COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (the "Lease) is made and entered into and effective as of the 24th day of May, 2023, by and between Jenny Koenig and Koenig Real Estate LLC (hereinafter "Lessee"), whose address is 3251 N Eureka Cir Wasilla, AK 99654-1335, and Premier Valley Homes Inc, (hereinafter "Lessor"), whose address is 4700 E Shaws Dr, Wasilla, AK 99654.

RECITALS

WHEREAS, Lessor is the owner of certain real property known as 2115 E Bogard Road, Wasilla, AK 99654, and Lessee desires to lease to Lessee a portion of the real property, known as Suite 1, 2, and 3, for the purpose of Food and Manufacturing; and

WHEREAS, the parties have agreed to the terms and conditions of the lease;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Demise; Description of Premises. Lessee leases from Lessor the real property known as 2115 E Bogard Road, 1,2,& 3 , Wasilla, AK 99654, (hereinafter referred to as the "Premises"), containing 6,120 rentable square feet, more or less, as depicted in the attached diagram.

The rights granted under this Lease are subject to all exceptions, agreements, easements, rights-of-way, conditions, covenants, reservations, terms, conditions, and restrictions of record against the real property.

2. Term. The term of this Lease shall be 60 Months, commencing on the 1st day of November, 2023 and ending on the 31st day of October, 2028 ("Term").

3. Rental. Lessee shall pay to Lessor the Base Rent and CAM charges as described herein, collectively "Rent":

(a) Base Rent. Lessee shall pay to Lessor on the first day of each month, beginning on the 1st day of October, 2023, monthly rent in the sum of $10,710, payable at the above address of Lessor or deposited into rental account #_____ at Northrim Bank.

(b) **Additional Rent.** Common Area Maintenance ("CAM") shall hereinafter be referred to as "Additional Rent," as described in the attached Exhibit A.

(c) **Late Fee.** If Lessee fails to pay any installment of Rent, Additional Rent, Sales Tax, or any other sum due under the terms of this Lease when due, Lessee shall pay to Lessor a late fee equal to ten percent (10%) of the past due sum.

4. **Security Deposit.** Lessee shall pay to Lessor the sum of $ 10,710 by the 1st day of June, 20 23 as a Security Deposit. Lessor shall not be required to maintain the Security Deposit in a separate account from Lessor's general operating account.

5. **Security Deposit Refund.** In order for the security deposit to be returned in full, at such time as the Lessee surrenders possession of the Premises to Lessor, the following items must be completed:

(a) Carpets must be professionally cleaned.

(b) Any damage to walls must be repaired and refinished to match. This includes painting as necessary. Paint must match.

(c) Temporary alterations must be removed, and area restored to its original condition.

(d) Warehouse units must be swept out and any damage to walls repaired and finished to match.

(e) All work must be done to the satisfaction of the Lessor. Specific instruction as to materials and application are to be obtained from Lessor.

(f) At Lessee's option, the actual work can be done or contracted out by _____ and the charges billed to Lessee.

(g) All delinquent rents or other charges to which the Lessor is entitled under the terms of this Lease must be paid.

(h) Any remaining balance of Security Deposit shall be returned by Lessor to Lessee within thirty (30) days of the termination of this Lease or any extension thereof.

6. **Use and Restrictions.**

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(a) **Use.** Subject to the terms and conditions of this Lease, Lessee shall use the Premises solely for the purpose of Food and Manufacturing and activities incidental thereto. Lessee shall not use or permit the use of the Premises for any purpose which, in Lessor's reasonable opinion, unreasonably disturbs any other lessees of Lessor's adjacent rental properties or interferes with the operation of such properties. Lessee shall also cause its agents, employees, and customers to comply with all rules and regulations. Lessee will, upon demand, pay for any damage to the Premises caused by the misuse of same by it or its agents, employees, or invitees.

(b) **Care.** Lessee shall keep the Premises clean, safe and orderly. Lessee shall conduct activities upon and generally maintain the Premises in such a manner and with such care that injury to persons and damage to property does not result therefrom. The Premises shall be maintained in an attractive manner at all times. Lessee shall, at its sole cost, be responsible for all light bulb replacements, and for furnishing and maintaining fire extinguishers, and/or any decals or signage required by any applicable government authority to ensure the safety within the Premises and building.

(c) **Hazardous and Toxic Substances.** Lessee agrees that so long as this Lease shall remain in effect, that the Premises shall NOT be used in or for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous or toxic substances, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. (1980), and as those terms are defined in any applicable state or local laws, or regulations. Lessee agrees to fully indemnify and hold harmless Lessor against any and all claims and losses resulting from a breach of this provision of this Lease. This obligation to indemnify shall survive the payment of all rents and the termination of this Lease.

(d) **Signs.** Lessee shall not inscribe any inscription, or post, place, or in any manner display any sign anywhere in or about the Premises without first obtaining Lessor's written consent thereto. Any such consent by Lessor shall be upon the understanding and condition that Lessee shall pay all costs associated with such signage, remove the same at the expiration or sooner termination of this Lease or at Lessor's direction and Lessee shall repair any damage to the Premises or other property caused thereby. All signs must comply with applicable law.

