REVISED Alaska Commercial Lease Agreement

Revised 7-26-2020: Revisions italicized & underlined, in red, and initialed by both parties

In consideration of the Landlord's leasing of the premises to the Tenant, the Tenant's leasing from the Landlord the premises, and the mutual benefits and obligations conferred by this lease on the Parties, and in recognition of the receipt and sufficiency of said consideration, the Parties hereby agree to the following terms and conditions:

I. The Parties – Lease agreement is between Lessor under the individual/entity (hereinafter known as the "Landlord") known as IBWT Investments, LLC and the Lessee under the individual/entity (hereinafter referred to as the "Tenant") known as Fat Tops, LLC.

II. Premises – The space/property being leased shall be described as:

36380 Murry Lane

(Hereinafter referred to as the "Premises").

III. Space Rented - The space described equals: 7,020 Square Feet (SF)

IV. Term – The term of the lease shall be 10 years beginning on the 7th day of February, 2019 and ending on the 1st day of February, 2029.

V. Rent – Rent shall be paid on the 1st of every month in the amount of Thirty Thousand Dollars ($30,000.00) which equates to $4.27 Per Square Foot ($/SF).

Check One

☐ - Rent shall increase _____ percent (____%) on an annual basis.

☒ - Rent shall increase *on 8/1/2020 to sixty thousand dollars ($60,000.00) per month*

Lessor *Lessee*

~~☒ - Rent shall remain fixed for the lease term.~~ *Line item removed*

Lessor *Lessee*

VI. Common Areas – The Tenant, along with any of their employees, may use the following common area(s) along with other inhabitants:

☐ _____ Parking Space(s) ☒ All Parking Space(s)
☒ Restroom(s)
☒ Storage Area(s)
☒ Entrance(s) (Incl. Stairs & Elevators)
☒ Conference/Meeting Room(s)
☒ Trash Area(s)
☒ Kitchen(s)
☐ Other _____

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VII. Renewals

Check One

☒ - Tenant shall have the option to renew the lease for _____ year(s) under the following conditions:
To be determined at time of renewal.

☐ - Tenant does not have the right to renew the lease.

VIII. Security Deposit – The Tenant is required pay _____ Dollars ($_____) as a Security Deposit. If the Tenant follows the terms and conditions of this agreement in good faith and without damaging the Premises, the Security Deposit will be returned within ten (10) business days. Otherwise, any repairs needed for the Premises will be deducted from the Security Deposit.

IX. Condition Upon Move-In

Check One

☐ - The Tenant agrees to take tenancy of the property on an "as is" basis, willing to make all fit-ups (if needed) on the Premises at the expense of the Tenant.

☒ - The Landlord accepts building the fit-ups for the Tenant that includes improvements to be made ☐as an addendum ☒ described below:

All building improvements needed by tenant to enable the tenant to conduct business as a Standard Marijuana Cultivation and Retail Sales Facility.

All fixtures shall ☒ remain ☐ not remain on the premises at the end of the lease term.

X. Improvements During Lease Term - The Tenant, with written approval of the Landlord that may not be unreasonably withheld, shall be able to make any type of improvement to the Premises.

XI. Use – The Tenant will occupy the Premises for the following use:

Standard Marijuana Cultivation and Retail Sales of Marijuana and Marijuana Products.

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Note the Americans with Disabilities Act (ADA): All businesses that are open to the public or employ 15 or more people require that the premises be accessible by persons with disabilities. In the event that the premises must be altered for ADA compliance, the cost of improvements, alterations, and/or modifications necessary for compliance with the ADA shall be the responsibility of:

(Check one)

☐ - Tenant

☒ - Landlord

☐ - Cost to be split equally between Landlord and Tenant.

