COMMERCIAL LEASE AND DEPOSIT RECEIPT

RECEIVED FROM Hempco, LLC 1540 North Shoreline Dr. Wasilla, AK 99654, hereinafter referred to as LESSEE, the sum of $ dollars, evidenced by check # , as a deposit which shall belong to Lessor and shall be applied as follows:

	TOTAL	RECEIVED	BALANCE DUE PRIOR TO OCCUPANCY
Rent for the period from 4-1-17 to 4-30-17	$6,540.00	$	$6,540.00
Security deposit (not applicable toward last month's rent)	$6,525.00	$	$6,525.00
Last Month's Rent	$8,715.00	$	$8,715.00
TOTAL	$21,770.00	$	$21,770.00

In the event this Lease is not accepted by the Lessor within 7 days, the total deposit received will be refunded.

Lessee offers to lease from Lessor the premises situated in the Kenai Peninsula Borough, state of Alaska, described as 43280 Kenai Spur Hwy, upon the following terms and conditions:

1. **TERM:** The term will commence on 3-1-17 and end on 3-31-22 with two (2) three (3) year extensions with a three (3)% increase each extension period. Lessee to take occupancy for two (2) middle units (B&C) on 3-1-17. Lessee to take occupancy of South unit D on 3-15-17. Lessee to take occupancy of North unit A on 9/1/17. Lessee must provide Lessor with a written (Ninety) 90 day notice prior to vacating the premises at the end of current lease. Any renewals to be negotiated within the ninety (90) day notification period.
2. **RENT:** The total rent will be $6,540.00 per month (sales tax included) beginning 4-1-17, then beginning 9-1-17 total rent to increase to $8,715.00 and is payable as follows: Due on the first of each month.
   All rents will be paid to Lessor (ZAN, Inc.) or his/her authorized agent, at the following address: PO Box 2009 Kenai, AK 99611 or at such other places as may be designated by Lessor from time to time. In the event rent is not paid within 7 days after due date, Lessee agrees to pay a late charge of $100.00 plus interest at 18% per annum on the delinquent amount. Lessee further agrees to pay $100 for each dishonored bank check. The late charge period is not a grace period, and Lessor is entitled to make written demand for any rent if not paid when due.
3. **USE:** The premises are to be used for Lawful Marijuana Cultivation, Lawful Marijuana Product Manufacturing, Lawful Marijuana Concentrate Manufacturing & Lawful Marijuana Retail and other business activities attendant to Lessee's business, and for no other purpose, without prior written consent of Lessor, Lessee will not commit any waste upon the premises, or any nuisance or act which may disturb the quiet enjoyment of any tenant in the building.
4. **USES PROHIBITED:** Lessee will not use any portion of the premises for purposes other than those specified. No use will be made or permitted to be made upon the premises, nor acts done, which will increase the existing rate of insurance or property taxes upon the property, or cause cancellation of insurance policies covering the property. Lessee will not conduct or permit any sale by auction on the premises.
5. **ASSIGNMENT AND SUBLETTING:** Lessee will not assign this Lease or sublet any portion of the premises without prior written consent of the Lessor, which will not be unreasonably withheld. Any such assignment or subletting without consent will be void and, at the option of the Lessor, will terminate this Lease.
6. **ORDINANCES AND STATUTES:** Lessee will comply with all statutes, ordinances, and requirements of all borough and state authorities now in force, or which may later be in force, regarding the use of the premises. The commencement or pendency of any state or borough abatement proceeding affecting the use of the premises will, at the option of the Lessor, be deemed a breach of this Lease.
7. **SMOKING ON PREMISES:** No smoking is allowed inside of the building. Lessee could be liable for up to $10,000.00 for the cost of replacing the paint, carpet and window coverings if caught smoking in the building.
8. **MAINTENANCE, REPAIRS, ALTERATIONS:** Unless otherwise indicated, Lessee acknowledges that the premises are in good order and repair. Lessee shall, at his/her own expense, maintain the premises in a good and safe condition. The premises will be surrendered, at termination of the Lease in as good condition as received, except for normal wear and tear.
   Lessor will also maintain in good condition property adjacent to the premises, such as sidewalks, driveways (other than snow removal), lawns, and shrubbery as well as plate glass, electrical wiring, plumbing and heating installations, and any other system or equipment, except those installed by Lessee. Lessee to maintain the water system.
   No improvement or alteration of the premises will be made without the prior written consent of the Lessor. Prior to the commencement of any substantial repair, improvement, or alteration, Lessee will give Lessor at least two (2) days written notice in order that Lessor may post appropriate notices to avoid any liability for liens.
9. **ENTRY AND INSPECTION:** Lessee will permit Lessor or Lessor's agents to enter the premises at reasonable times and upon reasonable notice for the purpose of inspecting the premises, and will permit Lessor, at any time within ninety (90) days prior to the expiration of this Lease, to place upon premises any usual "For Lease" signs, and permit persons desiring to lease the premises to inspect the premises at reasonable times.
10. **INDEMNIFICATION OF LESSOR:** Lessor will not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the premises. Lessee agrees to hold Lessor harmless from any claims for damages arising out of Lessee's use of the premises, and to indemnify Lessor for any expense incurred by Lessor in defending any such claims.
11. **POSSESSION:** Lessor to deliver possession of the premises within ninety (90) days or sooner as the renovations and Lessors move out date allows. Lessor will complete renovations and vacate premises as soon as possible.
12. **LESSEE'S INSURANCE:** Lessee, at his/her expense, will maintain public liability, and property damage insurance insuring Lessee and Lessor with minimum liability limits as follows: $1,000,000.00 CSL.
    Lessee will provide Lessor with a Certificate of Insurance showing Lessor as additional insured. The policy will require ten (10) day's written notice to Lessor prior to cancellation or material change of coverage.
13. **LESSOR'S INSURANCE:** Lessor will maintain property insurance covering the building and improvements owned by the Lessor throughout the Lease term. Lessor's insurance will not insure Lessee's personal property, leasehold improvements, or trade fixtures.
14. **UTILITIES:** Lessee agrees that he/she will be responsible for the payment of all utilities, including water, gas, electricity, heat and other services delivered to the premises including snow removal.
15. **SIGNS:** Lessor must approve all signage. Lessee will not place, maintain, or permit any sign or awning on any exterior door, wall, or window of the premises without the express written consent of Lessor, which will not be unreasonable withheld.
16. **ABANDONMENT OF PREMISES:** Lessee will not vacate or abandon the premises at any time during the term of this Lease. If Lessee does abandon or vacate the premises, or is dispossessed by process of law, or otherwise, any personal property belonging to Lessee left on the premises will be deemed to be abandoned, at the option of Lessor.
    Lessee may, upon termination, remove all his/her trade fixtures, but will pay for all costs necessary to repair any damage to the premises occasioned by the removal.

