SUBLEASE AGREEMENT

This Sublease agreement ("Lease") is dated this 18th day of January 2024, by and between McCallister Investment Group, LLC ("Sublandlord") and L & J Ventures, Inc. ("Subtenant"). These two parties agree to the following:

- PREMISES: In consideration of the lease payments detailed in this Lease, Sublandlord leases to Subtenant ("Premises") the leased building and associated parking areas located at 1150 Huffman Park Drive, Anchorage, Alaska 99515.

- TERM: The Lease will start upon AMCO effectuation of the license transfer and shall be a three-year (3) term ("Initial Term"), with options to renew for two (2) additional three (3) year term. If either party decides to not renew the Lease, the non-renewing party will notify the other party not less than six (6) calendar months before the Initial Term's expiration date. Either party can terminate the Lease upon a substantial breach of this Agreement and before a written notice to the other party, giving a ten (10) day notice to remedy the defect to avoid the termination.

- LEASE PAYMENTS: Rental payments shall be During the term and any Extension Term of this Lease, Subtenant shall pay to the Sublandlord at Sublandlord's address specified below, or at such other place as the Sublandlord may hereinafter designate, within 10 days after the end of each calendar quarter Percentage Rent as follows:

  Subject to the provisions of this Lease, the Subtenant will pay Sixteen (16%) percent of the total gross retail sales that are sold from the Premises under the retail marijuana license, during the calendar month.

  Definition of Gross Sales for Purposes of this Section: For Gross retail sales shall mean the gross sales received by Subtenant, minus any retail sales tax that may be imposed by the Municipality of Anchorage, minus actual procurement costs of goods[1], and minus estimated federal tax liability.

Subtenant shall provide Sublandlord Sale records for Subtenant to ensure the Subtenant's reported Gross Monthly Sales are consistent with Subtenant's business records. Calculation of Gross Monthly Sales, unless otherwise provided for in this agreement, shall be governed by generally accepted accounting principles (hereinafter, GAAP). Subtenant shall include a signed affidavit with each month's payment evidencing the amount being paid to Sublandlord, as determined herein.

[1] For purposes of this Commercial Lease Agreement, actual procurement costs of goods shall mean the whole sale purchase price paid by the retail license to obtain the goods, costs of compliance software and point of sale expense of employees who are not shareholders of L&J Ventures, Inc.

- If the monthly payment is not received by the 10th day of the month, a late fee of $20.00 per day will be charged. Sublandlord will give written notice to Subtenant of the past due lease payment. On the 15th day of the month, Sublandlord can give notice of breach, as stated above, and Subtenant will agree to vacate the premises if the breach is not resolved within ten (10) days.

- USE OF PREMISES: Sublandlord acknowledges that the Subtenant will be using the Premises to operate a commercial retail marijuana store, licensed through the State of Alaska – Alcohol and Marijuana Control Office (AMCO). The Premises can be used for any other purpose, only with the prior consent of Sublandlord in writing, which shall not be unreasonably withheld.

  Subtenant will notify Sublandlord of any expected extended absence of five (5) days or longer from the Premises no later than the first day of the extended absence.

- UTILITIES AND SERVICES: Subtenant will be responsible for their pro-rata share of all utilities and services related to the Premises.

- TAXES: Taxes related to the Premises or the use of the Premises will be allocated as listed below:
  - REAL ESTATE TAXES: Subtenant will pay pro-rata share of the Premises' real estate taxes, CAM expenses, and assessments.
  - PERSONAL TAXES: Subtenant shall pay all personal taxes and other charges that may be levied against the Premises and are related to Subtenant's use of the Premises, along with all sales and/or use taxes (if any) that may be due in connection with lease payments.