XII. Utilities and Other Expenses

Check Who Pays

☐ Landlord ☐ Tenant - **Air Conditioning (AC)**
☐ Landlord ☐ Tenant - **Cable**
☐ Landlord ☒ Tenant - **Electricity**
☐ Landlord ☐ Tenant - **Gas**
☐ Landlord ☐ Tenant - **Heat**
☐ Landlord ☐ Tenant - **Internet**
☐ Landlord ☐ Tenant - **Oil**
☐ Landlord ☐ Tenant - **Sewer**
☐ Landlord ☐ Tenant - **Water**
☐ Landlord ☐ Tenant - **Other:** _____
☐ Landlord ☐ Tenant - **Other:** _____
☐ Landlord ☐ Tenant - **Other:** _____

XIII. Landlord's Representations – At the time of lease signing, the Premises shall be properly zoned for the Tenant's stated use as stated in Section XI and will be in compliance with all applicable state and federal laws and regulations. The Premises shall not have been used for the storage or disposal of any toxic or hazardous substances, and the Landlord has received no notice from any governmental authority concerning removal of any toxic or hazardous substances from the property.

XIV. Landlord's Responsibility

- Landlord shall maintain and make any and all necessary repairs to: (1) the roof, structural components, exterior walls, and interior common walls of the premises, and (2) the plumbing, electrical, heating, ventilating, and air-conditioning systems.

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- Landlord will regularly clean and maintain (including snow removal) the parking areas, yards, common areas, and exterior of the building and remove all litter so that the premises will be kept in an attractive condition.

XV. Tenant's Responsibility

- Tenant shall keep the Premises clean and well maintained at all times, so that the Premises shall be in marketable condition.

XVI. Insurance

Landlord agrees to carry fire and hazard related coverage insurance for the Premises. Tenant agrees to carry public liability insurance that includes the Landlord as an insured party for personal injury.

The coverage the Tenant shall provide will be in the amount(s) of:

Check All That Apply

☐ - $_____ per occurrence
☐ - $_____ per year

This agreement automatically releases the Landlord and Tenant from each other in reference to liability for property, loss, damage, personal injury, or anything else covered by the insurance plan.

XVII. Taxes

Check Who Pays

☐ Landlord ■ *Tenant - **Real Property Taxes**
☐ Landlord ☐ Tenant - **Personal Property Taxes**

*For Properties With Multiple Tenants - If the Tenant pays for the real property taxes it should be noted that the calculation should be equal to that Tenant's portion of the property/total square feet.

XVIII. Subletting – The Tenant ■ does ☐ does not have the right to sublet the Premises. Any new Tenant under a sublease must meet the approval of the Landlord and such approval shall not be unreasonably withheld.

XIX. Damage to the Premises – The Tenant may terminate the lease agreement if necessary repairs to the Premises due to fire, flood, or any natural catastrophe keep the Tenant from being open for over ninety (90) days.

- If the Tenant is not able to be open for the ninety (90) day period due to damage to the Premises, there will be no rent paid during said period.

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XX. Default – If the Tenant defaults on the lease agreement for non-payment of rent or for any other reason, the Landlord agrees to give notice to the Tenant giving the Tenant the right to cure the issue(s). If the Tenant does not cure the issue(s) within the amount of time stated in the notice, then the Landlord has the right to take legal action.

XXI. Notice of Quiet Enjoyment – During the term of the lease agreement, the Tenant has the right of quiet enjoyment of the Premises.

XXII. Eminent Domain – The lease automatically becomes void if the Premises are taken by eminent domain. During the process, the Tenant will have to right to claim:

- Value of the Lease Agreement
- Loss of Business Revenue
- Moving and Relocation Expenses

XXIII. Holding Over – If the Tenant remains in possession of the Premises after the lease agreement ends, the tenancy shall continue on a month-to-month, or "Tenancy at Will," basis unless the Landlord gives notice for the Tenant to vacate.

XXIV. Disagreements During the Lease Period – If a disagreement arises during the lease period, the following actions shall take place:

Check All That Apply

☐ – Litigation - If a dispute arises from either the Landlord or Tenant; the parties have the right to take the matter to the court under the Premises' jurisdiction.