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17. **CONDEMNATION:** If any part of the premises is condemned for public use, and a part remains which is susceptible of occupation by Lessee, this Lease will, as to the part taken, terminate as of the date the condemnor acquires possession. Lessee will be required to pay such proportion of the rent for the remaining term as the value of the premises remaining bears to the total value of the premises at the date of condemnation; provided, however, that Lessor may at his/her option, terminate this Lease as of the date the condemnor acquires possession. In the event that the premises are condemned in whole, or the remainder is not susceptible for use by the Lessee, this Lease will terminate upon the date which the condemnor acquires possession. All sums which may be payable on account of any condemnation will belong solely to the Lessor; except that Lessee will be entitled to retain any amount awarded to him/her trade fixtures or moving expenses.

18. **TRADE FIXTURES:** Any and all improvements made to the premises during the term will belong to the Lessor, except trade fixtures of the Lessee.
Lessee may, upon termination, remove all his/her trade fixtures, but will pay for all costs necessary to repair any damage to the premises occasioned by the removal.

19. **DESTRUCTION OF PREMISES:** In the event of a partial destruction of the premises during the term, from any cause, Lessor will promptly repair the premises, provided that such repairs can be reasonably made within (60) sixty days. Such partial destruction will not terminate this Lease, except that Lessee will 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 interferes with the business of Lessee on the premises. If the repairs cannot be made within sixty (60) days, this Lease may be terminated at the option of either party by giving written notice to the other party with the sixty (60) day period.

20. **HAZARDOUS MATERIALS:** Lessee will not use, store, or dispose of any hazardous substances upon the premises, except the use and storage of such substances that are customarily used in Lessee's business, and are in compliance with all environmental laws. Hazardous substances means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property, Lessee will be responsible for the cost of removal of any toxic contamination caused by lessee's use of the premises.

21. **INSOLVENCY:** The appointment of a receiver, an assignment for the benefits of creditors, or the filing of a petition in bankruptcy by or against Lessee, will constitute a breach of this Lease by Lessee.

22. **DEFAULT:** In the event of any breach of this Lease by Lessee, Lessor may, at his/her option, terminate the Lease and recover from Lessee an amount equal to: (a) the amount of unpaid rent at the time of termination; (b) the unpaid rent after termination and until the time of the award less any amount of such rent that the Lessee proves could have been reasonably avoided; (c) the unpaid rent for the balance of the term after the time of award less any amount of such rent that the Lessee proves could be reasonably avoided; and (d) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform his/her obligations under the Lease or which in the ordinary course of things would be likely to result therefrom.
Lessor may, in the alternative, continue this Lease in effect, as long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all of Lessor's rights and remedies under the Lease, including the right to recover the rent as it becomes due under the Lease. If said breach of Lease continues, Lessor may, at any time thereafter, elect to terminate the Lease.
These provisions will not limit any other rights or remedies which Lessor may have.

