WAREHOUSE / SHOP LEASE

THIS AGREEMENT is entered into by and between:

Hollister Enterprises, LLC
3264 Riverview Drive
Fairbanks, AK 99709

Hereinafter referred to as "LANDLORD"; and

Pakalolo Supply Company, Inc.
3264 Riverview Drive
Fairbanks, AK 99709

Hereinafter referred to as "TENANT".

WITNESSETH:

Tenant hereby leases and rents from Landlord that certain portion of the Landlord's property as described below comprised of approximately 23,000 square feet of office, retail, basement and warehouse space under the terms and conditions herewith

LOCATION OF PREMISES:

1851 Fox Avenue
Fairbanks, AK 99701

GPS Coordinates: 64.847111
-147.752333

TERM:

The INITIAL TERM of this lease is mutually agreed upon for a two (2) year period commencing on the 9th day of March 2016, and expiring on the 31st day of May 2018. The Lease shall have three (3) one year extension options at the amounts shown on the schedule of rent payments upon signed written agreement of the parties to the rents, terms, and conditions of the extension period.

Both parties acknowledge that this is an authorized sublease of the subject property from the parent lease dated March 9, 2016 between Wilken Properties, Inc., Lessor, and Hollister Enterprises LLC, Lessee. This sublease shall be void in the event Hollister Enterprises LLC exercises its option to purchase the subject property from Wilken Properties, Inc. Upon this circumstance, Pakalolo Supply Company, Inc. shall be given no less than 30 days notice of the termination of this sublease from the date said purchase option is exercised, and is granted the right of first refusal to negotiate the terms of a new lease agreement with Hollister Enterprises LLC during that 30 day period.

SECURITY DEPOSIT:

Tenant shall deliver a security deposit in the amount of $5,000.00 to Landlord with the signing of this agreement payable as follows: $1,000 shall be paid at lease signing, $2,000 shall be due on September 1, 2016, and $2,000 shall be due on March 1, 2017. Said deposit will be returned to Tenant upon termination of occupancy, provided the premises are in the same condition as when received less reasonable wear and tear. Should Tenant fail in the performance of the conditions herein provided, Tenant agrees that Landlord may retain said deposit on account for any loss or damage hereunder.

Initials

RENT:

Base rental rates shall increase throughout the term of this lease. Early Possession is granted for the period of March 9 – May 31, 2016 with no charge for rent, but Tenant to pay for all other expenses and utilities. The lease schedule of rent payments shall be as follows:

Lease year 1	(6/1/16 - 5/31/17)
Lease year 2	(6/1/17 – 5/31/18)

Extension Options:

Lease year 3	(6/1/18 – 5/31/19)
Lease year 4	(6/1/19 – 5/31/20)
Lease year 5	(6/1/20 – 5/31/21)

Tenant shall pay to Landlord the scheduled amount as rent for the premises together with such other sums as may be assessed by the Landlord under other provisions of this lease payable in monthly installments in advance, on the fifth (5th) day of each and every calendar month during the term of the lease. The first installment in the amount of $3,500.00 shall be due and payable upon signing of this lease.

All rents and other sums due thereafter shall be paid directly to the Landlord, or electronically transferred without discount or offset to an account to be determined and specified by written notice to the Tenant if the electronic transfer method is chosen by the Landlord. Rent not received and/or electronically deposited within ten (10) days of the date upon which it was due shall be in default, and shall bear a four percent (4%) late fee. Unpaid late fees shall be treated as rent for all purposes under this lease.

UTILITIES:

It is understood and agreed by both the Landlord and Tenant that Tenant accepts unit in "as is" condition, and that Tenant shall be solely responsible for all utilities unless noted.

MAINTENANCE:

It is understood and agreed by both Landlord and Tenant that Tenant shall be solely responsible for all maintenance of the leased premises including glass replacement, except for those items, which are Landlord's responsibility. Tenant promises to procure, maintain, and pay for all services necessary to maintain the leased premises in good repair, constant working order and in safe and sanitary condition; including but not limited to: electricity, heating systems and heating fuel, plumbing, water, septic, electrical and mechanical systems, and overhead doors. Landlord, at its cost and expenses, shall maintain in good condition and repair, structural portions and the roof of the leased premises and be responsible for the replacement of all mechanical systems thereof during the term of this Lease and any extension or renewal thereof.

SNOW REMOVAL:

It is understood and agreed by both Landlord and Tenant that Tenant shall be solely responsible for ground snow and roof snow removal.

TRASH REMOVAL:

It is understood and agreed by both Landlord and Tenant that Tenant shall be solely responsible for garbage/trash removal.

