LEASE ASSIGNMENT AGREEMENT #2

State of Alaska

This Lease Assignment Agreement (hereinafter "Assignment") is entered into and made effective as of August 1, 2022 by and between the current lessor, hereinafter referred to "Assignor": MCCALLISTER INVESTMENT GROUP, LLC and the following new lessor, hereinafter referred to "Assignee": Double Eagle Farms, LLC.

Assignor and Assignee may be collectively referred to as the "Parties."

RECITALS:

WHEREAS, Assignor is the current lessor of a commercial property ("Property") located at the following address:

2042 E. 3rd Ave. Suite A and B, Anchorage, AK 99501

WHEREAS, Assignor wishes to assign and transfer to Assignee the lease agreement ("Lease") that Assignor originally signed on January 1st, 2022 together with Original Lessor: Lou Weaver and the landlord ("Landlord") of the Property: WILLIAM A LUTH;

WHEREAS, the Landlord of the Property has agreed to this Assignment;

WHEREAS, Assignee wishes to accept the assignment of the Lease.

NOW, therefore, in consideration of the obligations and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do contract and agree as follows:

Article 1 - ASSIGNMENT:

Under the terms and conditions herein, Assignor hereby assigns and transfers to Assignee all right, title, and interest in and to the Lease and the Property.

As denoted above in this Assignment, this Assignment is to become effective on August 1st, 2022 and last until the end of the Lease term on January 15th, 2026.

Article 2 - ASSIGNOR'S COVENANTS:

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Assignor hereby warrants and covenants that Assignor may lawfully assign the Lease interest hereunder and that there are no further encumbrances on the interest. Assignor further warrants and covenants that Assignor is up-to-date with all payments, charges, fees, duties, and/or obligations under the Lease.

Article 3 - ASSIGNEE'S AGREEMENT:

Assignee hereby agrees to pay all rent and other fees due after the effective date of this Assignment. Assignee further agrees to assume and perform all other duties and/or obligations as may be required under the Lease.

Article 4 - LEASE COPY & INCORPORATION:

A copy of the original Lease will be provided to Assignee. This Assignment incorporates and is subject to the original Lease. There shall not be any further assignment of the Lease without the Landlord's advance written consent.

Article 5 - BREACH:

Assignor hereby acknowledges that this Assignment will discharge Assignor of any obligations under the Lease. In the event of a breach by Assignee, Assignor will be provided notice of the breach by Landlord and thereafter may commence any and all actions to recover possession of the Property for the duration of the Lease, should Assignor choose, as long as Assignor thereafter continues to pay rent and cure any breach by Assignee.

Article 6 - LEAD PAINT DISCLOSURE:

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Article 7 - GENERAL PROVISIONS:

a) BINDING: This Assignment will inure to the benefit of and be binding upon the respective successors, assigns, heirs, executors and/or administrators of both Parties.

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b) SEVERABILITY: If any part of sub-part of this Assignment is deemed invalid by court order, judgment or other operation of law, the remaining parts and sub-parts of this agreement shall remain valid and enforceable to the fullest extent.

c) GOVERNING LAW: This Lease is governed, construed, and interpreted by and through the laws of the State of Alaska.

EXECUTION:

ASSIGNOR:

Sign: _____

Date: 7/27/22

Print: Daniel Hacker

ASSIGNEE:

Sign: _____

Date: 07-27-22

Print: Naim Sabani

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LANDLORD CONSENT

I, WILLIAM A LUTH, the Landlord named in the above Assignment to be effective on August 1st, 2022, hereby consent to that Assignment. I further agree that after August 1st, 2022 the Assignee in the above Assignment will be responsible for all rent and other obligations under the Lease. I hereby release the Assignor from all duties and obligations under the Lease, unless Assignor should choose to take repossession in the event of a breach by Assignee.

I accept Assignee as Lessee in place of Assignor.

Sign: William Luth

Date: 7-28-22

Print: William Luth

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LEASE ASSIGNMENT AGREEMENT

State of Alaska

This Lease Assignment Agreement (hereinafter "Assignment") is entered into and made effective as of January 1st, 2022 by and between the current lessor, hereinafter referred to "Assignor": AK RESTORATIONS, LLC and the following new lessor, hereinafter referred to "Assignee": MCCALLISTER INVESTMENT GROUP, LLC.