(e) **Compliance with Law.** Lessee shall comply promptly with all applicable statutes, ordinances, rules, codes, regulations, orders and requirements in effect during the Term, or any part of the Term, hereof regulating the use by Lessee of the Premises. Lessee shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance. Lessee shall not use or permit use of the Premises for any purpose which is illegal, or dangerous to persons or property.

(f) **Condition of Premises.** Lessee hereby accepts the Premises in its condition existing as of the date of the execution hereof. Lessee acknowledges that neither Lessor nor Lessor's agent has made any representation or warranty as to the suitability of the Premises for the conduct of Lessee's business.

(g) **Non-Smoking Building.** Smoking at the address, including vapes and e-cigs, is strictly prohibited, including hallways, Common Areas, Lessee spaces and restrooms. Further, smoking is prohibited outside the building and on adjacent grounds, except _____. Violation of this rule will result in termination of the Lease for cause or at Lessor's discretion.

(h) **Parking.** This Lease does not provide Lessee with the right to any reserved parking. Lessee agrees to abide to any parking space assignments designated by Lessor. Further, in the event Lessee, its agents, employees, invitees, or customers use parking spaces on the Premises and such usage, in Lessor's sole discretion, either (1) materially interferes with other lessees' use and enjoyment of their respective premises or (2) materially impairs the marketability of Lessor's property or leasehold interests therein, then Lessee shall limit or otherwise modify its usage of the parking spaces within the Lessor's property at Lessor's discretion. Lessee expressly agrees that Lessor may take all reasonable steps to enforce parking restrictions, including on-site monitoring and towing. Lessee shall reimburse Lessor for any costs for fees incurred by Lessor for the enforcement against Lessee of the parking provisions set forth in this paragraph 6(h).

(i) **Hours of Operation.** Lessee and its employees shall have 24-hour access to the Premises and Common Areas. Lessee and its employees may give its prospects, clients, agents and contractors temporary access to the Premises and the Common Areas provided a Lessee employee is also on the Premises.

(i) **Other.**

_____
_____
_____
_____

7. **Utilities/Taxes.** The following utilities shall be provided by Lessor, subject to reimbursement from Lessee as CAM charges and Additional Rent:

☐ Electricity ☐ Natural Gas ■ Water ■ Sewer ☐ Refuse
■ Snow Plowing ■ Maintenance of Outdoor Areas ☐ Landscaping
■ Building Maintenance and Management

NOTE: Water treatment services are not provided by Lessor. Any water service, filtration, or treatment system for the Premises shall be at Lessee's sole cost and expense.

All utilities not provided by Lessor shall be the sole responsibility of Lessee. Should the nature of Lessee's business require any additional water, sewer, or refuse, Lessee will pay for this extra charge as Additional Rent. Lessor is not responsible for water treatment for the Premises or any connected building or unit. Lessee shall be solely responsible for all water treatment.

Lessee agrees that Lessor shall not be held liable for failure to supply such utilities, or any other service, when such failure is not due to gross negligence on Lessor's part, it being understood that Lessor reserves the right to temporarily discontinue such utilities, or any other service, as may be necessary by reason of accidents, repairs, alterations, or improvements, or whenever, by reason of strikes, lockouts, riots, or acts of God, Lessor is unable to furnish such services.

(a) **Real Property Taxes.** Lessor shall be responsible for the payment of real property taxes for the Premises, except to the extent reimbursable as CAM charges and Additional Rent.

(b) **Internet and Data.** Lessee is responsible, at its sole cost and expense, for internet services for the Premises. Lessor shall grant Lessee access to any part of the Premises, including Common Areas, hallways, and telephone/equipment rooms, needed to install phone line, cable, or fiber circuits for internet and data communication.

(c) **Use Tax.** Lessee is solely responsible for any use or personal property tax associated with Lessee's operation in the Premises.

(d) **Sales Tax.** Lessee shall pay 2.5% City of Wasilla sales tax, or whatever rate then in effect by city ordinance.

8. **Lessor Access.** The Lessor, its agents, employees and designees shall have the right to enter the Premises at all reasonable times to inspect the same, to clean, repair, maintain, alter or improve the Premises or the Building, and to preserve and protect the Premises without any rebate to Lessee for any loss of occupation or quiet enjoyment of the Premises occasioned. When reasonably deemed necessary, Lessor may temporarily close access to the Premises without liability and without such act being construed as an eviction of Lessee or in any way relieving Lessee of the obligations of Lessee under this Lease. Upon 24-hour advanced notice, Lessor shall have the right to enter the Premises for the purpose of showing the Premises to prospective Lessees.

9. **Indemnification**.

