

Town Center 2, LLC LEASE

THIS AGREEMENT is made by and between Town Center 2, LLC, a Wyoming limited liability company, of P.O. Box 1052, Gillette, WY, 82717, ("Lessor"), and FRG-Gillette, LLC, a Wyoming limited liability company, of 2721 South Douglas Hwy, Gillette, WY, 82718, ("Lessee").

WITNESSETH:

For and in consideration of the mutual covenants and agreements contained herein, the parties do hereby agree as follows:

1. Description of Premises. Lessor does hereby lease to the Lessee upon the terms and conditions stated herein the following real property, together with all improvements thereon, herein "the property":

2721 South Douglas Hwy, Gillette, WY 82718, (approximately 6,831 square feet of building area & parking area per code)

a. Lessor's Improvements to Property. Upon execution of this Lease, Lessee will accept the subject property in its as-is condition, and Lessor confirms that the premises and all existing improvements, furniture, fixtures, equipment, and liquor license, (the property) shall remain available to Lessee throughout the term of the lease and are included herein, subject to the parties separate purchase and sale agreement.

b. Lessee's Improvements to Property. Lessee's proposed improvements to the property if applicable shall be attached hereto as Exhibit B. All such modifications shall be at Lessee's sole expense. Lessee shall pay and discharge all charges for labor and materials and shall not allow mechanic's liens to be filed against the property. Lessee shall hold Lessor harmless from any and all claims whatsoever thereby incurred. No improvements shall be undertaken unless and until Lessee shall have procured:

i. Lessor's prior written consent to such improvements, and,
ii. All municipal and other governmental permits and authorizations required for such work. All work done in connection with any improvement shall be done promptly, in good and workmanlike manner, and in compliance with all applicable building, zoning and other laws, ordinances, orders, rules, regulations and requirements.

2. Commencement Date. The "Commencement Date" is projected to be the 1st day of October, 2016.

3. Term of Lease. The term of this lease shall be for Thirty-nine months from the Commencement Date, unless terminated or extended according to the provisions of this agreement.

4. Option to Renew. Option to Extend Term. Provided that the Lessee is not otherwise in Default beyond any applicable cure period, Lessee shall have the right to extend the Term of this Lease, on the same terms, conditions and covenants as are contained herein and further described herein, that upon giving Lessor written notice not less than 120 days prior to the expiration date of the initial Term and any extension term hereof, Lessor hereby grants Lessee two (2) three (3) year options to renew at a rate that shall be not less than the rent for the prior term. Renewal option term, if exercised, shall commence immediately upon the expiration of the preceding Term and shall be on all the same terms, conditions and covenants as are contained herein, except that the Monthly Base Rent shall escalate annually by the amount of the Consumer Price Index (CPI) All Cities Index. Such extension shall be effective upon Lessee's delivery of written notice to Lessor. To make the calculation, the month reported by the Bureau of Labor closest to the commencement date of this lease shall be used as the "previous period" in the formula that follows. The last month reported by the Bureau of labor and Statistics which is complete prior to the end of the term shall be used as the "current period" The calculation shall be as follows:

CPI for period

Less CPI for previous Period

Equals index point change

Divided by the previous period CPI

Equals

Result multiplied by 100 equals percent change. That percentage change shall be added to 100 and that figure multiplied by the monthly base rent to come up with the new current monthly rent. However in no event shall the rental amount be less than the base rent for the previous period.

5. Base Rent. Lessee agrees to pay as total base rent for the property as follows:

Calender Year 2016 (3 months) – Free rent.

Calender Year 2017 (12 months) - \$12,500 per month.

Calender Year 2018 (12 months) - \$15,000 per month, plus Four Percent (4%) on gross sales (less "comps" & other free meals) over \$3,000,000. (Percentage rent to be calculated & paid within 45 days of end of calender year.)

Calender Year 2019 (12 months) – Same as calender year 2018.

Rent payments shall be due and payable on or before the 1st day of each succeeding month for the term of this lease. Any rental payment not paid when due shall bear interest from the due date until paid at twelve percent (12%) per annum. In addition, Lessor, at Lessor's option, may charge Lessee a late charge for any rent payment more than five (5) days past due in an amount equal to two percent (2%) of the monthly rental payment per day.