☐ - Mediation with Possible Litigation – If there is a dispute between the Landlord and Tenant, all parties agree to attempt to come to an agreement through the use of an agreed upon mediator.

- It is agreed that the cost(s) involved in hiring the mediator shall be shared equally and that each party shall cooperate in a good faith attempt to reach a resolution. Both parties agree that they shall allow the mediator thirty (30) days from the first (1st) meeting to reach a compromise before going to court.

☐ - Mediation with Possible Arbitration – If there is a dispute between the Landlord and Tenant, all parties agree to attempt to come to an agreement through the use of an agreed upon mediator.

- It is agreed that the cost(s) involved in hiring the mediator shall be shared equally and that each party shall cooperate in a good faith attempt to reach a resolution. Both parties agree that they shall allow the mediator thirty (30) days from the first (1st) meeting to reach a compromise before going to the arbitrator.

- The arbitrator selected will be a third (3rd) party to be mutually agreed upon. The arbitrator shall decide all costs directed towards hiring the arbitrator.

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The Landlord shall not have to attend the mediation or arbitration process unless Tenant is current with the rental payments, either submitting to the Landlord directly or depositing the funds in an escrow account.

XXV. Additional Agreements – Landlord and Tenant additionally agree to the following:

The establishment is used as a marijuana establishment and the landlord/lessor will not take possession of marijuana or marijuana products from the premises, and AMCO Enforcement will be contacted

XXVI. Entire Lease Agreement – This document supersedes any other writings in relation to the Premises and has authority over any oral agreements made between the Landlord and Tenant.

XXVII. Successors and Assignees – All assignees of the parties including heirs, successors, or anyone else that may be considered is mutually bound by this lease agreement.

XXVIII. Notices – All notices in relation to the Premises or this lease agreement shall be in writing and delivered to the following address below via Certified Mail with Return Receipt:

Landlord
IBWT Investments, LLC
P.O. Box 1462
Sterling, AK 99672

Tenant
Fat Tops, LLC
PO. Box 1462
Sterling, AK 99672

XXIX. Governing Law – This lease agreement will be governed by and construed in accordance with the laws in the State of Alaska.

XXX. Counterparts and Modifications

- The Landlord and Tenant agree that they shall sign several identical counterparts of this lease and any fully signed counterpart shall be treated as an original.
- Only writing(s) signed by the party against whom such a modification is sought to be enforced shall modify this lease.

XXXI. Waiver - If either Landlord or Tenant waives any term or provision of this lease at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this lease, that party retains the right to enforce that term or provision at a later time.

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XXXII. Early Termination - The tenant ☐ *has ☐ does not have the option to terminate the lease.

*The landlord shall allow the tenant to quit or terminate the lease via a penalty of _____ dollars ($_____._____). In addition, the tenant must provide written notice to the address stated in Section XXVIII within least _____ ☐ days ☐ months of the intended end date.

XXXIII. Severability - If any court determines that any provision of this lease is invalid or unenforceable, any invalidity or unenforceability will affect only that provision. It will not make any other provision of this lease invalid or unenforceable, and shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

Signatures

Landlord
IBWT Investments, LLC
Name: Queen Aleta Parker
Date: 2/7/19

Tenant
Fat Tops, LLC
Name: David R. Parker
Date: 2/7/19

☐ - Broker(s)

Name: _____
Date: _____

Name: _____
Date: _____

☐ - Personal Guaranty - Upon my authorization of this agreement, I personally guarantee the performance of all financial obligations under this lease.

David R. Park
Name: David R Parker
Date: 2/7/19

Lease and revisions accepted by signatures and parties below:

X date: / /2020 .
Queen Aleta Parker, member/manager
IBWT Investments, LLC - Lessor

X date: / /2020 .
David Parker, member/manager
FAT TOPS, LLC - Lessee

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