(a) Lessee shall save, protect, hold harmless, indemnify and defend Lessor, and Lessor's officers, directors, members, shareholders, partners, lenders, agents, managers, and employees ("Lessor Related Parties"), of, from and against any and all liability, damages, demands, penalties, fines, causes of action, losses, costs, or expenses, including attorneys' fees, arising from any act, omission, or negligence of Lessee or the officers, contractors, subcontractors, licensees, agents, servants, employees, guests, invitees, or visitors of Lessee in or about the Premises or improvements located thereon, or arising from any accident, injury, or damages howsoever and by whomsoever caused, to any person or property, including but not limited to damage to the Premises itself, improvements thereon, or injury to or death of persons, occurring in or about the Premises or improvements located thereon, or in any manner arising out of Lessee's use and occupation of the Premises or improvements thereon, or as a result of the condition of the Premises or improvements thereon. The Lessor shall similarly protect, hold harmless, indemnify and defend Lessee to the same

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degree for any of Lessor's acts, omissions or negligence. A party's obligation under this paragraph to indemnify and hold the other party harmless shall be limited to the sum that exceeds the amount of the insurance proceeds, if any, received by the party being indemnified.

(b) Lessor and Lessor Related Parties shall not be liable for, and Lessee waives, all claims for loss or damage to Lessee's business or loss, theft, or damage to Lessee's property or the property of any person claiming by, through, or under Lessee resulting from (1) wind or weather; (2) the failure of any sprinkler, heating or air-conditioning equipment, any electric wiring or any gas, water, or other pipes; (3) the backing up of any sewer pipe or downspout; (4) the bursting, leaking, or running of any tank, water closet, drain, or other pipe; (5) water, snow, or ice upon or coming through the roof, skylight, stairs, doorways, windows, walks, or any other place upon or near the Premises; (6) any act or omission of any party other than Lessor or Lessor Related Parties; and (7) any causes not reasonably within the control of Lessor.

(c) All of the foregoing indemnification, defense and hold harmless shall survive the expiration or early termination of this Lease.

10. Condemnation. If all of the Premises or such portion as may be required for the reasonable use of the Premises, are taken by eminent domain (the "Taking"), or the Taking has a materially adverse impact upon the ordinary and usual conduct of Lessee's business from or on the Premises, this Lease shall automatically terminate as of the date Lessee is required to vacate the Premises by reason thereof, and all rent shall be paid which is due and owing through that date. In the case of a Taking of less than that portion of the Premises required for the reasonable use of the Premises, or because the Taking, Lessee must temporarily vacate the Premises for a period of time not exceeding ninety (90) days, then this Lease shall continue in full force and effect, and the rent shall be equitably reduced based upon the proportion of the square footage by which the Premises is reduced, or equitably reduced based upon the number of days Lessee has temporarily vacated the Premises, such rent reduction to be effective as of the date possession of such portion of the Premises is delivered to the condemning authority. Lessor reserves all rights to just compensation and/or damage for any taking of the Premises, and Lessee hereby assigns to Lessor, and Lessee shall make no claim against Lessor, for damages arising out of the condemnation, provided, Lessee shall have the right to claim and recover from the condemning authority, to the extent permitted by law, compensation for any loss to which Lessee may be put for Lessee's improvements, for Lessee's moving expenses or for the interruption of or damage to Lessee's business, to the extent such damages may be claimed and awarded separately from the damages and/or compensation awarded to Lessor.

11. Maintenance and Repair.

(a) Lessee's Obligations. Lessee covenants throughout the Term hereof, at Lessee's sole cost and expense, to properly keep the interior Premises and improvements therein in good maintenance, repair, order, and condition, including, but not limited to, the ceiling, walls, doors, floors, lighting, door frames, unit heaters, windows, glass, locks and closing devices, finish work, insulation, plumbing of clogged toilets, plumbing work, and fixtures. Lessee acknowledges that Lessor has no responsibility to maintain the interior Premises or improvements during the Term hereof. Prior to making any

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repairs or improvements to the Premises, Lessee shall get pre-approval from Lessor, in Lessor's sole discretion. If Lessee fails to make any repairs required to be performed by Lessee for more than fifteen (15) days after notice from Lessor (although notice shall not be required if there is an emergency), Lessor may make the repairs, and Lessee shall pay the reasonable cost of the repairs to Lessor within thirty (30) days after receipt of an invoice. Lessee shall also maintain the plumbing and mechanical lines/ducting specific to Lessee's equipment. If snow plowing is provided by Lessor under paragraph 7 of this Lease, and Lessee's parked vehicles impair proper snow plowing, Lessee shall be solely responsible for snow removal of blocked areas for Lessee's employees, guests, vendors, or invitees.

(b) **Lessor's Obligations.** Lessor shall maintain the public and Common Areas and all exterior portions of the Premises, including but not limited to the roof, foundation, structural components, water supply lines, main sewer lines, heating, utility lines, and meters, in reasonably good order and condition consistent with the operation and maintenance of the Premises as a commercial building in Wasilla, Alaska, except for damage occasioned by any act or omission of Lessee or Lessee's officers, contractors, agents, invitees, licensees, employees, or customers, the repair for which damage shall be paid by Lessee.

12. Damage or Destruction.

(a) **Partial Damage-Insured.** If the Premises is damaged and such damage was caused by a casualty covered under an insurance policy maintained by Lessee, Lessee shall at Lessee's expense repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. In such case, there shall be no abatement of Rent.