Assignor and Assignee may be collectively referred to as the "Parties."

RECITALS:

WHEREAS, Assignor is the current lessor of a commercial property ("Property") located at the following address:

2042 E. 3rd Ave. Suite A and B, Anchorage, AK 99501

WHEREAS, Assignor wishes to assign and transfer to Assignee the lease agreement ("Lease") that Assignor originally signed on January 15th, 2021 together with the landlord ("Landlord") of the Property: WILLIAM A LUTH;

WHEREAS, the Landlord of the Property has agreed to this Assignment;

WHEREAS, Assignee wishes to accept the assignment of the Lease.

NOW, therefore, in consideration of the obligations and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do contract and agree as follows:

Article 1 - ASSIGNMENT:

Under the terms and conditions herein, Assignor hereby assigns and transfers to Assignee all right, title, and interest in and to the Lease and the Property.

As denoted above in this Assignment, this Assignment is to become effective on January 1st, 2022 and last until the end of the Lease term on January 15th, 2026.

Article 2 - ASSIGNOR'S COVENANTS:

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Assignor hereby warrants and covenants that Assignor may lawfully assign the Lease interest hereunder and that there are no further encumbrances on the interest. Assignor further warrants and covenants that Assignor is up-to-date with all payments, charges, fees, duties, and/or obligations under the Lease.

Article 3 - ASSIGNEE'S AGREEMENT:

Assignee hereby agrees to pay all rent and other fees due after the effective date of this Assignment. Assignee further agrees to assume and perform all other duties and/or obligations as may be required under the Lease.

Article 4 - LEASE COPY & INCORPORATION:

A copy of the original Lease will be provided to Assignee. This Assignment incorporates and is subject to the original Lease. There shall not be any further assignment of the Lease without the Landlord's advance written consent.

Article 5 - BREACH:

Assignor hereby acknowledges that this Assignment will discharge Assignor of any obligations under the Lease. In the event of a breach by Assignee, Assignor will be provided notice of the breach by Landlord and thereafter may commence any and all actions to recover possession of the Property for the duration of the Lease, should Assignor choose, as long as Assignor thereafter continues to pay rent and cure any breach by Assignee.

Article 6 – ASSIGNMENT AND SUBLETTING

Assignor and Landlord agree to Tenant subleasing this Premise in whole or in part to any entity. Landlord has already agreed to McCallister Investment Group, LLC subleasing the Premises in whole or in part to L&J Ventures, Inc. dba Scorpion Grass. Landlord also agrees that Tenants Option to Purchase in Exhibit B of the Original Lease be assigned to McCallister Investment Group, LLC.

Article 7 - GENERAL PROVISIONS:

a) BINDING: This Assignment will inure to the benefit of and be binding upon the respective successors, assigns, heirs, executors and/or administrators of both Parties.

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b) SEVERABILITY: If any part of sub-part of this Assignment is deemed invalid by court order, judgment or other operation of law, the remaining parts and sub-parts of this agreement shall remain valid and enforceable to the fullest extent.

c) GOVERNING LAW: This Lease is governed, construed, and interpreted by and through the laws of the State of Alaska.

EXECUTION:

ASSIGNOR:

Sign: _____

Date: 12-31-21

Print: LOUIS E WEAVER

ASSIGNEE:

Sign: _____

Date: 12/31/21

Print: Daniel Hucker

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LANDLORD CONSENT

I, WILLIAM A LUTH, the Landlord named in the above Assignment to be effective on January 1st, 2022, hereby consent to that Assignment. I further agree that after January 1st, 2022 the Assignee in the above Assignment will be responsible for all rent and other obligations under the Lease. I hereby release the Assignor from all duties and obligations under the Lease, unless Assignor should choose to take repossession in the event of a breach by Assignee.

I accept Assignee as Lessee in place of Assignor.

