlord may seek a court order to recover possession. If tenant fails to exercise due care and substantially the same breach occurs within six (6) months of the first occurrence, the landlord may terminate the agreement upon giving tenant five (5) days written notice. Tenant acknowledges and agrees that this provision constitutes a continuing demand for rent on the first (1st) day of each month during which it remains in effect.

23. MISCELLANEOUS PROVISIONS. *Amendments*: This Agreement may not be modified or amended except in writing and executed by both of the parties. *Jurisdiction*: The parties agree that if any legal action pertaining to the enforcement of this Agreement or any of its provisions is initiated by any party to the subject Lease, the jurisdiction and venue for said action shall lie exclusively with tbc Courts of the Third Judicial District for the State of Alaska. *Entire Agreement*: This Agreement shall constitute the entire agreement between the parties hereto. and no other agreement unless in writing and signed by the parties hereto shall be binding upon the panics with respect to the subject Premises. If the; Landlord, its agents or employees have made any representations or promises with respect to any pan of the Premises. the same shall not be valid unless reduced to writing and incorporated herein. Severability: In the event any provision of this Agreement shall be held invalid, such provisions shall be deemed severable and the remaining provisions hereof shall remain in full force and effect. No Waiver: No delay or failure on the part of the landlord in insisting upon the strict performance of the terms hereof or in exercising any remedy or tight under this Agreement shall operate us a waiver of such remedy or right.

24. NOTICES. All notices required or permitted to be given pursuant to this Agreement shall be delivered by hand to the party for which it is intended. or sent by regular mail to the party lo the address for the party as set out in the preamble of this Agreement or to such other address as either party may stipulate by notice to the other.

CAUTION: READ BEFORE SIGNING!

FROSTBITE LEASE SERVICES, LLC, Landlord

By: Bruce R. Martin, Managing member
Date: 4/19/19

MOOSE GARDEN LLC, Tenant

By: Marius Yinh, Managing member
Date: 5/1/19

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