(b) **Partial Damage-Uninsured.** If at any time during the Term hereof the Premises is damaged, except by a negligent or willful act of Lessee, and such damage was caused by a casualty not covered under an insurance policy maintained by Lessee, Lessor may repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect. If Lessor chooses not to repair such damage, Lessor may terminate this Agreement. If this Agreement is terminated by Lessor, Lessee shall have no claims against Lessor under the terms of this Agreement.

(c) **Untenantable; Permanent.** If the Premises or any portion thereof shall be damaged by fire or other cause so as to render the Premises wholly untenantable, and if such damage shall be so great that a licensed architect as selected by Lessor shall certify within thirty (30) days after date of such occurrence in writing to Lessor and Lessee that the Premises, with the exercise of reasonable diligence, cannot be made fit for occupancy within one hundred eighty (180) days from the happening thereof, then this Lease shall cease and terminate from the date of the occurrence of such damage, and Lessee thereupon shall surrender to Lessor said Premises and all interest therein as granted hereunder, and Lessor may re-enter and take possession of the Premises and remove Lessee therefrom. In the event of such termination, Lessee shall pay Rent duly apportioned up to the time of the event causing such damage and all Rent accruing subsequent to such event shall be abated.

(d) **Untenantable; Temporary.** If the damage shall be such that such architect shall certify within thirty (30) days after the date of such occurrence that the Premises can be made tenantable within said one hundred eighty (180) days from the happening of such damage by fire or other casualty, then Lessor shall repair the damage with all reasonable speed. If the Premises, without the fault of Lessee, shall be slightly damaged by fire or other casualty, but not so as to render the same untenantable, Lessor, after receiving notice in writing of the casualty, shall cause the damage to be repaired with reasonable promptness and, in such event, there shall be an abatement of the Rent from the date of the occurrence of the damage until the Premises have been made tenantable; however, in any event, there shall be no abatement in Rent if all or any portion of the Premises is unusable for a period of three (3) days or less.

(e) **Negligence of Lessee.** If the fire or other casualty causing damage to the Premises shall have been caused by the negligence or misconduct of Lessee, its agents, servants or employees or of any other person entering the Premises under expressed or implied invitation of Lessee, and such damage was caused by a casualty covered under an insurance policy maintained by Lessee, Lessee shall at Lessee's expense repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect and there shall be no abatement in Rent. If the fire or other casualty causing damage to the Premises shall have been caused by the negligence or misconduct of Lessee, its agents, servants or employees or of any other person entering the Premises under expressed or implied invitation of Lessee, and such damage was caused by a casualty not covered under an insurance policy maintained by Lessee, Lessor may repair such damage as soon as reasonably possible, and Lessee shall pay the reasonable cost of the repairs to Lessor within thirty (30) days after receipt of an invoice; in such case this Lease shall continue in full force and effect and there shall be no abatement in Rent. If Lessor chooses not to repair such damage, Lessor may terminate this Agreement. If this Agreement is terminated by Lessor, Lessee shall have no claims against Lessor under the terms of this Agreement.

(f) **Thirty Percent (30%) Damage.** In the event the Premises is damaged to the extent of thirty percent (30%) or more of the replacement cost thereof, Lessor may elect to terminate this Lease by giving Lessee notice at any time within thirty (30) days after such damage occurred that this Lease will terminate as of the date specified in the notice, but the termination date shall be no less than thirty (30) and no more than sixty (60) days after the giving of such notice. In the event of the giving of such notice, this Lease shall expire, and all interest of Lessee in the Premises shall terminate on the date specified in such notice and the Rent shall be paid to the date of termination in proportion to the part of the Premises made by Lessee in the conduct of its business. Thereafter, both Lessor and Lessee shall be free and discharged of all further obligations hereunder.

(g) **Business Interruption.** No damages, compensation or claim shall be payable by Lessor for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises. Lessor shall use its best efforts to effect such repairs promptly.

(h) **Lessee Improvements.** Lessor will not carry insurance of any kind on any improvements paid for by Lessee or on Lessee's furniture, furnishings, fixtures, equipment or

appurtenances of Lessee under this Lease and Lessor shall not be obligated to repair any damage thereto or replace the same, regardless of the cause of such damage or destruction.

13. Fixtures and Improvements. Lessee shall pay all costs associated with constructing and maintaining all approved improvements and fixtures on the Premises. Any such improvements or fixtures are subject to prior approval by Lessor. Upon termination or expiration of this Lease, Lessee shall remove all improvements and fixtures from the Premises and restore the Premises to the condition that existed at the beginning of the Term of this Lease, provided that, Lessor and Lessee may otherwise mutually agree in writing that all improvements and fixtures erected on or attached to the Premises by Lessee shall become the property of Lessor. In such event, the parties agree that this Lease shall constitute a quitclaim, by Lessee to Lessor, of all Lessee's right, title, and interest in such improvements and fixtures upon such termination or expiration. Lessee further agrees, at the request of Lessor, to execute such other or further documents necessary to transfer Lessee's interest in the improvements or fixtures should Lessor retain the improvements and fixtures.