Sign: William Luth

Date: 12-30-21

Print: William Luth

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Superseding Commercial Lease Agreement with Option To Purchase
FOR 2042 E 3rd Avenue, Anchorage, Alaska 99501

1. **PARTIES.** This Superseding Commercial Lease Agreement (this "Lease"), dated January 15, 2021 is made by and between William A Luth, whose address is PO BOX 428, WILLOW, AK 99688 ("Landlord") and AK Restorations, LLC, having an address of 2042 E. 3rd Ave., Unit A, Anchorage, Alaska 99501 as ("Tenant") hereby supersedes and replaces, in its entirety, the original Business Property Lease agreement dated June 27, 2016 and the 1st Amended Lease dated April 1, 2018, attached as **Exhibit "A"** for reference ("Old Leases") and any other previous oral or written agreements between the parties. For clarity sake, both 2016 and 2018 leases refer to Tenant interchangeable as AK Restorations and AK Slow Burn, the two entities are owned by Louis Weaver and are related entities, for purposes of this Lease and the Old Leases are treated as one in the same entity.

Tenant and Landlord collectively are referred to as the "Parties". The Parties intend for this Lease to supersede the Old Leases and intend to have this Lease govern their respective agreements and obligations regarding the real piece of property (referred to herein as the "Premises") which includes the entire building and associated parking at the address commonly known as 2042 E. 3rd Ave, Anchorage, Alaska, more particularly described as:

Lot One (1), Block Twenty-Six B (26B) Fourth Addition to the Townsite of Anchorage, according to plat C-43, Anchorage Recording District, Third Judicial District, State of Alaska.

2. **PREMISES.** Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord.

3. **TERM.**

3.1 **INITIAL TERM.** This Lease term shall commence on January 15, 2021 and shall continue for five (5) years to January 15, 2026.

3.2 **OPTION TO RENEW**. The Tenant shall have two (2) options to renew the Lease for an additional terms of give (5) years for each renewal term each, so long as Tenant shall provide Landlord with written notice of their election to renew at least thirty (30) days prior to the expiration of the term hereof and so long as Tenant is current as to all obligations contained herein and is not in material default under the terms and conditions set out within this Lease. *Landlord, at his discretion, may increase the rental rate per each renewal term, however, such increase may not be more than a total of 4% for each renewal term.*

4. **RENT & Utilities.**

4.1 **Commencement of Rent**. Rental payment under this lease shall commence on the first day of January, 2021, Tenant shall pay to Landlord monthly rent of $3500.00

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The said monthly rent shall be payable in advance, on the first (1st) day of each calendar month. Rent for any period which is for less than one (1) month shall be a prorate portion of the monthly installment.

4.2 **Utilities & Taxes.** Tenant shall pay for electrical, gas, and refuse associated with its use of the Premises. Tenant acknowledges that city water and sewer serve the Premises and Tenant shall pay for those utilities. Tenant shall arrange for and pay for any other utility services furnished to the Premises, including and not limited to any telephone, internet, and snow removal services. Tenant shall pay all personal property taxes and any taxes on activities conducted on the premises by any federal, state, or local taxing authority, including but not limited to business, occupation, sales, and use taxes. Landlord shall pay for real property taxes associated with the Premises. If Landlord fails to pay said real property taxes and it impacts Tenant's business operations, Tenant may, at its option, pay the real property taxes that are past due and deduct those amounts from the rental amounts due.

4.3 **Security Deposit.** Landlord hereby acknowledges that per the Old Leases Tenant has already paid to Landlord $3,000.00 for Tenant's security deposit, and Landlord is not requiring any additional security deposit and is holding the Security Deposit in trust. 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.

4.4 **Late Charge.** If any payment is not paid within five (5) days of the due date, then the Landlord may charge an additional amount of equal to five percent (5%) of the delinquent payment for the month or portion thereof after the date it was due, provided, however, if such sum and late charges are not paid in full on or before the tenth (10th) day of the month, such sum shall commence to bear interest at the rate of ten and one-half percent (10.5%) per annum until paid in full.

4.5 **Payment of Rent.** All rent payments shall be sent to Landlord at the following address payable to: William A Luth PO Box 428, Willow, AK 99688.

