Commercial Lease Agreement

THE PARTIES. This Lease Agreement agreed on April 1st, 2021 is between:

The **Lessor** is a Corporation known as TLO Management with a mailing address of 1341 Overhill Dr. Fairbanks, Alaska 99709, hereinafter referred to as the "Lessor".

AND

The **Lessee a business** known as Badger Buds LLC with a mailing address of 2008 Levado Ave. North Pole, Alaska 99705, hereinafter referred to as the "Lessee".

The Lessor and Lessee herby agree as follows:

DESCRIPTION OF LEASED PREMISES. The Lessor agrees to lease to the Lessee the following described retail space located at 2008 Levado Ave, North Pole, Alaska, 99705

Tax Map: Endecott Lot: 02 Tract C

Hereinafter referred to as the "Premises".

USE OF LEASED PREMISES. The Lessor is leasing the Premises to the Lessee and the Lessee is hereby agreeing to lease the Premises for any legal use allowed in accordance with local, State, and Federal Laws. Lessee also has permission to use the premises for a marijuana retail, cultivation or manufacturing facility.

Any change in use or purpose of the Premises other than as described above shall be upon prior written consent of Lessor only otherwise the Lessee will be considered in default of this Lease Agreement.

EXCLUSIVE USE. The Lessee shall hold exclusive rights to operate on the Premises with the following use(s): retail, cultivation, or manufacturing of cannabis products.

TERM OF LEASE. This Lease shall commence on April 1st 2019 and expire at Midnight on April 1st 2024 ("3rd Term").

RENT AMOUNT. Payment shall be made by the Lessee to the Lessor in the amount of 2,000.00 for the Initial Term of this Lease Agreement hereinafter referred to as the "Rent".

RENT PAYMENT. The Rent shall be paid under the following instructions:

Rent shall be paid by the Lessee to the Lessor on a per month basis with payment due no later the 1st of every month.

Rent shall be paid by the Lease to the Lessor's Bank Account

RETURNED CHECKS (NSF). If the Lessee attempts to pay Rent with a check that is not deemed valid by a financial institution due to non-sufficient funds, or any other reason for it to be returned, the Lessee will be subject to any NSF fee in addition to any late fee.

LATE FEE. The Lessor shall charge a late fee if rent is not paid on time in the following amount:

The Lessee shall be charged a late fee in the amount of $50.00 per occurrence if the rent is not paid after the 5th day payment is due.

OPTION TO RENEW. The Lessee shall have the right to renew this Agreement under the following conditions:

Lessee shall have the right to renew this Lease Agreement, along with any renewal period, and be required to exercise such renewal period(s) by giving written notice via certified mail to the Lessor no less than 60 days prior to the expiration of the Initial Term or any subsequent renewal period. The Lessee shall have a total of 3 renewal periods which will continue to abide by the same covenants, conditions and provisions in the Lease Agreement as described:

RENEWAL PERIODS

The first (1st) renewal period shall begin on April 1st 2021 and end on April 1st 2022 with the Rent to be paid per month in the amount of 2,000.00.

The Second (2nd) renewal period shall begin on April 1st 2022 and 4end on April 1st 2023 with the Rent to be paid per month in the amount of 2,000.00.

The Third (3rd) renewal period shall begin on April 1st 2023 and 4end on April 1st 2024 with the Rent to be paid per month in the amount of 2,000.00.

EXPENSES. In accordance with a Triple Net (NNN) Lease the responsibility of the expenses shall be attributed to the following:

It is the intention of the Parties, and they herby agree, that in addition to the Rent, the Lessee shall be obligated to pay the following expenses to the Lessor on a per month basis:

OPERATING EXPENSES. The Lessor shall have no obligation to provide any services, perform any acts or pay any. expenses, charges, obligations or costs of any kind

whatsoever with respect to the premises, and Lessee herby agrees to pay one-hundred percent (100%) of any and all Operating Expenses as hereafter defined for the entire term of the lease and any renewals thereof in accordance with specific provisions hereinafter set forth. The term "Operating Expenses: shall include all costs to Lessor of operating and maintaining the Premises, and shall include, without limitation, real estate and personal property taxes and assessments, ,management fee(s), heating, air conditioning, HVAC, electricity, water, disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restricting, repairs, repaving, cleaning and custodial, security, insurance, the cost of sin testing the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the Premises and related parking areas, unless expressly excluded from operating expenses.

TAXES. Lessee shall pay, during the term this Lease, the real state taxes and special taxes and assessments (collectively, the "taxes") attributable to the Premises and accruing during such term. The Lessee will pay taxes annually. Taxes for any fractional calendar year during the term hereof shall be prorated. In the event Lessee Does not make any tax payment required hereunder, Lessee shall be in default of this Lease.

INSURANCE. The Lessee shall provide and maintain personal liability and property damage insurance. The Lessee will designate the Lessor as an "also named insured". The insurance shall protect and indemnify the Lessor of any injury, death, or property damage to occur on the property to the limits of $1,000,000.00.

UTILITIES. The Lessee shall be responsible for any and all utilities to the Premises in relation to the total property area.

PARKING. Parking shall be provided to the Lessee in a dedicated manner provided on the premises. There is no set number of parking spaces provided to the Lessee.