- PROPERTY INSURANCE: During the entire Lease Term, Subtenant will obtain and maintain, at its own expense, special form ("all risk") property insurance, in an amount that is not less than one hundred percent (100%) of the replacement cost, which covers the Premises (including all leasehold improvements), the contents thereof, and the Building in which the Premises are located (altogether, the "Property Insurance"). The Property Insurance will include business income ("loss of rents") coverage for a period not less than twelve (12) months following the insured casualty. Sublandlord will be named as an additional insured on the Property Insurance. Landlord and Sublandlord each will be named as loss payees on the Property Insurance with respect to proceeds attributable to damage to the Premises and the Building. Sublandlord will be named as loss payee on the Property Insurance with respect to business income coverage. Subtenant will not be a loss payee with respect to proceeds attributable to neither damage to the Premises and Building nor to business income coverage. However, Subtenant will be the loss payee for its personal

property located in the Premises. The Property Insurance proceeds will be used for the repair or replacement of the property insured except if this Lease is terminated after a casualty, the proceeds relevant to the Building, Premises and leasehold improvements shall be paid to Landlord and the proceeds relevant to Subtenant's personal property will be paid to Subtenant. The Property Insurance policy will be in a form and include such endorsements that are normal and typical for property insurance policies carried on similar property or properties or by similarly situated parties.

- DEFAULTS: Subtenant shall be in default of this Lease if Subtenant fails to comply with any lease obligation or term by which Subtenant is bound. Subject to any governing provisions of law to the contrary, if Subtenant fails to remedy any financial obligation within fifteen (15) days (or any other obligation within 30 days) after a written notice of default is provided by Sublandlord to Subtenant, Sublandlord may repossess the Premises without further notice (to the extent permitted by law), and without prejudicing Sublandlord's rights to damages. Alternatively, Sublandlord may choose to cure any default and the cost of such action will be added to Subtenant's financial obligations under this Lease. Subtenant shall pay all and any costs, damages, and expenses (including reasonable attorney fees and expenses) endured by Sublandlord by reason of Subtenant's defaults. All sums of money or charges are detailed as "additional rent." The rights listed in this paragraph are cumulative and are in addition to any rights afforded by law. In case of a default by Subtenant, **Sublandlord will notify the Alaska Marijuana Control Office and ensure Enforcement for AMCO removes all marijuana and marijuana products from the Premises.**
- HOLDOVER: If Subtenant holds possession of the Premises for any period after the Leases ends ("Holdover Period"), Subtenant will pay Sublandlord the lease payment(s) during the Holdover Period at a rate amounting to the most recent rate before the Holdover Period. Such holdover will constitute a month-to-month extension of this Lease.

- CUMULATIVE RIGHTS: The rights of both parties under this Lease are cumulative and shall not be interpreted as exclusive unless otherwise required by law.

- NON-SUFFICIENT FUNDS: Subtenant will be charged $100.00 for each check returned to Sublandlord for lack of sufficient funds.

- REMODELING OR STRUCTURAL IMPROVEMENTS: Subtenant shall have the obligation to conduct any construction or remodeling (at their expense) that may be required to use the Premises as described above. Subtenant may also construct fixtures on the Premises (also at their expense) that appropriately facilitates its use for such purposes. Such construction and fixtures shall occur only with the prior written consent of Landlord, which shall not be unreasonably withheld. Subtenant will not install awnings or

advertisements on any part of the Premises without prior written consent of Landlord. At the end of the lease term, Subtenant is entitled to remove (or at Landlord's request to remove) such fixtures and restore the Premises to noticeably the condition of the Premises at the beginning of the Lease.

- ACCESS BY LANDLORD AND/OR SUBLANDLORD TO PREMISES: Landlord and Sublandlord have the right to enter the Premises to make inspections, provide necessary services, and/or show the unit to prospective buyers, mortgagees, Subtenants or workers, providing there is consent from Subtenant (which shall not be unreasonably withheld). Landlord and/or Sublandlord do not assume any sort of liability for the care or supervision of the Premises. As provided by law, Landlord and/or Sublandlord may enter the Premises without Subtenant's consent in the case of an emergency. During the final three months of this Lease (or any extension added to this Lease), Landlord will be allowed to display the typical "To Let" signs and show the Premises to potential Subtenants. Landlord and/or Sublandlord must comply with Subtenant's visitor policies and ensure that no agent or potential Subtenant of Landlord and/or Sublandlord tries to enter the Premises that is under the age of 21, that they provide a valid state or federally issued form of identification, and they remain in eyesight of a designated agent of Subtenant at all times.