5. **Landlord's Reliance on Legality of Activity allowed by the State of Alaska.**

Landlord is relying on the historic pattern of the federal government relying primarily on the state and local governments to address marijuana businesses that are state licensed and, in any event, if this federal government policy shifts, Landlord will comply with the federal government

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and its request. Tenant will abide by the following priorities, in additional to all state and local regulatory requirements:

- *Preventing the distribution of marijuana to minors;*
- *Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;*
- *Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;*
- *Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;*
- *Preventing violence and the use of firearms in the cultivation and distribution of marijuana;*
- *Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;*
- *Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and Preventing marijuana possession or use of marijuana on federal property.*

6. **Option to Purchase Premises.** Landlord understands that Tenant has invested substantial sums of money into the Premises on promise of and representation by Landlord that Landlord will sell the Property to Tenant at the purchase price stated in the **Exhibit B**, Option Agreement to Purchase Real Estate, which is hereby incorporated by reference and merged herein as if its terms are set forth fully. Based on Landlord's assurance of honoring said option to purchase, Tenant has moved forward with substantial investment into the Premises and has increased its value above and beyond the value of the Premises prior to the date of execution of the Old Leases. The parties now wish to formalize the terms of the option to purchase, and the ultimate purchase of the Premises in **Exhibit B**. The terms of which are supported by adequate consideration, acknowledged by both Parties, and are hereby binding on the Parties and their heirs and may be enforced by specific performance. To ensure there is no question as to adequate consideration for the Option Agreement, Tenant upon execution of this Lease and **Exhibit B** shall pay an option fee of **$500.00** to Landlord, which is non-refundable, however shall be deducted from the purchase price of the Premises upon Tenant exercising the option.

The Parties have specifically executed this Paragraph Six (6) in the abundance of caution to evidence that they intend that this Option to Purchase the Premises and The Option Agreement attached as **Exhibit B** be binding and valid:

DocuSigned by: William A Leth
F8E882C07A004AD...
Landlord Signature

DocuSigned by: Lou Weaver
FE40EDF9241F4B3...
Tenant Signature

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7. **USE.** The Premises shall be used and occupied for the purpose of a licensed marijuana retail establishment, licensed marijuana cultivation and processing establishment and as authorized under the authority for such activities under AS 17.38.070 and any other lawful purpose. Tenant has and shall continue remodel premises in a manner to modify the premises to suite its needs, but shall use good workmanship. Tenant shall comply with all laws relating to its use of the Premises and shall observe such reasonable rules and regulations as may be adopted and published by Landlord for the safety, care and cleanliness of not only the Premises but also the Building and for the preservation of good order therein.

8. **Right of First Refusal.** . In the event the property is put up for sale and/or for rent after the renewal term concludes or in the event Tenant fails to exercise the Option in **Exhibit B**, Tenant shall still have an ongoing right of first right of refusal to either lease or purchase property, at the agreed upon value of $525,000.00. Tenant shall have fourteen (14) days after receiving notice of the Landlord's intent to sell or lease property to exercise the right of first offer. In the event that Tenant does not assert its Right of First Refusal, then Tenant's sub-lessee shall have the right of First Refusal to purchase or rent.

9. **MAINTENANCE, REPAIRS AND ALTERATIONS.**

9.1 **Landlord's Obligations**. Landlord, at Landlord's expense, shall keep in good order, condition and repair the foundation and structural portions of the exterior walls and exterior roof of the building, along with the exterior doors and windows of the building. Landlord shall also be responsible for replacement of mechanical, plumbing, electrical, hot water and HVAC systems, except where failure is resulting from damage, negligence or lack of proper maintenance by tenant, it's employee's, invitees, contractors or customers.

9.2 **Tenant's Obligations**. Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises and every part thereof, including but not limited to the light bulb replacement, any mechanical or electrical apparatus tenant has installed, interior doors, interior window frames, hardware, glass and nonstructural ceilings and walls. Tenant shall, at the expiration or termination of this Lease, surrender and deliver up the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use, wear and tear excepted. Tenant shall repair any damage to the Premises or the Building occasioned by its use thereof or by the removal of Tenant's trade fixtures, furnishings and equipment, which repair shall include the patching and filling of holes and repair of structural damage.

