Lease Agreement

THIS LEASE is made this **15th** day of April, 2022, by and between: *ACG, LLC*, an Alaska Limited Liability Company in good standing ("Owner") and *KBR Retail LLC*, an Alaska Limited Liability Company in good standing, (hereinafter called "Resident"),

1. Lease Term

In consideration of the covenants hereinafter contained on the part of the Resident to be kept and performed, Owner warrants it has the right to possess and lease the subject property, and does hereby lease to Resident 100% of the facility space, known as Cabin #1, including shared spaces, of the commercial premises located at 42106 K Beach Rd, in Soldotna, Alaska. This lease commences on April 15, 2022, and expires at 11:59 p.m. on December 31, 2022.

2. Rental

Resident shall pay to Owner a total rental of $24,000.00 for the full term of this lease. Resident will pay Owner in (12) twelve equal installments of two thousand dollars ($2,000) due and payable by the 10th of each month, beginning on April 15, 2022. Resident shall pay the rent to Owner at 5455 Kenai Spur Hwy, or to such other address as Owner shall direct.

Resident shall reimburse Owner for the costs paid by the latter for the utilities, services & subscriptions located on the premises as detailed below (Section 2. Rental):

UTILITY / SERVICE	RATIO (OF EXPENSE)
1. Electricity Expense - HEA (Utility)	100%
2. Natural Gas Expense - Enstar-3173906450 (Utility)	100%
3. Trash Removal - Alaska Waste (Service)	50%
4. Point of Sale App - Greenbits (Subscription)	100%
5. Directory Listing - Weedmaps (Subscription)	100%
6. State Compliance Software - Metrc (Subscription)	100%

3. Security Deposit

Owner hereby acknowledges receipt from Resident of $10,000 as security for resident's full and faithful performance of each and every term, covenant and condition of this Lease. In the event that Resident shall default in the payment of any installment of rent when due, or shall fail to perform or observe any term, covenant or condition of this Lease - Resident's security deposit shall be kept and/or utilized as payment until each and every term and condition is satisfied.

In the event that Resident shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of the Lease, the security deposit (or any balance thereof) shall be returned to Resident within fourteen days after the expiration of the term of the lease and vacation of the premises, and Owner shall provide a written statement describing the basis for retaining any deposit.

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4. Default

Resident covenants and agrees that if default shall be made in the payment of any installment of rent, or if Resident shall violate any of the terms, covenants, or conditions of this Lease, then Owner shall be entitled to re-enter and retake possession of the property and recover any and all resulting damages, including all costs and reasonable attorney's fees after a 3-day notice for late rent and a ten-day notice for any other breach of contract. Resident hereby acknowledges and agrees that in the event any statement made by Resident to Owner in connection with this Lease is subsequently determined to be false, Owner may, at its election, terminate this Lease after a ten day notice is provided.

5. Miscellaneous Provisions

Resident, for themselves, their heirs, legal representatives, successors and assigns, hereby covenant and agree that:

a) Use of the premises by Residents or others is at their own risk. Owner is not and shall not be deemed to be responsible for any damage to vehicles or contents which are on the premises, or injuries that occur on the premises. Owner acknowledges that the premises will be used as a Marijuana Retail Establishment. Owner will not take possession of or remove marijuana from the premises, if in the event that marijuana removal is necessary, the Owner will immediately contact AMCO (Alaska Marijuana Control Board).

b) Owner is not an insurer of Resident's person or personal property. Resident agrees that Owner, and its partners, agents and employees, shall not be liable for any damage to the person or property of Resident of any person occupying or visiting the premises for any reason whatsoever, including a commercial reason.

c) Resident shall not rent, sublet, transfer or assign this lease, or any interest herein, without the prior written consent of Owner, which consent may be granted, withheld, or conditioned in Owner's sole and complete discretion. Resident agrees to make no unlawful, improper or offensive use of the premises and to quit and deliver up the property and its appliances and equipment at the end of the term of this Lease in as clean a condition as they were on the date of first possession, ordinary wear and tear excepted.

d) Resident agrees to comply with all state laws, orders and government regulations which affect the premises as the same may be amended from time to time.

e) Resident may make alterations, additions or improvements to the property without the Owner's prior written consent.

f) Owner or any of its agents shall have the right to enter the property during all reasonable hours to make inspections, repairs, additions, or alterations as may be deemed reasonably necessary for the safety, comfort or preservation thereof, or of the building after providing a statutory two day notice. However, Owner or any of its agents may enter the property at any time for emergency repairs necessary for the protection of any person.

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g) Resident must maintain premise-liability insurance on the premises.

h) If any provisions of this Lease, or the application of any provision of this Lease to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of the Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby; and each provision of their Lease shall be valid and enforced to the fullest extent permitted by law.

i) Resident has examined the property before signing this Lease and agrees that the premises are in good and satisfactory condition.

j) If a conditional use permit must be obtained, the city of Kenai must issue the permit before any commercial activity on the premises.

k) Should any action of contest by Resident or lessor that may lead to arbitration or legal action, Owner will not be liable for any court fees and will be paid of any monetary loss or damage from court appearances and arbitration expenses.

6. Acknowledgements

IN WITNESS WHEREOF, the parties hereto have executed this Lease in several counterparts, each of which shall be deemed an original, as of the day, month, and year first above written.

On behalf of KBR Retail LLC:

Marc Theiler
Agent of *Resident*

4/6/22
Date signed

On behalf of ACG, LLC:

Roger Boyd
Agent of *Owner*

4/6/22
Date signed

Both signatures witnessed by:

Tammy Freeman

4/6/2022
Date signed

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