14. Assigning and Subletting. Lessee shall not assign this Lease or sublet the said Premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to sue or occupy said Premises or any portion thereof without the written consent of Lessor first having been obtained, in Lessor's sole discretion. Consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person; any assignment or subletting which is consented to by the Lessor shall not relieve the Lessee herein of responsibility under this Lease. If Lessee is a corporation, then any transfer of this Lease from Lessee by merger, consolidation or liquidation and any change in the ownership of, or power to vote, the majority of its outstanding voting stock shall constitute an assignment for the purposes of this paragraph.

15. Surrender of Premises. At the expiration or earlier termination of this Lease or Lessee's right of possession, Lessee shall remove all of Lessee's property from the Premises, and quit and surrender the Premises to Lessor, broom clean, and in good order, condition and repair, ordinary wear and tear excepted. If the Premises is not in as good repair as when Lessee took possession, Lessee shall be responsible for rent at the rate described in paragraph 17 of this Lease until such time as any necessary repairs are completed. Lessee shall be solely responsible for such repair costs. If Lessee fails to remove any of Lessee's property within five (5) days after the termination of this Lease or of Lessee's right to possession, Lessor, at Lessee's sole cost and expense, shall be entitled (but not obligated) to remove and store Lessee's property. Lessor shall not be responsible for the value, preservation or safekeeping of Lessee's property. Lessee shall pay Lessor, upon demand, the expenses and storage charges incurred for Lessee's property. In addition, if Lessee fails to remove Lessee's property from the Premises or storage, as the case may be, within thirty (30) days after written notice, Lessee may deem all or any part of Lessee's property to be abandoned, and title to Lessee's property shall be deemed to immediately vest in Lessor.

16. Liens. Lessee shall not permit mechanic's or other liens to be placed on the Lessor's property, the Premises, or Lessee's leasehold interest in connection with any work or service done or purportedly done by or for benefit of Lessee. If a lien is so placed, Lessee shall, within ten (10)

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days of notice from Lessor of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien law. If Lessee fails to discharge the lien, then, in addition to any other right or remedy of Lessor, Lessor may bond or insure over the lien or otherwise discharge the lien. Lessee shall reimburse the Lessor for any amount paid by Lessor to bond or insure over the lien or discharge the lien, including, without limitation, reasonable attorneys' fees (if and to the extent permitted by law) within thirty (30) days after a receipt of an invoice from Lessor.

17. **Holding Over.** If Lessee shall remain in possession of said Premises after the termination of this Lease or after the expiration of said Term without a proper extension or renewal of this Lease, Lessee shall be deemed to occupy the Premises as a Lessee from month-to-month at a monthly rental of 150% of the Base Rent plus CAM charges applicable to the last month of the Lease Term. No holdover by Lessee or payment by Lessee after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Lessor from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Lessor is unable to deliver possession of the Premises to a new lessee, or to perform improvements for a new lessee, as a result of Lessee's holdover and Lessee fails to vacate the Premises within seven (7) days after Lessor notifies Lessee of Lessor's inability to deliver possession, or perform improvements, Lessee shall be liable to Lessor for all damages, including without limitation, consequential damages, that Lessor suffers from the holdover.

18. **Insurance.** Lessor shall provide general liability for Common Areas, fire and property damage insurance for the real property, Lessee shall be responsible for providing general liability on the Premises in the amount of not less than $2,000,000.00 per occurrence, as well as any needed insurance on Lessee's furnishings, Lessee's property maintained on the Premises or on improvements or on fixtures constructed on the Premises. Lessee acknowledges and agrees that Lessor is not providing and is not responsible for providing any of the foregoing insurance coverages, and Lessee waives any and all rights with respect to the same against Lessor. Lessor shall be named an additional insured on the Lessee's general liability policy with 30-days' advanced written notice of cancellation. Lessee shall provide a copy of the certificate of insurance to Lessor prior to the beginning of the Term and shall furnish renewals or binders thereof.

19. **Estoppel Certificate.** Lessee agrees, at any time and from time to time, upon not less than five (5) business days prior written notice by Lessor, to execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (ii) stating the dates to which the rent and other charges hereunder have been paid by Lessee, (iii) stating whether or not to the best knowledge of Lessee, Lessor is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Lessee may have knowledge, and (iv) stating the address to which notices to Lessee should be sent pursuant to paragraph 27 hereof. Any such statement delivered pursuant hereto may be relied upon by any owner of the Premises, any prospective purchaser of the Premises, any mortgagee or prospective mortgagee of the Premises or of Lessor's interest, or any prospective assignee of any such mortgage.

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20. **Default.** The occurrence of one or more of the following events shall constitute a default and breach of this Lease by Lessee:

(a) The failure to pay when due the Rent, Additional Rent, and CAM charges provided in this Lease where such failure continues for a period of seven (7) days after written notice from Lessor to Lessee.

(b) Violation or breach or failure to keep or perform any covenant, agreement, term or condition of this Lease which shall continue or not be remedied within ten (10) days after notice thereof is given by Lessor to Lessee specifying the matter or matters claimed to be in default.

(c) If Lessor provides Lessee with notice of Lessee's default on three (3) occasions during any twelve (12) month period, Lessee's subsequent default shall, at Lessor's option, be an incurable event of default by Lessee.