Initials

ALTERATIONS:

Tenant shall make no alterations to the building or premises, internal or external which would change the character or condition of the building, or premises without the written consent of the Landlord, to include heating or air conditioning system.

INSURANCE:

Tenant understands and agrees that Landlord does not provide or carry any liability or personal property insurance on the Tenant, Tenant's agents, nor their personal property.

Tenant further understands and agrees that Landlord and the owner shall in no manner whatsoever be held responsible or liable for any damage, injury, theft, loss, or harm of any kind occurring to Tenant, Tenant's agents, or personal property on the leased premises except for Landlord's negligence. Any insurance required to conduct the allowed use of premises activity of the Tenant, and any protection and insurance whether required by law or regulation shall be Tenant's sole responsibility to procure and maintain. Tenant shall obtain and keep in force during the term of this agreement a policy or policies of insurance covering personal injury and property damage, in the minimum amounts of Two Million Dollars, ($ 2,000,000.00) per person, and Two Million Dollars ($ 2,000,000.00) per occurrence. The Landlord shall be named as an additional insured under each of those policies of insurance and copies of the insurance shall be delivered to Landlord. Landlord's insurance on the leased premises, if any, is for the sole benefit and protection of the Landlord.

DAMAGE BY FIRE OR OTHER CAUSES:

If the Demised Premises shall be partially (but less than substantially) damaged by fire, lightning, tempest, flood, earthquake, or explosion, unless caused by the negligence or deliberate act of Tenant, it agents, employees, or invitees, and if the damage may be reasonably repaired within sixty (60) days and the cost of repairs is less than $250,0000, then the damage shall be repaired with the insurance proceeds or by and at the expense of Tenant if there are insufficient insurance proceeds and the rent until such repairs shall be made shall be apportioned according to the part of the Demised Premises which is usable by Tenant. No penalty shall accrue for reasonable delay that may arise by reason of adjustment of insurance and for reasonable delay on account of "labor troubles" or any other cause beyond reasonable control. Repairs to alterations, additions, or improvements made by Tenant shall be performed by Tenant at its own expense in accordance with this Lease.

If the Demised Premises are totally or substantially damaged or are rendered wholly or substantially untenantable by fire or any other cause, or if the estimated cost to repair the damages is greater than 50% of replacement cost, or the estimated time to repair is greater than sixty (60) days, and if Landlord shall decide not to restore or not to rebuild the same, Landlord may, within thirty (30) days after such fire or other hazard, notify Tenant of such decision, and thereupon the Term of this Lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Demised Premises and surrender the same to Landlord, and if Tenant is not in default under this Lease, Tenant shall not be liable for rent accruing after the date of the occurrence of such damage. "Substantially damaged" shall be defined as damage that significantly impairs Tenant's business operations. If the damage is due to the fault or neglect of Tenant, the debris shall be removed by, and at the expense of, Tenant. In the event Landlord decides not to repair the Demised Premises all insurance proceeds for such loss shall belong and be paid to Landlord. If Landlord shall decide to repair, rebuild, and restore the Demised Premises and Landlord's repairs, rebuilding, and restorations are not complete within six (6) months of the fire or other hazard, Tenant may, at its option, terminate this Lease upon written notice given to Landlord no later than thirty (30) days before the expiration of the six (6) months for Landlord's work. Within thirty (30) days of Tenant's termination of this Lease, Tenant shall vacate the Demised Premises and surrender the same to Landlord, and Tenant shall not be liable for rent accruing after the date of the occurrence of the fire or other hazard.

Tenant shall give immediate notice to Landlord in case of fire or other damage to the Demised Premises.

No damages, compensation, or claims shall be payable by Landlord for inconvenience, loss of business, or annoyance arising from any repair or restoration of any portion of the Demised Premises.

Initials

ASSIGNMENT AND SUBLETTING:

Tenant shall not add, transfer or encumber this agreement or the property described in this agreement or permit occupancy of the property by any other person without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. Landlord shall have the absolute right to refuse any proposed assignment or sublease if the proposed assignee or proposed sublease intends to change the character or the use of the premises, or if the financial condition of the proposed assignee or proposed Tenant is not as good or better than the financial condition of the Tenant at the commencement of this lease.

Nothing contained in this lease shall be interpreted to impair or affect in any way the right of the Landlord to assign, encumber or impair its rights under this lease to any person as security, to obtain financing, or for any other commercial purpose, provided only that the assignment does not materially impair the Landlord's covenant of quiet enjoyment to the Tenant.

USE OF THE PREMISES:

It is understood and agreed by the parties hereto that the herein described premises, unless excepted in writing by Landlord, is limited in use. The premises herein described will be used solely as storage and normal business activity **related to cannabis cultivation, retail sales of cannabis and a cannabis lounge area**. Any change in business or deviation will be considered a breach of the lease.