6. Rent Escalation. Monthly rental amount will be increased every year based on above schedule.

7. Additional Rent. Lessee shall pay to the Lessor the following:

a. Taxes. Lessee shall pay Lessees' proportionate share of all real estate and personal property taxes and special and general assessments which may be levied upon the subject property and the common areas of the subject property, or installments which become due and payable following the commencement of the lease provided, however, that such taxes due and payable in the year of the commencement of the lease shall be pro-rated between Lessor and Lessee. Lessee shall pay to Lessor all such taxes and assessments which become due and payable each year, and Lessor shall pay such taxes and assessments when due. Notwithstanding anything contained in this lease to the contrary, Lessee shall not be required to pay all or any portion of Lessor's ordinary income tax, which would be imposed irrespective of a tax imposed specifically on real estate rental income.

b. Liability Insurance. Lessee shall at all times carry liability insurance under a commercial general liability policy that includes coverage for bodily injury, products, owned and non-owned automobiles and property damage, with a combined single limit of One Million Dollars (\$1,000,000.00) per occurrence, or with such other limits as may be specified by Lessor for time to time. Lessee shall reimburse Lessor for the cost of Liability Insurance for the common areas associated with the subject property, proportionate to Lessees' space occupancy as a percentage of the total square feet of the building.

c. Property Insurance. Lessor shall maintain and keep in force property insurance, including fire, vandalism and extended coverage upon the property, with a replacement cost endorsement (whereby insurer will be obligated to pay full cost of repair or replacement). Proof of continuous property insurance shall be provided to Lessee by Lessor. It is intended that neither Lessor nor Lessee shall be co-insurer. Lessors' insurance is not intended to cover Lessee improvements. Such policy shall include a dual waiver of subrogation in favor of both Lessor and Lessee. Lessee shall be responsible for insurance coverage on the interior building improvements that exist, including glass damage and those interior improvements if and when provided by the Lessee, and for the Lessee's inventory and other contents. Lessee shall reimburse Lessor for the cost of Property Insurance and for the common areas associated with the subject property, proportionate to Lessees' space occupancy as a percentage of the total square feet of the building.

d. Insurance Certificates. All insurance policies required by this lease shall name Lessor and any other party designated by Lessor, as their interests may appear, as additional insured. Evidence of payment of premiums and duplicate copies of the policies or certificates of the insurance required herein shall be delivered to Lessor prior to or on the date that possession of the property is delivered to Lessee. All policies of insurance shall include a provision requiring the insurer to give Lessor at least ten (10) days' prior written notice before terminating,

canceling or making any changes in any such policy. All such policies shall be renewed (and certificates evidencing renewal shall be delivered to Lessor) at least forty (40) days prior to expiration. Should Lessee fail to obtain any insurance required herein, Lessor may, but is not required, purchase such insurance adding any premiums paid to Lessee's monthly rent.

e. Assessments and Common Expenses. Lessee shall pay promptly and when due, all assessments for common expenses or otherwise, as may be levied against the property pursuant to the declaration, bylaws, and rules and regulations of any association put in place for the benefit of the center. The initial common area maintenance (CAM) fees for the association shall be Three Hundred Fifty Dollars (\$350) per month, payable on the first day of each month. (CAM fees can be payable in the same check as rental payments). Common area maintenance expenses shall be reviewed annually to establish the next year projected cost with said cost to be limited to the actual cost of maintenance, without capital improvement costs, but including a management expense of no more than four percent (4%) of the actual cost.

8. Use of the Property. Lessee shall use the property as (i) a sit-down style Restaurant with a bar/lounge area, with all business activities approved to be accompanied by the sale of alcoholic beverages, on-site and off-site for catering or, (ii) any lawful purpose permitted by Tenant's liquor license provided that Tenant's primary use of the Property is a restaurant and its lawful business purposes. Lessee agrees to comply with all laws, ordinances, rules, and regulations of any governmental authority, which are applicable to the conduct of Lessee's business.

9. Alterations and Improvements. Lessee shall not, without the prior written consent of the Lessor, make any alterations, additions, or improvements to the property.

10. Repairs and Maintenance. Lessee shall keep the property and improvements to the property in good order and condition (except for ordinary wear and tear) and will make all repairs and shall take such other action as may be necessary or appropriate to keep and maintain the property and its improvements in good order and condition. Lessee understands that the windows are "Low E Three Glass" and must have airflow around the surface of the glass to prevent glass damage. The door glass and the glass immediately surrounding the doors are tempered glass, which do not require airflow. Lessee agrees to maintain the upgraded glass in an appropriate manner and replace glass that is damaged due to improper care/use of the windows or doors. Lessor shall provide snow removal functions in the event of accumulation of three (3) inches or more in the general parking area. Lessee shall be responsible for general snow removal of lesser amounts, removal of snow on all walk areas at the front and rear entrances and walk area fronting the subject space, and removal of accumulation during hours that are not ordinary

daytime business hours.