(d) Filing by the Lessee in any court pursuant to any statute, either of the United States or any state, a petition in bankruptcy or insolvency, or for reorganization or for the appointment of a receiver or trustee of all or a portion of the Lessee's property, or an assignment by the Lessee for the benefit of creditors.

(e) The taking possession of the property of Lessee by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of the Lessee.

(f) An abandonment or vacation of the Premises by Lessee prior to the expiration of the Term of this Lease for a continuous period of time in excess of five (5) days.

(g) The use of the Premises for any purpose other than those specified in this Lease.

(h) The transfer of title to any improvements located upon the Premises by foreclosure, sale, operation of law, gift or otherwise.

21. **Remedies.**

(a) Upon the occurrence of a default, Lessor may at Lessor's option, declare Lessee's rights terminated and may re-enter the Premises and improvements, using such force as is necessary, and without further notice, remove all persons and property from the Premises and repossess Lessor of Lessor's former estate. In such case, Lessor shall be deemed to have an immediate right to possession of the Premises and improvements (if Lessor so desires) and Lessee shall peacefully surrender the same. No judicial action shall be necessary to affect such termination.

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(b) Such re-entry and termination notwithstanding, the liability of Lessee for payment of all amounts required to be paid by Lessee under this Lease, **including payment of the full rental provided herein for what would otherwise have constituted the balance of the Term of this Lease**, shall not be extinguished and Lessee shall make good to Lessor the expenses and damages suffered by Lessor as a result of the default, repossession and reletting, including without limitation, legal expenses, renovation expense, alteration expense, and any rental deficiency resulting from the inability to relet the Premises or reletting at a lesser rate.

(c) Lessor may, but shall not be obligated to, re-let the Premises or any part thereof in the name of the Lessor, or otherwise, for such term (which may be greater or less than the period which would otherwise have constituted the balance of the Term of this Lease) and on such conditions as Lessor may determine appropriate, and may collect and receive the rent therefrom; Lessor shall not be responsible or liable for any failure to re-let the Premises, or any part thereof, or for any failure to collect any rent due upon any such re-letting. **Lessee shall be responsible for, and shall pay to Lessor upon demand, all Costs of Reletting (defined below) and any deficiency that may arise from reletting or the failure to relet the Premises. "Costs of Reletting" shall include all costs and expenses incurred by Lessor in reletting or attempting to relet the Premises, including, without limitation, all reasonable legal fees, brokerage commissions, the cost of alterations, and the value of other concessions or allowances granted to a new lessee, provided that Lessor shall use commercially reasonable efforts to mitigate its damages.**

(d) If Lessor employs a collection agency (or attorney) to recover delinquent charges, Lessee agrees to pay all fees charged to Lessor in addition to Rent, late fees, interest, and other sums payable under this Lease.

(e) In the event of default, Lessor shall have such further and additional rights as are provided by law or equity.

(f) Lessor shall be entitled to enforce the terms of lease in accordance with Alaska law.

22. **Cure of Default by Lessor.** Lessor may, at the expense of Lessee, cure any default by Lessee hereunder, but shall not be required to do so. Lessee shall reimburse Lessor for all amounts expended in connection therewith, including attorney's fees and other incidental expenses. Such amounts, together with interest at the maximum lawful rate of interest, shall be deemed additional rent payable within thirty (30) days of notification that such amount is due.

23. **Rules and Regulations.** Lessee agrees to comply with the following rules and regulations. Lessee's failure to comply shall be a default of the Lease:

(a) The sidewalks, entries, passages and building exteriors shall not be obstructed by the Lessee, or its employees or agents, or used for any purpose other than ingress and

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egress to and from the Premises.

(b) No equipment or article, the weight of which may constitute a hazard or danger to the building or its equipment, shall be moved into the Premises.

(c) No persons shall waste water by tying back or wedging the faucets, or in any other manner. Water fixtures shall not be used for any other purpose than that for which the same were intended, and any damage resulting to the same for misuse on the part of the Lessee, its agents or employees, shall be paid for by the Lessee.

(d) Except as required by law, no animals shall be allowed in the building unless express written permission is obtained from Lessor.

(e) No additional lock or locks shall be placed by the Lessee on any door in the Premises, or any existing locks re-keyed, unless written consent of the Lessor is first obtained. A reasonable number of keys to the Premises will be furnished by the Lessor, and neither the Lessee, its agents, or employees, shall have any duplicate keys made. At the termination of this Lease, the Lessee shall promptly return all keys to the Premises. A charge of $10.00 will be made for each key not returned. In the event Lessee installs an extra lock or burglar alarm, necessary keys will be furnished the Lessor so that they can gain entrance to the premises in case of emergency.

(f) The Lessee, before closing and leaving the Premises at any time, shall see that all windows are closed, in order to avoid damage from fire, storm or freezing.

(g) Any painting or decorating as may be agreed to be done by and at the expense of the Lessor shall be done during regular working hours; should the Lessee desire such work done on holidays or outside of regular working hours, the Lessee shall pay for the extra cost thereof.