9.3 **Landlord's Rights**. If Tenant fails to perform Tenant's obligations under this Section 9.2, Landlord may (but shall not be required to) enter upon the Premises after 30 days prior written notice to Tenant, and in compliance with the AMCO visitor policy for non-licensees and non-company agents, and put the same in good order, condition and repair or otherwise cure

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the default, and the cost of such action plus four percent (4%) thereof shall become due and payable as additional rent to Landlord together with Tenant's next rental installment.

10. **INSURANCE: INDEMNITY.**

10.1 **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 without limitation damage to other portions of the Building, arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, such insurance shall be in an amount of not less than One Million Dollars ($1,000,000.00) General Aggregate and Five Hundred Thousand Dollars ($500,000.00) for each occurrence and Fifty Thousand Dollars ($50,000.00) for property damage. The limits of said insurance shall limit the liability of Tenant hereunder. Such policies shall name Landlord and Landlord's agents as additional insured and shall provide that they may not be cancelled without thirty (30) 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 cancelled 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. Tenant shall provide Landlord with such certificate prior to entering the Premises or starting tenant improvement work.

10.2 **Property Insurance**. 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 in the State of Alaska, insuring the Building 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 when the policies are obtained to include limits that cover the full replacement of the building.

10.3 **Fire Insurance**. Tenant will during said term keep all improvements now or hereafter erected on real estate insured against loss or damage by fire and any hazards, casualty, or contingency for which insurance is procurable which Tenant may be able to insure with an insurance company or companies, in the name of the Tenant in an amount equal to the full replacement cost of said improvements and will pay all premiums thereon at the time and place the same are payable. Annually, Tenant shall review the amount of insurance coverage to assure the improvements are insured for the full replacement cost. Every policy shall be made payable in case of loss or damage to the parties as their interest may appear, and all compensation, indemnity or other monies paid on account of any loss or damage, other than rental value insurance, shall with all convenient speed be laid out in rebuilding, repairing, or otherwise reinstating the same improvements in a good and substantial manner according to the plan and elevation of the improvements so destroyed or damaged. In the event such insurance proceeds are inadequate to accomplish the foregoing, Tenant has the option to cancel the Lease by giving Landlord written notice within thirty (30) days of the casualty.

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10.4 **Waiver of Subrogation**. As long as their respective insurers so permit, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall apply to its insurers to obtain said waivers. Each party shall obtain any special endorsements, if required by its insurer, to evidence compliance with the aforementioned waiver.

10.5 **Hold Harmless**. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work or thing which may be permitted or suffered by Tenant in or about the Premises and 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, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, except where said damage arises solely out of the negligence of Landlord.

11. **DAMAGE OR DESTRUCTION.** If the Leased Premises are totally or partially destroyed during the term of this Lease, then Landlord may elect to either terminate this Lease or restore the destroyed premises. Tenant's Option to Purchase (**Exhibit B**) will also be an option for Tenant to exercise, however, the purchase price will be reduced to fair market value to reflect the damage or destruction amounts. If Landlord elects to restore the premises, then Lease shall not be terminated, and Tenant shall continue paying rent adjusted downward by a percentage equal to the percentage of square feet of the Leased Premises rendered unusable by destruction. Upon completion of restoration, the rent shall be calculated against as if there were not destruction. Tenant may elect to cancel the Lease with no further obligations to either party if the Premise is substantially damaged, absent negligent acts by Tenant that caused the Damages.

12. **ADVERTISING AND WINDOWS.** Tenant has permission to install regulatory compliant signage and business advertising on and around the Premise.

13. **LIENS AND INSOLVENCY.** Tenant shall keep the leased property premises and the building free from any liens arising out of any work performed, materials ordered, or obligations incurred by Tenant. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature on, or in any manner bind, the interest of Landlord in the premises or to charge the rentals payable under this lease agreement for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant under this lease agreement.

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14. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with the rules and regulations as may be adopted and published which Landlord may from time to time promulgate and/or modify. Landlord shall not be responsible to Tenant for the nonperformance of any of said rules and regulations by any other tenants or occupants.

15. **NO LANDLORD SUBORDINATION.** Given the type of business Tenant subleases this Premises to, its vital to the continuing of said business that this Premises not be encumbered by any financial institution. Therefore, the Parties agree that this lease is not subject to and is not subordinate to any deed of trust, mortgage, lien, encumbrance, lease, financing, loans, other arrangements by a financial institution.