LICENSE AND PERMITS. A copy of any and all local, state or federal permits acquired by the Lessee which are required for the use of the Premises shall be kept on site at all times and shall be readily accessible and produced to the Lessor and.or their agents or any local, state, or federal officials up demand.

MAINTENANCE. The Lessee shall be responsible for all repairs and maintenance on the Premises due to normal wear and tear on the Premises. Particularly items which need immediate attention including but not limited to, the replacement of light bulbs, normal repair and cleaning of windows, cleaning of bathrooms, clearing of toilets, etc. The Lessee shall properly maintain the premises in a good, safe and clean condition and shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state, or federal laws, rules regulations or ordinances.

In the event that the Premises s damaged as a result if any neglect or negligence of Lessee, his employees, agents, business invitees, or any independent contractors serving the Lessee or in any way as a result of as a result of Lessee's se and occupancy of the premises, the the Lessee shall be primarily responsible for seeing that the proper claims are pace with the Lessee's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Lessor, and the party or parties causing said damage.

SALE OF PROPERTY. Lessee shall, in the event of the sale or assignment of Lessor's interest in the building of which the premises form a part, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Lessor conferring the premises, attorn to purchaser and recognize such purchaser as Lessor under this Lease.

SUBLET/ASSIGNMENT. The Lessee may transfer or assign this lease, or any right or interest hereunder or sublet said leased premises or any part thereof without restriction our conflict from the Lessor.

DAMAGE TO LEASED PREMISES. In the event the building housing the leased premises shall be destroyed or damaged as a result of any fire or other casualty which is not the result of the intentional acts or neglect of Lessee and which precludes or adversely affects the Lessee's occupant of the leashed premises, then in every such cause, the rent herein set fourth shall be abated or adjusted according to the extent to which the Premises have been rendered unfit for use and occupation by the Lessee and until the demised premises have been put in a condition at the expense of the Lessor, at least to the extent of the value and as nearly as possible to the condition of the premises existing immediately prior to such damage. It is understood, however, in the event of total or substantial destruction to the premises that in no event shall the Lessor's obligation to restore, replace or rebuild exceed an amount equal to the sum of the insurance proceeds available for reconstruction with respect to said damage.

The Lessee shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the leased premises in a good condition and repair as it is at the date of this Lease, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect of Acts of Lessee or h4r guests or invitees. Furthermore, the Lessee shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by the federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazards waste materials or contaminates on the premises. Lessee shall also be responsible for the cost, if any, which would be incurred to bring her contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

LESSEE'S DEFAULT AND POSSESSION. In the event that the Lessee shall fail to pay said rent and expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 30 days, after receiving notice of said default, then the parties hereto expressly agree and covenant that the Lessor may declare the Lease terminated but will not take possession of or remove marijuana/marijuana products from the premises, and will contact AMCO for guidance if removal is necessary.

LESSOR'S DEFAULT. The Lessee may send written notice to the Lessor stating duties or obligations that have not been fulfilled under the full performance of this Lease Agreement. If said duties for obligations have not been cured within 30 days from receiving such notice, unless the Lessor needs more time to cure or remedy such issue in accordance with standard industry protocol, then the Lessor shall be in default of this Lease Agreement.

If the Lessor should be in default then Lessee shall have the option to terminate this Lease Agreement and be held harmless against any of its terms or obligations.

CONDITION OF PREMISES/INSPECTION BY LESSEE. The Lessee acknowledges they have had the opportunity to inspect the Premises and acknowledges with its signature on this Lease that the premises are in good condition and comfy in all respects with the requirements of this Lease. The Lessor makes no representation or warranty with respect to the condition o the premises or its fitness or availability for any particular use, and the Lessor shall not be liable for any latent or patent defect therein. The lessee represents that Lessee has inspected the premises and is leasing and will take possession of the premises with all current fixtures present in their "as is" condition as of the date hereof.

HOLDOVER PERIOD. Should the Lessee remain in possession of the Premises after the cancellations expiration or sooner termination of the Lease, or any renewal thereof, without the execution of a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall be deemed to have created and be construed to be a tenancy from month to month with the Rent to be due and payable in the same amount as the previous month, terminable upon 30 day's notice by either party.

GOVERNING LAW. This Lease shall be governed by the laws of the State of Alaska.

NOTICES. Notices shall be addressed to the following:

LESSOR
TLO Management
1340 Overhill Dr., Fairbanks, Alaska, 99709

LESSEE
Badger Buds LLC
2008 Levado Ave., North Pole, Alaska, 99705

ADDITIONAL TERMS AND CONDITIONS. Lessee has permission to run a marijuana retail, cultivation, or manufacturing facility at the premises.

DISCLAIMER. Lessor will not take possession of or remove marijuana/marijuana products from the premises, and will contact AMCO for guidance if removal is necessary.

SEVERABILITY. If any term or provision of this Lease Agreement is illegal, invalid or unenforceable, such term shall be limited to the extent necessary to make it legal and enforceable, and, if necessary, severed from this lease. All other terms and provisions of this Lease Agreement shall remain in full force.

BINDING EFFECT. This Lease and any amendment thereto shall be binding upon the Lessor and Lessees and/or their respective successors, heirs, assigns, executors and administrators.

Signature Lessor _____ **Date** 4/1/23
Theodore Westlake, Owner TLO Management

Signature Lesser Michelle Westlake **Date** 4-1-23
Michelle Westlake, Owner Badger Buds LLC