ALASKA COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT hereinafter known as the "**Lease**" is entered into this 1st day of January, 2022, ("**Effective Date**") by and between

Paul Schwartz Jr with mailing address at 189 E Nelson Ave #107, Wasilla AK 99654 hereinafter referred to as the "**Lessor,**"

And

Drpcuts LLC with mailing address at 189 E Nelson Ave #107, Wasilla AK 9965 hereinafter referred to as the "**Lessee,**" collectively referred to herein as **"the Parties."**

WHEREAS, the Lessor desires to lease the Premises defined herein to the Lessee under the terms and conditions as set forth herein; and

WHEREAS, the Lessor desires to lease the Premises defined herein from the Lessor under the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the covenants and obligations set forth herein and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. **THE PREMISES.** In accordance with the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee the property described below together with all the improvements thereto:

Address: 43636 Parks Hwy, Talkeetna AK 99676
Hereinafter known as the "**Premises**".

The Lessee hereby leases and takes from the Lessor the Premises and confirms that the floor numbers and/or unit numbers of the Premises referred to above are designated by The Lessor.

2. **PERMITTED USE.** Lessee agrees to continuously and at all times use and occupy the Premises during the Lease Term solely for the Permitted Use(s) as specified below (**"Permitted Use"**):

Marijuana Extraction and Cultivation

No other use is permitted without prior written approval of Lessor, which approval Lessor may grant or withhold.

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3. **LEASE TERM**. The term of this Lease shall commence on 1st day of January, 2022 and shall subsist for a period of 5 year(s) 0 month(s), and expire on the last day of the Lease term, the 31st day of December, 2027. ("**Lease Term**")

4. **RENEWAL**.

☐ The Lessee will have right to renew the lease for the additional term of 5 years and 0 months (the "**Renewal Term**") by giving the Lessor a Notice of Renewal not later than 1 months but no earlier than 2 months, prior to the expiration of the Lease Term ("**Renewal Period**"). The Renewal Term shall commence immediately upon the expiration of the Lease Term. In the event of the renewal of this Lease, the terms and conditions of this Lease shall remain in full and effect for the duration of the Renewal Term unless otherwise agreed to in writing by the Parties.

5. **RENT**. The Lessee shall pay the net amount of $ 5000 for every month for the duration of the Lease (herein after referred to as **"Rent"**). The rent shall be payable every 1st day of the month ("Due Date"), every month for the duration of the lease notwithstanding that the Due Date falls on a weekend or public holiday.

7. **COMMON AREAS**. The Lessor shall at all times have exclusive management and control of the Common Areas for any purpose or in any manner that it deems necessary or appropriate. The Lessor reserves the right to remove, relocate or otherwise change or carry out any alteration or addition or other works to the Common Areas. The Lessor shall not be liable to Lessee for any damage incidental to the exercise of its rights under this section, provided that such damage is not accompanied by any fault, negligence or bad faith on the part of the Lessor or his agents. The Lessee shall abide by the Lessor's rules and management of the Common Areas.

"**Common Areas**" refers to those portions of the structure in which the Premises and located and areas surrounding the Premises including the driveways, entrances and exits, pedestrian passageways, walkways, loading docks, landscaped and streetscaped areas, any on-site parking areas, facilities (such as escalators, and lifts), installations (such as doors, windows, electrical installations and wiring), water and drainage pipes, gas pipes, fire systems, security and air-conditioning facilities, and all other areas or improvements which may be provided by Lessor from time to time for the general use of tenants of the structure in which the Premises and located and areas surrounding the Premises and their respective employees, guests, patrons, suppliers, licensees and other invitees.

8. **SECURITY DEPOSIT**. Lessee shall deposit with Lessor the amount of $1 to secure the faithful performance of the terms and conditions of this Lease (the **"Security Deposit"**) on or before the execution of this Lease. The Security Deposit shall be held by Lessor: (Choose one that applies)

☐ free of interest throughout the Lease Term. /

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☐ in escrow in an interest-bearing account with interest accruing to the Lessee and to be delivered to the Lessee upon the return of the Security Deposit.