16. **DEFAULTS.** The occurrence of any one or more or the following events shall constitute a default and breach of this Lease by Tenant:

16.1 **Vacation of Premises**. The vacating or abandonment of the Premises by Tenant for more than 30 business days.

16.2 **Failure to Provide Rent**. The failure by Tenant to provide rent as described herein any other payment required to be made by Tenant hereunder as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant;

17. **REMEDIES IN DEFAULT.** If Tenant shall fail to pay any installment of rent or any additional rent or other charges as and when the same shall become due and payable, and if such default shall continue for a period of ten (10) days after payment shall be due (and within five (5) days of notification by Landlord) or if Tenant shall default in the performance of any of the other items, covenants and conditions of this lease, and if such default shall continue for a period of thirty (30) days after notice in writing specifying the matter claimed to be in default is given by Landlord to Tenant; Landlord shall have the right, at Landlord's option, to terminate this lease and the term hereof, as well as the right, title and interest of Tenant hereunder, unless (except for a default of nonpayment of rent) Tenant shall then diligently be engaged in prosecuting the work necessary to remove said cause or taking the steps necessary to remedy said default, and Landlord may re-enter the Property, using such force as may be necessary, and repossess itself thereof and remove all persons and property from the Property. If Landlord exercises its right of re-entry, Landlord may change the locks to the demised Property without having to provide Lessee with a copy of such key. Notwithstanding any such re-entry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of this lease, and Tenant shall make good such deficiency arising from any re-letting of the Property and reasonable attorney's fees. Landlord will also have the rights of Landlord distrait.

In the event of a Default, Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO Enforcement Department prior to any access

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to the licensed premises if Tenant cannot be reached, abandons the property, or similar event. In the event of any such default or breach by Tenant, Landlord may, at any time thereafter, in its sole discretion, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

17.1 **Termination.** Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate, and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises;

17.2 **Enforce Rights.** Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and Additional Charges as may become due hereunder; or

17.3 **Other Remedies.** Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

18. **CONDEMNATION.** If all of the Premises or any portion of the Building as may be required for the reasonable use of the Premises shall be taken by eminent domain (or by a voluntary conveyance made in lieu of a taking by eminent domain), this Lease shall automatically terminate as of the date Tenant is required to vacate or will be deprived of the reasonable use of the Premises, and all rentals shall be paid to that date. In the case of taking of a part of the Premises, Tenant may, at its election, terminate this Lease by notice in writing to Landlord within (10) days after the receipt by Tenant of written notice of the proposed taking, and with any such notice by Tenant to Landlord to be effective on a date which shall be specified by Tenant in the notice but shall be no later than thirty (30) days after the date of the giving of notice. If within said thirty (30) day period Tenant does not exercise its right to terminate this Lease because of a taking of a part of the Premises this Lease shall continue in full force and effect, and the rental shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such rent reduction to be effective as of the date when possession of such portion is delivered to the condemning authority. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to Tenant's trade fixtures, improvements, and personal property, Tenant's moving expenses and for the interruption of or damage to Tenant's business.

19. **PARKING AND COMMON AREAS.** Tenant shall have complete and sole access to the parking area for staff and customer usage.

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20. **ASSIGNMENT AND SUBLETTING.** Landlord Agrees to Tenant subleasing this Premise in whole or in part to any entity. Landlord has already agreed to Tenant subleasing part of the Premises to AK Slow Burn, LLC. Landlord also agrees that Tenant's Option to Purchase in **Exhibit B** may be assignable to an entity that is owned, in whole or in part, by Louis Weaver and may be assigned, in whole or in part, to Tenant's sublessee at Tenant's sole and absolute discretion.

21. **NOTICES.** All notices under this Lease shall be in writing and delivered in person or sent by registered mail, return receipt requested, to Landlord at the same place rent payments are made and to Tenant at the Premises 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.

If to LANDLORD: William A Luth, PO Box 428, Willow, AK 99688

If to TENANT:

AK Restorations, LLC

2042 E. 3rd Ave., Unit A, Anchorage, Alaska 99501

22. **COSTS AND ATTORNEYS' FEES.** The non-prevailing party in a dispute relating to this Agreement shall bear attorney costs and fees.