- INDEMNITY REGARDING USE OF PREMISES: To the extent permitted and outlined by law, Subtenant agrees to indemnify, hold harmless, and defend Sublandlord from and against all losses, claims, liabilities, and expenses (including reasonable attorney fees), which Sublandlord may endure or acquire related to Subtenant's possession and use or misuse of Premises, except in the case of Sublandlord's actions or negligence.
- COMPLIANCE WITH REGULATIONS: Subtenant must comply with all laws, ordinances, requirements and regulations of the state, borough, and other authorities, and the fire insurance underwriters. However, Subtenant will not by this provision be required to make alterations to the building's exterior or alterations of a structural nature.

- ACKNOWLEDGEMENT OF USE FOR MARIJUANA COMMERCIAL ACTIVITIES AND WAIVER OF ANY DEFENSES OF ILLEGALITY DUE TO FEDERAL LAW OR VOID FOR PUBLIC POLICY: Sublandlord acknowledges and agrees that Premises will be used for marijuana state and local licensed commercial activities. Both parties are aware that marijuana sale and cultivation is illegal under federal law and therefore waive all defenses of non-performance of this contract tied to defenses such as void for public policy and illegality under federal law.

- MECHANICS LIENS/CLAIM OF LIEN: Neither Subtenant nor anyone claiming on behalf of Subtenant will have the right to file mechanics liens/claim of lien or any other kind of lien on Premises and the filing of this Lease means that such liens are invalid. Subtenant agrees

to (1) give advance notice to all contractors, subcontractors or suppliers of goods, labor, or services that such liens will be invalid, and (2) take whatever needed step to keep Premises free of all liens resulting from construction done by or for Subtenant.

- ARBITRATION: Controversies or claims relating to this contract (including construction or application of this contract) shall be settled by binding arbitration under the American Arbitration Association's rules. Any judgment granted by the arbitrator(s) can be imposed in any court of proper jurisdiction.

- NOTICE: Notices under this Lease will not be valid unless given or served in written form and forwarded by mail, postage prepaid, addressed as follows:

  SUBLANDLORD:
  McCallister Investment Group, LLC
  1500 Bogard Road
  Wasilla, AK 99654

  SUBTENANT:
  L & J Ventures, Inc.
  1500 Bogard Road
  Wasilla, AK 99654

  The above addresses are subject to change from time to time by any party by providing notice as set forth above. Notices mailed in accordance with the previously mentioned provisions will be deemed received on the third day after posting.

- GOVERNING LAW: This Lease will be interpreted according to the laws of the State of Alaska.

- ENTIRE AGREEMENT/AMENDMENT: This Lease contains the entire agreement of all parties and there are no other verbal or written promises, conditions, understandings or other agreements related to this Lease. This Lease can be changed or revised in writing, only if the writing is signed by the party obligated under the amendment.

- SEVERABILITY: If any part of the Lease is found to be invalid or unenforceable for any reason, the remaining provisions will still be valid and enforceable. If a court decides that any provision of the Lease is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

- WAIVER: If either party fails to enforce any provisions of the Lease, it will not be interpreted as a waiver or limitation of that party's right to subsequently enforce and require strict compliance with each provision of the Lease.

- BINDING EFFECT: This Lease's provisions will be binding to the benefit of both parties and their respective legal representatives, successors and assigns.

Subtenant – L & J Ventures, INC.

By: Lisa Hacker Date: Jan 18, 2024

Lisa Hacker – its President

Sublandlord – McCallister Investment Group, LLC

By: _____ Date: January 18th, 2024

Daniel Hacker – Member of JDC Investment Group, LLC – Managing Member of McCallister Investment Group, LLC

I, Cameron Johnson, Member of Huffman Commons Group, LLC, Owner and Master Landlord of the property located at 1150 Huffman Park Drive, Anchorage, AK 99515. hereby agree to allow McCallister Investment Group, LLC to sublease 1150 Huffman Park Drive, Anchorage, Alaska 99515 to L & J Ventures, Inc. for the purposes referred to in this sublease agreement.

Dated this 18th day of January, 2024

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Cameron Johnson – Member of Huffman Commons Group, LLC
Property Owner