Except in the event that the same has been forfeited by the Lessee, the Security Deposit shall be returned to the Lessee within _____ days after the termination of the Lease.

9. **ALTERATIONS AND IMPROVEMENTS.** No alterations to or improvements on the Premises shall be made by the Lessee without prior express consent of the Lessor to the same in writing. The Lessor agrees to not unreasonably withhold consent to reasonably necessary alterations or improvements. The Lessee shall ensure compliance with any and all applicable laws, rules, ordinances and codes when undertaking any alteration or improvement to the Premises.

A. **Unauthorized Alterations or Improvements.** In the event that the Lessee shall undertake alterations or improvements relating to the Premises in violation of this section the same shall be considered a material breach of this Lease and shall put the Lessee in default. The Lessor may, upon the Lessor's discretion, require the Lessee to undo the alterations or improvements and restore the Premises to the its condition prior to any unauthorized alteration or improvement at the sole expense of the Lessee.
B. **Ownership of Alterations and Improvements.** In all cases of alterations, improvements, changes, accessories and the like that cannot be removed from the Premises without destroying or otherwise deteriorating the Premises or any surface thereof shall, upon creation, become the Lessor's property without need for any further transfer, delivery or assignment thereof.

10. **COMPLIANCE WITH LAW**. The Lessee undertakes to comply with and abide by, at its sole expense, any and all Federal or Alaska state laws, municipal or county ordinances, rules, regulations, codes and all other issuances from authorized government authorities respecting the Premises and the Lessee's occupation and use thereof, including but not limited to obtaining all pertinent licenses and permits and maintaining copies thereof in the Premises.

11. **OBLIGATIONS OF THE LESSEE:**

A. The Lessee shall keep the premises in a clean, sanitary, neat and presentable condition.
B. The Lessee shall be responsible for the repairs, outside of ordinary wear and tear, of any part of the Premises that do not affect the structural parts of the building or structure in which it is located or those that are generally considered as minor repair (**"Minor Repairs"**) including but not limited to replacing light bulbs, cleaning or repairs of windows, doors, toilets and similar appurtenances.
C. The Lessee shall, at its sole expense restore, repair and/or rectify any damage, outside of ordinary wear and tear, to the Premises caused by the Lessee or others that the lessee permits into the Premises that are not covered or compensable by any insurance.

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12. **ASSIGNMENT.** The Lessee acknowledges that this Lease is not transferrable and that the Lessee may not assign the Lease, any part of the Lease or any of the rights or obligations herein without the prior express and written consent of the Lessor. The Lessee shall not sublet, sublease or otherwise grant any other party any license or right in relation to the Premises or this Lease without such consent. Any license, assignment, sublease or agreement in violation of this clause shall be null and void with no legal force whatsoever.

13. **RIGHT OF ENTRY.** The Lessor shall, upon giving _____days' notice, be granted by the Lessee access and allowed by the latter to enter the Premises to make necessary inspections, repairs or alterations on the property, or pursuant to any lawful purpose as the Lessor, provided that the time of entry requested is reasonable considering the purpose.

14. **DAMAGE TO LEASED PREMISES.** If the event that the Premises and/or the structure or building in which it is located is damaged or destroyed by fire or other casualty without the fault or negligence of the Lessee or his agents, the Lessor shall, at its own expense, repair the damaged portion, the Premises, structure and/or building to restore the same to substantially the condition in which it was handed over to Lessee. The Rent shall be abated until such repairs are completed.

In the event such repair cannot be accomplished or of total destruction the Lease shall cease and terminate with no early termination or other liability accruing to either of the Parties.

15. **DEFAULT AND POSSESSION.** If Rent is not paid within ____ days of the Due Date, the Rent shall be considered past due and a late fee of ☐ $_____ or ☐ ____ % of the Rent past due shall be applied for every ☐ day Rent is late or ☐ occurrence Rent is late.