23. **LANDLORD'S RIGHT TO INSPECT PREMISES.** Landlord or Landlord's agents, employees or representatives shall have the right to show the Leased Premises during the Term, with a minimum of 24 hours written notice provided to Tenant. Landlord or Landlord's agents, employees or other representatives shall have the right to place notices on any parts of the Leased Premises offering the Leased Premises for lease at any time during the Term, offering the Leased Premises for sale and Tenant shall permit the signs to remain without hindrance or disturbance. During any entry by Landlord or its agents on the premises, Landlord's agents or employees shall be over the age of 21 and shall comply with Tenant's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

24. **SUCCESSORS.** All of the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns, except as expressly limited herein.

25. **ACCEPTANCE OF PREMISES.** Premises shall be delivered to Tenant in broom clean condition with all debris, lumber, and clutter removed from the Premise and the parcel.

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26. **ENTIRE AGREEMENT.** This Lease and its Exhibits 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.

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

28. **EXECUTION AUTHORITY.** Landlord and Tenant, by their signatures below, warrant that they have read and understand this Lease and that the terms and conditions contained herein represent the full and complete agreement of the parties. If Tenant is a corporation or limited liability company, each individual executing this Lease on behalf of the corporation represents that they are duly authorized to execute and deliver this Lease on behalf of the corporation or limited liability company, in accordance with duly adopted resolutions of the board of directors of the corporation or limited liability company, that such action and execution is in accordance with the bylaws of the corporation or limited liability company, and that the Lease is binding upon the corporation or limited liability company in accordance with its terms. Landlord represents that he is in sole title to the Premises and has unchallenged authority to enter into this Lease and to be bound by the terms contained herein.

29. **SEVERABILITY**. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

30. **EARLY TERMINATION**. In the event that there are changes in Alaska state or municipal law that make the business of Tenant illegal, Tenant may, at Tenant's election, be released from the terms of the Lease. In such event Landlord shall retain, as liquidated damages, all payments and deposits paid or due by or on behalf of the Tenant at the time of delivery of written notification.

32. **MISCELLANEOUS PROVISIONS:**

32.1 Time is of the essence of each provision of this Lease.

32.2 Whenever consent or approval of a party is required, that party shall not unreasonably withhold such consent or approval, however, Landlord may exercise its sole discretion in

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consenting or withholding consent to use or restriction in use of the Premises under the applicable paragraph of this Lease or consenting or withholding consent to assignment or subletting under the applicable paragraph of this Lease. Any such consent or approval must be in writing and signed by Landlord to be valid and must be given in advance.

32.3 This Lease and exhibits shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns, except as otherwise provided in this Lease.

32.4 This Lease shall be governed by and construed and enforced in accordance with the laws of the State of Alaska.

32.5 This Lease contains all the agreements of the parties and cannot be amended or modified except by a written agreement signed by the parties hereto.

32.6 All provisions contained in this Lease, whether covenants or conditions, on the part of Tenant shall be deemed to be both covenants and conditions.

32.7 If any provision of this Lease shall be held to be invalid, void or unenforceable, the remaining provisions shall not be affected or impaired, but shall remain in full force and effect.

32.9 In the event of variation or discrepancy, Lessor's original copy of this Lease shall control.

IN WITNESS WHEREOF, the parties hereto have executed this lease the day and year first above written.

LANDLORD:

William A Luth

By: DocuSigned by: William A Luth F8E992C07A0D4AD...

TENANT:

AK Restorations, LLC

By: DocuSigned by: Lou Weaver FE48EDF3241F493...
Louis Weaver
Its: Managing Member

EXHIBIT "B" to Commercial Lease Agreement

OPTION AGREEMENT FOR PURCHASE OF REAL PROPERTY

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THIS OPTION AGREEMENT ("Agreement") made and entered into this 1st day of January, 2021, by William A. Luth, PO Box 428, Willow, Alaska 99688, hereinafter referred to as "Seller" and AK Restorations, LLC, its member Louis Weaver, or its/his assigned, whose principal address is 2042 E. 3rd Ave., Suite A, Anchorage, Alaska 99501, hereinafter referred to as "Purchaser", Purchaser and Seller collectively referred to as the "Parties":

W I T N E S S E T H:

WHEREAS, Seller is the fee simple owner of certain real property being, lying and situated in the Municipality of Anchorage, such real property having the street address of 2042 E. 3rd Ave, Anchorage, Alaska 99501 ("Premises") and such property being more particularly described as follows: (legal description)
Also known as:

Lot One (1), Block Twenty-Six B (26B) Fourth Addition to the Townsite of Anchorage, according to plat C-43, Anchorage Recording District, Third Judicial District, State of Alaska.

