COMMERCIAL LEASE

This Lease is made between **CGH Holdings, LLC** ("Lessor"), and **Artic Greenery, LLC** ("Lessee/Tenant"). Tenant hereby offers to lease from Lessor the real property located in the City of Fairbanks, State of Alaska, at the address of **1725 Richardson Highway Suite #101, 102, 103, 104, 105, 107 & 109 North Pole, Alaska, 99705** (the "Real Property"), as illustrated on the attached diagram (see attachment A), upon the following terms and conditions. (This document shall hereafter be referred to as the "Lease").

1. **Term and Rent.** This is a lease agreement dated 15 January 2017 between CGH Holdings LLC, landlord, and Arctic Greenery, tenant, for the property located at 1725 Richardson Highway, North Pole, AK 99705, described as Lot 1 Midway Industrial Park Out of TL 2732 Sec. 27 T1S R1E. The duration of this lease shall be until July 2023. Tenant shall be responsible for $3600 per month rent, plus all the utilities, insurance, taxes, and all other expenses related to keeping the property operating. Landlord shall also receive 33.33% of net income from all businesses operated by Arctic Greenery on the property. The lease payment is the responsibility of tenant and shall come out of their share of the proceeds, after landlord has received his 33.33% share. Tenant shall provide a monthly accounting of income and expenditures, and shares shall be distributed monthly. However, landlord may audit the accounting procedures at any time.

2. **Security Deposit**. No security deposit is required.

3. **Access**. The tenant shall have twenty-four (24) hours a day, seven (7) days a week access to the Real Property.

4. **Use.** Tenant shall use and occupy the Real Property for the commercial purpose of cannabis production, processing, handling, storage, shipping and retail. Other uses are allowed with prior written consent of the Lessor.

5. **Improvements**. All capital improvements made by the tenant shall remain with the property at termination of the lease. However, trade fixtures belonging to tenants will be removed prior to release; these include fans, cultivation lights, cultivation equipment.

6. **Care and Maintenance of Real Property**. The Lessor shall be responsible for maintenance and repair of the Real Property. Tenant shall assist the Lessor in maintaining the Real Property in good and safe condition.

7. **Alterations.** Tenant shall not, without first obtaining the consent of Lessor, make any alternations, additions, or improvements, in, to or about the Real Property,

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8. **Ordinances and Statutes.** Tenant shall comply with all statutes, ordinances, regulations, covenants, conditions and requirements of all municipal and state authorities now in force, or which may hereafter be in force, pertaining to the Real Property, occasioned by or affecting the use thereof by Tenant.

9. **Utilities and Services.** Tenant shall be responsible for all power. Lessor shall be responsible for providing water and garbage services for the Real Property.

10. **Assignment and Subletting.** Tenant shall be allowed to assign this Lease or sublet any portion of the Real Property with prior written consent of the Lessor.

11. **Entry and Inspection.** Tenant shall permit Lessor or Lessor's agents (and/or Lessor's lenders and/or their agents and representatives) to enter upon the Real Property at reasonable times and upon 48 hour notice, for the purpose of inspecting the same, and will permit Lessor at any time within ninety (90) days prior to the expiration of this Lease, to place upon the Real Property any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the Real Property thereafter.

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

13. **Indemnification of Lessor.** Lessor shall not be liable for any damage or injury to Tenant, or any other person, or to any property, occurring on the Real Property or any part thereof, and Tenant agrees to indemnify and hold Lessor harmless from any claims for damages, no matter how caused, except for those caused by the sole negligence or sole unlawful conduct of Lessor.

14. **Destruction of Real Property.** In the event of a partial destruction of the Real Property during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations; but, such partial destruction shall not terminate this Lease, except that Tenant shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Tenant on the Real Property. If such repairs cannot be made within said sixty (60) days, Lessor, in Lessor's sole discretion and option, may make the repairs within a reasonable time, this Lease continuing in effect with the rent proportionately abated as provided in the preceding sentence, and in the event that Lessor shall not elect to make such repairs, which cannot be made within sixty (60) days, this Lease may be terminated at the option of either party. In the event that the building in which the Real Property may be situated is destroyed to an extent of not less than one-third of the replacement costs thereof, Lessor may elect to terminate this Lease whether the Real Property be injured or

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not. A total destruction of the building in which the Real Property may be situated shall terminate this Lease.

15. **Lessor's Remedies on Default.** If the Tenant defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Tenant notice of such default and if Tenant does not cure any such default within *60 d*ays, after the giving of such notice or if such other default is of such nature that it cannot be completely cured within such period, if Tenant does not commence such curing within 60 days and thereafter proceed with reasonable diligence and good faith to cure such default, then Lessor may terminate this Lease and all rights of Lessee under this Lease by such written notice. If it so terminates on the date specified in such notice the term of this Lease shall terminate, and Tenant shall then quit and surrender the Real Property to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Real Property by any lawful means and remove Tenant or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.

    No act of Lessor shall be construed as terminating this Lease except written notice given by Lessor to Tenant advising Tenant that Lessor elects to terminate the Lease. In the event Lessor elects to terminate this Lease, Lessor may recover from Tenant.

16. **Insurance**. The Lessor share maintain casualty insurance for the Real Property. The Tenant will maintain liability insurance in a total aggregate sum of at least $1,000,000.00.

17. **Waiver**. No failure of Lessor to enforce any term hereof shall be deemed to be a waiver.

18. **Heirs, Assigns, Successors.** This Lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest.

19. **Notices.** Any notice which either party may or is required to give, shall be given by personal delivery or mailing the same to Tenant at the Real Property (or at the address indicated below), or Lessor at the address specified below, or at such other places as may be designated by the parties from time to time.

20. **Time of Essence.** Time is of the essence in the performance of this Agreement.

21. **Entire Agreement**. The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

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Signed this 12th day of January, 2017.

LESSOR:

By: _____

James Chumbley

(Print Name and Title)

Owner CGH Holdings LLC

TENANT:

By: _____

Branden Gilbert

Arctic Greenery, LLC

(Print Name and Title)

By: _____

Sherry Gilbert - Tenant

(Print Name and Title)

Arctic Greenery, LLC

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AMENDMENT OF COMMERCIAL LEASE BETWEEN CGH HOLDINGS, LLC AND ARCTIC GREENERY, LLC. DATED JANUARY 12, 2017

Amendment of Lease between CGH Holdings, LLC ("Lessor") and Arctic Greenery, LLC ("Lessee/Tenant"). Dated January 12, 2017.

Amendment to #15:

In case of default by Lessee, the Lessor may not take possession or remove marijuana or marijuana product. The Alaska Marijuana Control Office must be contacted immediately.

28 Aug. 17

James Chumbley
CGH Holdings, LLC

Brandon Gilbert
Arctic Greenery, LLC

Sherry Gilbert
Arctic Greenery, LLC

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