In the event that the Lessee fails to pay Rent on the Due date or is in default of any of the terms of this Lease, the Lessor shall promptly provide the Lessee with a notice of such default, informing the Lessee that failure to rectify the same within _____ days will terminate the Lease and allow the Lessor to recover the premises at the end of such period. Should the Lessee fail to rectify the same within _____ days after receiving such Notice of Default, the Lessor may terminate this Lease and recover the Premises from the Lessee. In such an event, the Lessor may hold the Lessee's possessions found in the Premises as security until sums owed by the Lessee has been paid.

16. **SURRENDER OF PREMISES.** On or before 11:59 P.M. on the last day of the Lease Term, the Lessee shall deliver up vacant possession of the Premises to Lessor more or less in the condition it was delivered to the Lessee, save ordinary wear and tear, and the Parties shall carry out the inspection of the Premises and shall sign a handover form jointly prepared and signed by Parties to confirm the condition and handover of the

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Premises. The Lessee shall also return all keys and other devices giving access to any part of the Premises and the building or structure in which it is located.

Without prejudice to the foregoing, the Lessee shall at its expense, at the request of Lessor, immediately make good any deficiencies identified during the handover inspection and remove from the Premises any alterations, fixtures or property of Lessee that Lessor requests to be removed, provided that the same were not existing in the Premises delivered by the Lessor or do not consist of alterations or improvements consented to by the Lessor as provided in Section 9 hereof.

Failure of the Lessee to return the Premises to Lessor in accordance with the above, shall entitle the Lessor to enter the Premises and carry out appropriate repair to the Premises and removal of any property of Lessee and any cost so incurred shall be borne by Lessee. All property left in the Premises by Lessee shall be deemed to have been abandoned by Lessee and Lessor shall be entitled to dispose of the same as Lessor deems appropriate.

17. **INDEMNIFICATION**. The Lessor shall not be liable for any injury to the Lessee or any other persons or property entering the Premises occurring within the Premises during the Lease Term. Neither shall the Lessor be liable for any damage to the structure within which the Premises is located or any part thereof. The Lessor hereby agrees to hold the Lessor harmless from and indemnify the Lessor for any and all claims or damage not arising solely from the Lessor's acts, omission, fault or negligence.

18. **GOVERNING LAW**. This Lease shall be governed by and its terms and conditions be interpreted according to the laws of the State of Alaska.

19. **NOTICE.** All notices in relation to this Lease shall be delivered to the following addresses:

To the Lessee at the address:

189 E Nelson Ave #107
Wasilla AK 99654;

and

To Lessor at the address:

189 E Nelson Ave #107
Wasilla AK 99654;

20. **SEVERABILITY.** Should any provision of this Lease be found, for whatever reason, invalid or unenforceable, such nullity or unenforceability shall be limited to those

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provisions. All other provisions herein not affected by such nullity or dependent on such invalid or unenforceable provisions shall remain valid and binding and shall be enforceable to the full extent allowed by law.

21. **BINDING EFFECT**. The terms, obligations, conditions and covenants of this Lease shall be binding on Lessee, the Lessor, their heirs, legal representatives and successors in interest and shall inure to the benefit of the same.

22. **ENTIRE AGREEMENT.** This Lease and, if any, attached documents are the complete agreement between the Lessor and the Lessee concerning the Premises. There are no oral agreements, understandings, promises, or representations between the Lessor and the Lessee affecting this Lease. All prior negotiations and understandings, if any, between the Parties hereto with respect to the Premises shall be of no force or effect and shall not be used to interpret this Lease. No modification or alteration to the terms or conditions of this Lease shall be binding unless expressly agreed to by the Lessor and the Lessee in a written instrument signed by both Parties.

IN WITNESS WHEREOF, the parties hereto set their hands and seal this 1st day of January, 2022.

Lessee's Signature **Printed Name**

Paul Schwartz Jr _____Paul Schwartz JR_____

Lessor's Signature **Printed Name**

Paul Schwartz Jr _____ Paul Schwartz JR_____

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