WHEREAS, Purchaser desires to procure an option to purchase the Premises upon the terms and provisions as hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. DEFINITIONS. For the purposes of this Agreement, the following terms shall have the following meanings:

(a) "Execution Date" shall mean the day upon which the last party to this Agreement shall duly execute this Agreement;

(b) "Option Fee" shall mean the total sum of a down payment of $500.00 dollars;

(c) "Option Term" shall mean that period of time commencing on the Execution Date and ending on or before January 1st, 2036;

(d) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase;

(e) "Closing Date" shall mean the last day of the closing term or such other date during the closing term selected by Purchaser.

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2. GRANT OF OPTION. For and in consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the premises upon the terms and conditions as set forth herein.

3. PAYMENT OF OPTION FEE. Purchaser agrees to pay the Seller the Option Fee of $500.00 upon the mutual execution of this Agreement.

4. EXERCISE OF OPTION. Purchaser may exercise its exclusive right to purchase the Premises pursuant to the Option, at any time during the Option Term, by giving written notice thereof to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date. In the event the Purchaser does not exercise its exclusive right to purchase the Premises granted by the Option during the Option Term, Seller shall be entitled to retain the Option Fee, and this agreement shall become absolutely null and void and neither party hereto shall have any other liability, obligation or duty herein under or pursuant to this Agreement.

5. CONTRACT FOR PURCHASE & SALE OF REAL PROPERTY. In the event that the Purchaser exercises its exclusive Option as provided for in the preceding paragraph, Seller agrees to sell and Purchaser agrees to buy the Premises and both parties agree to execute a contract for such purchase and sale of the Premises in accordance with the following terms and conditions:

(a) Purchase Price. The purchase price for the Premises shall be the sum of Five Hundred and Twenty Five Thousand Dollars ($525,000.00), however, Purchaser shall receive a credit toward such purchase price in the amount of the Option Fee thus, Purchaser shall pay to Seller at closing the remaining balance of the purchase price and Purchaser's share of closing costs.

(b) Closing Date. The closing date shall be no later than one hundred and eighty (180) days from the date Purchaser exercises its right to purchase the Premises, unless extended as agreed to by the parties.

(c) Closing Costs. Purchaser's and Seller's costs of closing the Contract shall be split equally between the Parties;

(d) Default by Purchaser; Remedies of Seller. In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Premises pursuant to the terms and provisions as contained herein and/or under the Contract, Seller shall be entitled to retain the Option Fee as liquidated damages and shall have no further recourse against Purchaser;

(e) Default by Seller; Remedies of Purchaser. In the event Seller fails to close the sale of the Premises pursuant to the terms and provisions of this Agreement and/or under the Contract, Purchaser shall be entitled to either sue for specific performance of the real estate purchase and sale contract or terminate such Contract and sue for money damages.

6. MISCELLANEOUS.

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(a) Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.

(b) Notice. All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the Seller at PO Box 428, Willow, Alaska 99688 and to Purchaser at 2042 E. 3rd Ave, Suite A, Anchorage, Alaska 99501 or at such other address as either may specify to the other in writing.

(c) Fee Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

(d) Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement.

(e) Time. Time is of the essence of this Agreement.

(f) Headings. The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.

(g) Cost of this Agreement. Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.

(h) Entire Agreement. This Agreement contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

Signatures to follow on immediate next page.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority:

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Initial (L) DAL

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William A Luth

By: DocuSigned by: William A Luth F8E802C07A0D4AD...

AK Restorations, LLC

By: DocuSigned by: Lou Weaver FE40EDF3241F493...
Louis Weaver
Its: Managing Member

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Initial (L) DS WAL

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