11. Condemnation. If the leased property or any portion thereof as will make the leased property unsuitable for the purposes of the Lessee is condemned or taken under right of eminent domain by any legally constituted authority, then in either of such events, this lease shall cease on the date when possession is taken by the condemner and rent shall be due to the Lessor until said date.

Such termination shall be without prejudice to the rights of either Lessor or Lessee to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither Lessor nor Lessee shall have any rights in or to any award made to the other by the condemning authority.

12. Indemnification. Lessee shall indemnify Lessor and save it harmless from any and all claims, actions, damages, liability, and expense in connection with the loss of life, personal injury, illness and/or damage to property occurring in or about, or arising from or out of the property, or occasioned wholly or in part by any act or omission of Lessee, its agents, contractors, customers, or employees. Lessee shall not be liable to Lessor or to any other person on the leased premises for any loss or damage to the person or property of Lessor or such other person caused by an act of negligence or willful misconduct whatsoever of Lessor, and Lessor agrees to indemnify Lessee and hold it harmless from any loss, expense and claims arising out of such damage or injury.

13. Personal Property and Improvements of Lessee - Risk of Lessee. Personal property on the property and improvements to the property made by Lessee shall be at the risk of Lessee. Lessor shall not be liable for any damage to any personal property or its improvements at any time in the property which may be caused by fire, steam, electricity, sewage, gas or odors, or from water, rain, or snow which may leak into, issue, or flow from any part of the property or from pipes or plumbing works of the same, or from any other place, unless such damage is caused by any act of omission or negligence of Lessor.

14. Default. Any of the following events shall constitute a default of this lease:

a. The Lessee's failure to pay any rent to Lessor when the same is due and payable under the terms of this lease.

b. Lessee's failure to perform any other duty or obligations imposed upon it by this lease, and such default shall continue for a period of thirty (30) days after written notice thereof has been given by Lessor.

c. The filing of a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act or the making of an assignment for the benefit of creditors by Lessee.

d. The sale of the interest of Lessee in the property under execution or other legal process.

In the event of any such default of Lessee, Lessor may at any time thereafter, with or without

notice or demand, and without limiting Lessor in the exercise of any other right or remedy which Lessor may have by reason of such default, whether created by statute or case law, and without terminating this lease, re-enter the property and take possession of the same, and all equipment and fixtures that we provide, and at any time re-let the property or any part thereof for the account of Lessee, for such terms and upon such conditions and at such rental as Lessor may deem proper. In such event, Lessor may receive and collect rent from such re-letting and apply it against any amount due from Lessee hereunder, including, without limitation, such expenses as Lessor may have incurred in recovering possession of the property, placing the same in good order and condition, and all other expenses, commissions, and charges, including attorney's fees, which Lessor may have paid or incurred in connection with said repossession and re-letting. Lessor may execute any lease made pursuant hereto in Lessor's name, and Lessee shall have no right to any rent collected thereunder. Whether or not the property is re-let, Lessee shall pay Lessor all amounts required to be paid by Lessee to the date of Lessor's re-entry, and, thereafter, Lessee shall pay Lessor, until the end of the term hereof, the amount of all rent and other charges required to be paid by Lessee hereunder, less the proceeds of such re-letting during the term hereof, if any, after payment of Lessor's expenses as provided above. Such payment by Lessee shall be done at such times as are provided elsewhere in this lease, and Lessor need not wait until the termination of this lease to recover them by legal action or otherwise.

Lessor shall not, by any re-entry or other act, be deemed to have terminated this lease or the liability of Lessee for the total rent reserved hereunder unless Lessor shall give Lessee written notice of Lessor's election to terminate this lease.

Lessor shall have the right to cancel and terminate this lease upon default by giving written notice to Lessee, and upon such termination, Lessor shall have the right to re-enter the property and take possession of the same and all equipment and fixtures that we provide. Notwithstanding anything contained in this lease to the contrary, Lessee shall in the event of default be liable for and pay to the Lessor only the deficiency between the rent, additional rents and other charges reserved herein and the net rentals of re-letting for each month of the period which otherwise would have constituted the balance of the term of this lease. Lessee hereby agrees to pay such deficiency in monthly installments on the days specified in this lease. In such event, Lessor shall thereupon be entitled to recover from Lessee the worth, at the time of such termination, of the excess, if any, of the rent and other charges required to be paid by Lessee hereunder for the balance of the term hereof (if the lease had not been so terminated), or the then reasonable rental value of the property for the same period.