(h) The Lessee shall not mark upon, paint signs upon, cut, drill into, drive nails or screws into the walls, ceilings, partitions or floors in such a manner that would severely deface or weaken the structure of the Premises. Any defacement, damage or injury caused by the Lessee, its agents, or employees, shall be paid for by the Lessee.

(i) The Lessor shall have the right by its officers or agents, to enter the demised premises during normal business hours to inspect and examine the same, and to show the same to persons wishing to lease them, and may at any time within sixty (60) days preceding the termination of this Lease, place upon the doors and windows of the premises the notice "FOR RENT/LEASE," which said notice shall not be removed by the Lessee.

(j) No property, vehicles (parked after regular business hours) or equipment of the Lessee or in the Lessee's custody shall be stored outside the Premises without the express written permission of the Lessor. At such time this written permission might be granted and appropriate fees are paid, Lessor will designate the storage area, and storage rates will be established. Vehicle and storage must be cleared of snow and debris by Lessee. Property, vehicles, or equipment stored or parked

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without written permission will be removed without notice and at the Lessee's expense.

(k) All liability for any damage in Lessee's unit, to the building or in neighboring units that is due to the nature of the Lessee's occupancy or from forced entry (attempted or actual), shall be the responsibility of the Lessee.

(l) The Lessor reserves the right to make any other such further reasonable rules and regulations as in their judgment may from time to time be needful and desirable for the safety, care and cleanliness of the Premises and for the preservation of good order therein.

24. **Limitation of Liability/Lessor Default.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LESSOR (AND OF ANY SUCCESSOR LESSOR) TO LESSEE SHALL BE LIMITED TO THE INTEREST OF LESSOR IN THE PREMISES. LESSEE SHALL LOOK SOLELY TO LESSOR'S INTEREST IN THE PREMISES FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LESSOR. NEITHER LESSOR NOR ANY LESSOR RELATED PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LESSOR, LESSEE SHALL GIVE LESSOR AND THE MORTGAGEE(S) WHOM LESSEE HAS BEEN NOTIFIED HOLD MORTGAGES ON THE PREMISES, OR THE PROPERTY ON WHICH IT IS LOCATED, NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT, AND IN NO EVENT LESS THAN FORTY-FIVE (45) DAYS AFTER WRITTEN NOTICE.

25. **Attorney's Fees, Costs and Expenses.** In the event either party brings or commences legal proceedings to enforce any of the terms of this Lease, the prevailing party in such action shall receive from the other, in every action commenced, reasonable actual attorneys' fees and costs.

26. **Jurisdiction and Venue.** Jurisdiction and venue for any or all actions or proceedings commenced concerning this Lease shall be in Palmer, Third Judicial District, State of Alaska.

27. **Notices.** Any notice or demand under which the terms of this Lease or any statute may or must be given or made by either party to the other, shall be in writing addressed to the other party, as hereinabove provided, and made or given by mail the same by email, certified by mail, return receipt requested, postage pre-paid, or hand delivered. Any mailed demand or notice by or from Lessor shall be effective when personally delivered, or email sent, to any officer of Lessee or to the person who is in charge of the Premises for Lessee. Either party may designate in writing such new or other addresses to which such notice or demand thereafter be given, made or mailed. Furthermore, for the purposes of demand or notice, if Lessor uses the addresses which it customarily communicates with Lessee, such demand or notice shall be effective.

(a) Any and all notices required or permitted under this Lease, unless otherwise specified in writing by the party whose address is changed, shall be as follows:

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Lessor: Premier Valley Homes Inc.
4700 E Shaws Dr
Wasilla, AK 99654
Email:

Lessee: Koenig Real Estate LLC
3251 N Eureka Cir
Wasilla , AK 99654
Email:

28. Subordination of the Lease. The rights of Lessee under this Lease shall be and are subordinated at all times to the lien of any mortgages now or hereafter in force against this Lease and/or the property, any ground lease affecting the real property, building or the Premises, and to all advances made or hereafter to be made upon the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof. This paragraph is self-operative and no further instrument of subordination shall be required.

29. Rights and Remedies. No right or remedy herein conferred upon or reserved to Lessor hereunder is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

30. Waiver and Forbearance. No waiver by a party hereto of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver by the first party of its rights or remedies with respect to such breach.

31. Successors in Interest. This Lease shall be binding upon and inure to the benefit of the respective heirs, successors and permitted sublessees or assigns of the parties hereto.

32. Applicable Law. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

33. No Partnership, Joint Venture, Etc. Nothing in this Lease shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

34. No Third-Party Beneficiaries. This Lease does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Lease.

35. Agency Disclosure. Lessee represents and holds Lessor harmless and warrants that it has not consulted or negotiated with any broker, finder, or agent with regard to this Lease who

shall be paid a commission by Lessor.

36. **Force Majeure.** In the event that Lessor shall be delayed or hindered in or prevented from doing or performing any act required in this lease by reason of strikes, lock-outs, casualties, Acts of God, labor troubles, inability to procure materials, failure of power, governmental laws or regulations, riots, insurrection, pandemic, war or other causes beyond the reasonable control of such party, then Lessor shall not be liable or responsible for any such delays and the doing or performing of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

37. **Severability.** If any provision of this Lease or any application thereof shall be held invalid, illegal, or unenforceable, the remainder of this Lease or any other application of such provision shall not be affected thereby.