23. **SECURITY:** The security deposit will secure the performance of the Lessee's obligations, Lessor may, but will not be obligated to, apply all or portions of the deposit on account of Lessee's obligations. Any balance remaining upon termination will be returned to Lessee. Lessee will not have the right to apply the security deposit in payment of the last month's rent.

24. **DEPOSIT REFUNDS:** The balance of all deposits will be refunded within three weeks (or as otherwise required by law), from date possession is delivered to Lessor or his/her authorized agent, together with a statement showing any charges made against the deposits by Lessor.
Floors in office area and upstairs apartment to be polished and waxed by a professional cleaning service upon vacating premises.

25. **ATTORNEY FEES:** In any action or proceeding involving a dispute between Lessor and Lessee arising out of this Lease, the prevailing party will be entitled to reasonable attorney fees.

26. **WAIVER:** No failure of Lessor to enforce any term of this Lease will be deemed to be a waiver.

27. **NOTICES:** Any notice which either party may or is required to give, will be given by mailing the notice, postage prepaid, to Lessee at the premises, or to Lessor at the address shown in Item 2, or at such other places as may be designated in writing by the parties from time to time. Notice will be effective five days after mailing, or on personal deliver, or when receipt is acknowledged in writing.

28. **TIME:** Time is of the essence of this Lease.

29. **HEIRS, ASSIGNS, SUCCESSORS:** This Lease is binding upon and inures to the benefit of the heirs, assigns, and successors of the parties.

30. **AMERICANS WITH DISABILITIES ACT:** The parties are alerted to the existence of the Americans with Disabilities Act, which may require costly structural modifications. The parties are advised to consult with a professional familiar with the requirements of the Act. The one bathroom at the main level office area to meet ADA requirements.

31. **LESSOR'S LIABILITY:** In the event of a transfer of Lessor's title or interest to the property during the term of this Lease, Lessee agrees that the grantee of such title or interest will be substituted as the Lessor under this Lease, and the original Lessor will be released of all further liability; provided, that all deposits will be transferred to the grantee.

32. **ESTOPPEL CERTIFICATE:**
(a) On ten (10) days' prior written notice from Lessor, Lessee will execute, acknowledge, and deliver to Lessor a statement in writing: (1) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, if any; and (2) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective buyer or encumbrancer of the premises.
(b) At Lessor's option, Lessee's failure to deliver such statement within such time will be a material breach of this Lease or will be conclusive upon Lessee: (1) that this Lease is in full force and effect, without modification except as may be represented by Lessor; (2) that there are no uncured defaults in Lessor's performance; and (3) that not more than one month's rent has been paid in advance.
(c) If Lessor desires to finance, refinance, or sell the premises, or any part thereof, Lessee agrees to deliver to any lender to buyer designated by Lessor such financial statements of Lessee as may be reasonably required by such lender to buyer. All financial statements will be received by the Lessor or the lender to buyer in confidence and will be used only for the purposes set forth.

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33. **ENTIRE AGREEMENT:** The foregoing constitutes the entire agreement between the parties and may be modified only in writing signed by all parties.

The undersigned Lessee acknowledges that he/she has thoroughly read and approved each of the provisions contained in this Offer, and agrees to the terms and conditions specified.

Lessee _____ Hempco, LLC Date 02/16/2017 Lessee Janny Foster Hempco, LLC Date 02/16/2017

Receipt for deposit acknowledged by: _____ Date 2/17/2017

ACCEPTANCE

The undersigned Lessor accepts the foregoing Offer and agrees to lease the premises on the terms and conditions set forth above.

Lessor _____ Pres. ZAN, Inc. Date 2/17/2017 Lessor _____ Date _____

Lessee acknowledges receipt of a copy of the accepted Lease.

Lessee _____ Hempco, LLC Date 2/17/2017 Lessee _____ Hempco, LLC Date _____

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Lease Amendment.

For:
43280 Kenai Spur Hwy. Units A, B,C, D
Nikiski, Alaska 99635

The landlord agrees not to seize or take possession of marijuana or marijuana product on the premises in the case of the landlord taking possession of the property and must contact AMCO for guidance.

Mike Navarre
Signature

Date: 10/26/17

Print Name: Mike Navarre
Zan Inc
502 Lake Street #5
Kenai, AK 99611

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