LEASE AGREEMENT

This Lease Agreement is made effective as of January 1, 2017 by and between Lessor, Gallo's Limited Partnership, and Lessee, Alaska Wild Coyote, Inc., DBA: Alaska Medicinal Gardens (AMG). The parties agree as follows:

Lessor, in consideration of the payments provided in this agreement, leases to Lessee the following premises described below, subject to the terms and conditions of this agreement.

1. **Premises.** The premises being leased is located at 838 Bonanza Avenue Anchorage, AK 99518, with the legal description being Westgate Park, Block 7, Lot 6

2. **Term.** This Lease agreement will be for five (5) years beginning on January 1, 2017 and will terminate on December 31, 2021 with the option to renew the lease for an additional five (5) years upon mutual agreement between Lessor and Lessee. The Lessor and Lessee agree that this lease will be terminated at an earlier date thirty (30) days after Lessor receives written notice from Lessee, or immediately after any fire or other damage to the building or equipment renders the Premises unsuitable for use. All sums owed under this Lease Agreement will be prorated as of the termination date.

3. **Lease Payments.** Lessee shall pay to the Lessor $10,000 per month during the duration of the lease for occupation of any full month, due and payable on the 1st day of every month. Lessee shall also pay the costs associated with the following utilities: heating fuel; electricity; telephone; internet; and satellite. The monthly amount shall be prorated for any period of time that is less than a full month.

4. **Late Fee:** In the event that any lease payment required to be paid by Lessee under this agreement is not made within 10 days of when due, in addition to the lease payment due, Lessee shall pay Lessor a nonrefundable payment of $50 per each late day.

5. **Security Deposit.** Upon the due execution of this Agreement, Lessee will deposit with Lessor the sum of $10,000 ("the security deposit"), receipt of which is hereby acknowledged by Lessor, as security for any damage caused to the Premises by Lessee during the term of this agreement.

6. **Possession.** Lessee shall be entitled to possession of the Premises at the time of the signing of this Lease Agreement and shall yield possession to Lessor at the end of this agreement.

7. **Use of Premises.** Lessee may use the Premises for its ordinary course of business to include standard marijuana cultivation and any other lawful use and subject to the following conditions.

a. The Lessee is responsible for keeping the Premises in a clean and safe condition.

8. **Maintenance.** Lessor will maintain the Premises at its sole expense except for repairs necessary due to the negligence of the Lessee, employees, or contractors. Lessee will

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reimburse Lessor for all negligent repairs. Lessor will also provide exterior maintenance for the Premises.

9. **Alterations and Improvements.** Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the leased premises, and fasten the same to the Premises. All personal Property, equipment, machinery, trade fixtures, and temporary installations, whether acquired by Lessee at the commencement of the Lease term, or placed or installed on leased Premises by Lessee thereafter, shall remain Lessee's property free and clear of any claims by Lessor. Lessor is responsible for all tenant improvements.

10. **Parking.** Lessee shall at all times have parking privileges for its vehicles and the vehicles of its customers. Lessee parking should be reasonable and not block access to any facility for fire prevention and Lessors access for maintenance.

11. **Property Insurance.** Lessee shall be responsible to maintain appropriate insurance for their interests in the Premises and all personal property located on the Premises.

12. **Liability Insurance.** Lessee shall maintain commercial general liability insurance in a total aggregate sum of not less than $500,000.00. Lessee shall deliver appropriate evidence to Lessor as proof that adequate insurance is in force and Lessor must be named as an additional named insured.

13. **Workers Compensation Insurance.** Lessee will provide Lessor with evidence of workers compensation covering it employees working in and around Lease premises on behalf of the Lessee. Lessee shall deliver appropriate evidence as proof that adequate insurance is in force. Lessor must be named as an additional name insured.

14. **Utilities and Services.** Lessee shall be responsible for all utilities, including electric, fuel oil, propane, telephones and satellite television services for the Premises. If Lessor is billed for any of these services, Lessee will reimburse Lessor for any costs as soon as Lessor advises Lessee of such costs paid on Lessee's behalf.

15. **Taxes /Licenses.** The Lessor will be responsible for paying all general real estate taxes. Lessee shall be responsible for payment of all business personal property taxes.

16. **Holdover.** If Lessee maintains possession of the Premises for a period after the termination of the Lease agreement ("Holdover Period"), Lessee shall pay Lessor a Lease payment for the holdover period equal to the rates set forth in the Lease Payments Paragraph.

17. **Access by Lessor to Premises.** Subject to Lessee's consent (which shall not be unreasonably withheld), Lessor shall have the right to enter the Premises to make inspections, and provide necessary services. As provided by law, in the case of an emergency, Lessor may enter the Premises without Lessee's consent.

18. **Indemnity Regarding Use of Premises.** To the extent permitted by law, Lessee agrees to indemnify, hold harmless, and defend Lessor from and against any and all losses, claims, liabilities and expenses, including reasonable attorney fees, if any (collectively "Claims") which Lessor may suffer or incur in connection with Lessee's use or misuse of the Premises;

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provided, however, that such indemnity does not apply or extend to any Claims arising or resulting from Lessor's negligence or intentional conduct.

19. **Notice.** Notices under this Lease agreement shall not be deemed valid unless given or served in writing and forward by certified mail, postage prepaid, addressed as follows:

Lessor: Gallo's Limited Partnership
Abraham Gallo
PO Box 111846
Anchorage, AK 99511

Lessee: Alaska Wild Coyote, Inc.
DBA: Alaska Medicinal Gardens (AMG)
838 Bonanza Avenue
Anchorage, AK 99518

Such addresses may be changed from time to time by either party by providing notice as set forth above.

20. **Governing Law.** This agreement shall be governed, construed and interpreted by, through and under the laws of the State of Alaska.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on the dates below and entered by their respective signatures.

LESSOR: Gallo's Limited Partnership
Abraham Gallo

Abraham Gallo

Date: 1-1-17

LESSEE: Alaska Wild Coyote, Inc.
DBA: Alaska Medicinal Gardens (AMG)
By: Evanjelina De La Asuncion Gonzalez,
Its' President

Date: 1.1.17

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Addendum to LEASE AGREEMENT between Lessor, Gallo's Limited Partnership, and Lessee, Alaska Wild Coyote, Inc., DBA: Alaska Medicinal Gardens (AMG), dated January 1, 2017:

In addition to the terms and conditions listed in the above noted Lease Agreement, Lessor additionally agrees that he will not take possession of, or remove any marijuana or marijuana product from the Leased Premises located at 838 Bonanza Ave, Anchorage, AK 99518. If Lessor, or anyone acting in his capacity should take possession of, or remove any marijuana or marijuana product from the Leased Premise, Lessee will immediately contact, and notify AMCO enforcement.

Abraham Gallo

Date: 5-9-17

Gallo's Limited Partnership,
Abraham Gallo

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