38. **Miscellaneous Provisions.**

(a) This Lease constitutes all of the agreements and conditions made between the parties and may not be modified orally or in any manner other than by an agreement in writing signed by both parties or their respective successors in interest.

(b) Each term and such provision of this Lease shall be construed to be both a covenant and a condition of this Lease.

(c) Time is of the essence in each term and provision of this Lease.

(d) This Lease may be executed in any number of counterparts, including by DocuSign or facsimile signature, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(e) Lessor gives consent for Lessee to assign, sublet and occupy to businesses that Allen Koenig, Jenny Koenig, Matthew Koenig and Trista Koenig have ownership.
(f) Security deposit is non-refundable at the time of lease execution unless the full term of the lease is completed.

[ACKNOWLEDGEMENTS APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Commercial Lease Agreement to be executed effective as of the date and year hereinabove first written.

LESSEE: Koenig Real Estate LLC
Entity Name

By: DocuSigned by: Jenny Koenig
74C3226C9632498...
Signature

Jenny Koenig
Printed Name

Its: Managing Member
Title

LESSOR: Premier Valley Homes Inc
Entity Name

By: DocuSigned by: Alvaro Narino
4EEF1D62939443D...
Signature

Olga Narino
Printed Name

Its: Manager
Title

PERSONAL GUARANTEE OF LEASE

I/We the undersigned, personally guarantee the timely performance of the lease obligations, including the full timely payment of all rental amounts, Additional Rent, and CAM charges due under this Commercial Lease Agreement between Premier Valley Homes Inc., and Jenny Koenig and Koenig Real Estate LLC dated this 24th day of May, 2023.

DocuSigned by:
Jenny Koenig
74C3326C9632498...
Signature

5/24/2023
Date

Jenny Koenig
Printed Name

Lessee Initials DS JK

Lessor Initials DS AN

EXHIBIT A

CAM shall be defined as necessary expenses incurred by Lessor for the administration, cleaning, utilities, maintenance, and repair of the Premises or its Common Areas, which shall include, but not be limited to, real estate taxes and insurance apportioned to the Common Areas, gardening and landscaping, cleaning, sidewalk maintenance and repair, building façade maintenance, utilities, sewer and water line maintenance and repair, parking lot sweeping and repairs, parking lot striping, janitorial, lighting, removal of snow, and such other services as Lessor may require to furnish the Common Areas. Lessee shall pay to Lessor on the first day of each month, beginning on the 24th day of May, 2023, additional rent for CAM as designated below.

Lessee shall pay its pro rata share of utilities for its unit/premises as Additional Rent, based on the previous year's utilities bills. Any overage or underage will be paid to Lessor upon invoice to Lessee or as a rent credit by Lessor in the event of overpayment. ☐ If checked, Lessee shall pay to Lessor on the first day of each month, beginning on the beginning on the _____ day of _____, 20_____ of each month as additional rent for premises utilities.

☐ CAM: $ N/A per month
☐ Sales Tax: $12.50 per month
☐ Total Additional Rent: $ N/A per month

Notwithstanding anything to the contrary herein, Lessor will provide a cap on increases in controllable CAM expenses not to exceed three and one-half percent (3.5%) of the prior year's expenses. Controllable CAM expenses would be those which are reasonably controllable by Lessor and would specifically exclude utilities. Lessor's administrative expenses and management fees shall be capped at no more than ten percent (10%) of the total CAM charge.

CAM shall exclude: (a) cost of any work or service rendered exclusively for any Lessee; and (b) the installation or alteration to the Premises which under generally accepted accounting principles are properly classified as capital expenditures; and (c) brokerage commissions, advertising fees or other costs in procuring Lessees, income taxes on Lessor's property, and depreciation on Lessor's equipment and property; and (d) management or administrative fees exceeding ten percent (10%) of the total CAM; and (e) costs of painting, repainting, decorating and redecorating for any lessee of the Premises; and (f) all expenses, attorney fees, costs of Lessor arising out of compliance with ADA and/or in remediation of any hazardous waste problem.

Within ninety (90) days after the end of the second calendar year, and each anniversary thereof, the Lessor shall deliver to Lessee a detailed statement setting for the actual amount of Additional Rent for the then current year.

If Lessee's estimated monthly Additional Rent payments are less than Lessee's actual proportionate share, Lessee shall, within thirty (30) days after receipt of statement and itemization, pay Lessor the difference. If aforesaid estimated monthly Additional Rent payments of a given calendar year are greater than the Lessee's proportionate share of Additional Rent, Lessor shall subtract this

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amount from the thereafter monthly rental payments due to Lessor until repaid in full, or in the event of expiration or termination of this lease, reimburse such amount to Lessee within thirty (30) days of notice. Copies of CAM related expense receipts, along with the real estate taxes and insurance receipts shall be furnished to Lessee, upon request.

The formula for calculation of Additional Rent is attached hereto and incorporated herein.