Lessor shall not be deemed in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligations within thirty (30) days after

written notice by Lessee to Lessor, specifying wherein Lessor has failed to perform such obligations; that if the nature of the Lessor's obligation is such that more than thirty (30) days are required for its performance, then Lessor shall not be deemed to be in default if it shall commence such performance within such 30-day period.

15. Lien on Personal Property and Abandoned Property. Should Lessee vacate or abandon the property and leave any goods or chattels in, upon, or about the property for a period of more than ten (10) days after such vacation or abandonment or after termination of this lease in any manner whatsoever, then Lessor shall have the right to sell, after ten (10) days written notice to Lessee, all or any part of the property at public or private sale and apply the proceeds of such sale first to the payment of all costs and expenses of conducting the same and caring for or storing the goods and chattels and, second, to apply to the balance, if any, of any indebtedness due from Lessee to Lessor.

Notwithstanding anything contained in this lease to the contrary, Lessee shall not be considered to have abandoned or vacated the premises as long as Lessee continues to pay rent and fulfill all other obligations of this lease, regardless of whether Lessee is actually continuously occupying the space or not.

16. Assignment, Mortgage, or Sublease. Lessee shall not assign, mortgage, pledge, or encumber this lease or sublet the property in whole or in part or permit the property to be used or occupied by others without the prior consent in writing of Lessor. Lessee, without Lessor's consent, may assign, in whole or in part, the demised premises to any successor corporation of Lessee or any subsidiary or affiliate without restrictions.

17. Lessor's Reserved Rights. Lessor reserves the right to:

- a. Inspect the property during normal business hours.
- b. Make repairs and improvements, structural or otherwise, in or to the property, as Lessor deems desirable or necessary, so long as said improvements do not interfere with the operation of the conduct of business by the Lessee.
- c. Lessor, as the owner of the unit leased, for all purposes provided in the declaration, bylaws and rules and regulations of the condominium, shall have all the rights, privileges and duties appurtenant to such ownership including, without limitation, membership and the right to vote in the association of unit owners.

18. Utilities. Lessee shall be responsible for all charges for, gas, electricity, light, heat, water, waste, and telephone or other communication service used, rendered, or supplied upon or in connection with the leased property and shall indemnify the Lessor against any liability or damages on such account. Lessor shall provide, at its expense, separate meters, or meter head connections, where applicable, for any utility which are to be paid for by Lessee.

19. Hazardous Substances. The operation of Lessee's business on the property shall comply with all applicable federal, state, and local laws, regulations, rules, and ordinances relating to hazardous substances (hereinafter referred to as "Hazardous Substances"). (As used in this lease, Hazardous Substance shall mean any hazardous or toxic waste, product, or substance, or any contaminated material, including, without limitation, asbestos, oil and petroleum products, and those substances within the scope of all federal, state, and local environmental laws, regulations, rules, and ordinances, including, without limitation, the federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., and any successor statutes thereto.) Lessee agrees that it will not bring onto the property, or the land under and surrounding it, any Hazardous Substances other than cleaning supplies, and other materials in normal quantities ordinarily used in the operation of its business so long as such use is in compliance with all applicable laws, regulations, and rules, and that it will not permit any employee, agent, officer, director, or invitee of Lessee or any person occupying the property, or any portion thereof, by, through, or under Lessee to do so either. Moreover, Lessee shall comply with all applicable federal, state, and local laws, regulations, rules, and ordinances governing the handling, storage, generation, transportation, and disposal of Hazardous Substances as the same affect or may affect the operation of Lessee's contemplated business on or with respect to the property. In addition, Lessee shall not without the prior written consent of Lessor undertake any new business venture or operation on or affecting the property which now requires or may hereafter require compliance with any federal, state, or local law, regulation, rule, or ordinance governing Hazardous Substances. Lessee, to the full extent permitted by law, shall indemnify, defend and hold harmless Lessor, Lessor's directors, officers, employees, agents, participants, successors, affiliated entities and assigns from and against any and all loss, cost, expense or liability incurred in connection with any and all claims and proceedings (whether brought by private party or governmental agency) for bodily injury, property damage, abatement or remediation, environmental damage or impairment, or any other injury or damage resulting from or relating to any Hazardous Substances located under or upon or migrating into, under, from or through the property, which Lessor may incur due to entering into this lease. The foregoing indemnity shall apply: (a) whether or not the release of the Hazardous Substances was caused by Lessee, a tenant or subtenant of Lessee; or (b) whether or not the alleged liability is attributable to the handling, storage, generation, transportation or disposal of Hazardous Substances or the mere presence of Hazardous Substances on the property. The obligations of Lessee under this section shall survive the term of this lease.

Notwithstanding anything contained in this lease agreement to the contrary, Lessor hereby consents to Lessee's use, storage or disposal of products containing small quantities of Hazardous Materials, which

products are a type customarily found in offices and households (such as fluids and toner for photocopiers and the like), provided that Lessee shall handle, use, store, and dispose of such Hazardous Materials in a safe and lawful manner and shall not allow such Hazardous Materials to contaminate the property.

Notwithstanding anything contained in this lease agreement to the contrary, Lessor takes responsibility for any pre-existing medical and/or hazardous materials of any kind found or that may exist on the property and the Center.

20. Notice. Any notice or demand required by the provisions of this lease to be given to either of the parties shall be deemed to have been given adequately if sent by United States certified or registered mail to the following addresses:

LESSOR:

**Town Center 2, LLC
c/o Trevor Schilling
PO Box 1052
Gillette, WY 82717
(307) 686-8125**

LESSEE:

**FRG-Gillette, LLC
c/o Burke Moran
1232 N 15th Ave, Ste #2
Bozeman, MT 59715
(406) 551-4982**

21. Signage. Lessee is required to provide and install Flush Mount Channel Letter (single letters, no exterior mounted raceway) signage. The size and design must be submitted in writing to Lessor for written approval before sign is installed. Signage may be surface mounted to the front (back optional) of Lessee space, with Lessor's approval. Any damage caused to the surface of the building from installation, movement, or removal of said sign will be required to be fixed to new condition and paid for by Lessee at Lessor's discretion.

22. Miscellaneous.

a. This agreement shall be binding on and shall inure to the benefit of the parties hereto, their heirs, executors, and assigns.

b. Time is of the essence in all provisions of this lease.

c. The failure of Lessor to insist upon strict performance of any of the covenants, agreements, or obligations of this lease shall not be deemed a waiver of any subsequent breach or default of any of the covenants, agreements, or obligations of this lease.

d. In the event it becomes necessary for either of the parties to this agreement to file suit for the enforcement of any of the terms herein, the successful party shall be entitled to collect from the other party all attorney's fees and costs.

e. Any amendments or changes in this lease shall be in writing and shall be signed by both

Lessee and Lessor.

f. **PERSONAL LIABILITY.** Notwithstanding anything contained in this Lease Agreement to the contrary, or any applicable law, by signing, the person signing this Lease, the authorized Member/Manager of FRG-Gillette, LLC, shall be personally liable with respect to Tenant's obligations or performance under the Lease.

g. It is understood that a Wyoming retail liquor license will be transferred to lessee by lessor or related party, consistent with Wyoming liquor regulations, for use at the premises through the term of the lease. Lessee may opt to apply for a Wyoming "bar & grill" license at this location and if secured, Lessee will return retail liquor license to Lessor for sale or other dispensation.

h. This agreement shall constitute the entire agreement between the parties and prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

Dated this 10 day of October, 2016.

LESSOR:

TCS, LLC

BY:

Trevor Schilling, Manager

LESSEE:

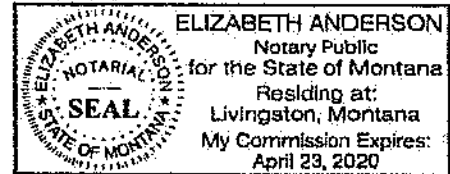
BY:

Burke Moran, Manager

STATE OF MONTANA)

COUNTY OF GALLATIN)

) ss.



The above and foregoing LEASE was subscribed and sworn to before me this 10th day of October, 2016, by Burke Moran, Manager, FRG-Gillette, LLC, Lessee.

WITNESS my hand and official seal.

My commission expires: April 23rd, 2020

Notary Public

Elizabeth Anderson
Elizabeth Anderson

STATE OF WYOMING)

COUNTY OF CAMPBELL)

) ss.

The above and foregoing LEASE was subscribed and sworn to before me this 10th day of October, 2016, by Trevor Schilling, Manager, Town Center 2, LLC, Lessor.

WITNESS my hand and official seal.

6/15/19

My commission expires:

Trana Johnson
Notary Public