Tenant agrees to conduct its business so as not to constitute a nuisance and to observe all rules, regulations, and all laws and ordinances applicable to the use and occupancy of the premises. Tenant agrees not to store dead vehicles on the site at any time during the term of this lease. Failure to abide by this agreement shall constitute grounds for eviction.

HAZARDOUS SUBSTANCES:

It is understood and agreed to by Landlord and Tenant that all hazardous substances, including motor oil, shall be disposed of by Tenant in an environmentally approved manner. Any hazardous substances, including motor oil, spilled on the gravel pad, floor or ground must be cleaned up immediately by the Tenant. Repeated infractions, and/or failure to clean up spillage shall be cause for immediate eviction. Tenant agrees by execution of this document to bear all costs incurred by Landlord for removal and cleanup of hazardous substances placed there by Tenant. It is understood and agreed by Tenant that hazardous substances, including waste oil, shall NOT be stored indoors.

Landlord agrees to hold tenant harmless from and against any and all damage or liabilities for any spills or contamination done by Landlord, landlord's agents or previous tenants, to tenant's premises and yard space.

FLOOR DRAINS:

Floor drains are solely for the disposal of water runoff. Tenant understands that units with septic systems are unable to handle excessive water disposal caused by vehicle washing and Tenant agrees not to wash any vehicles within the garage bays where septic systems are in use.

SURROUNDING AREA:

Tenant is responsible for the area immediately surrounding said leased unit. Upon vacating the unit, Tenant shall remove all items from within and without the leased unit.

QUIET ENJOYMENT:

Landlord covenants and warrants that, so long as Tenant is not in default under the covenants and agreements of this Lease, Tenant's quiet and peaceable enjoyment of the Leased Premises shall not be disturbed or interfered with.

Initials NH / KH NH

INDEMNITY:

The Landlord and Tenant shall each indemnify, hold harmless and defend the other party and its agents from any and all liability to any person or persons for damages, claims, suits, liabilities, costs and expenses arising directly or indirectly from the occupancy and use of the premises, or arising from acts by such party, its agents, servants, employees, customers, sub-lessees and contractors, except to the extent caused by the negligence of willful misconduct of the other party or its agents, servants, employees, customers, sub-lessees or contractors.

Landlord agrees to hold tenant harmless from and against any and all damage or liabilities for any spills or contamination done by Landlord, landlord's agents or previous tenants, to tenant's premises or yard space.

DEFAULT:

The occurrence of any of the following shall constitute a default by Tenant:

(a) Failure to pay rent within fifteen (15) days of when due.
(b) Abandonment of the premises.
(c) Failure to perform any of the provisions of this lease if the failure to perform is not cured within thirty (30) days after notice has been given to Tenant. If the default cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the thirty (30) day period, and thereafter diligently and in good faith continues to cure the default.

Notices given under this paragraph shall specify the alleged default and the applicable lease provisions; and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the premises. No such notice shall be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

If Tenant or Landlord, as the case may be, causes a default the non-defaulting party shall have all remedies permitted by law.

NOTICES:

All notices respecting this lease shall be in writing and delivered, in case of the Tenant, to the address listed above; and in case of the Landlord to:

Email address: chollister@hollisterenterprises.com (Preferred Method)
Or
By mail to: Hollister Enterprises, LLC
3264 Riverview Drive
Fairbanks, Alaska 99709.

This lease shall bind and insure to the benefit of the parties hereto and their respective successors and assigns.

At the expiration or other termination of this lease, Tenant herein agrees to surrender the premises to Landlord in as good condition as when received, subject to ordinary wear and tear. Tenant is hereby authorized and required to remove all of its personal property and equipment.

GENERAL PROVISIONS:

Landlord, or Landlord's agents, shall have the right to enter leased premises at all times and promises to do so in such a manner as not to interfere with Tenant's use or occupancy of the premises. Landlord agrees to provide Tenant with 24 hour notice of inspection and understands that due to State regulations, Tenant will be required to escort all visitors through cultivation and retail facility.

Tenant shall be bound to prompt payment of all amounts due Landlord, without provisions for offset of any kind unless mutually agreed and documented by both parties.

Initials

Failure of Landlord to promptly pursue remedies due Landlord through Tenant's nonperformance of any covenants and agreements of the lease, shall in no manner be construed to waive or relinquish any such right.

DATED: This 9TH. day of March, 2016.

TENANT: PAKALOLO SUPPLY COMPANY, INC.

Howard C. Hollister President

Keenan M. Hollister Vice-President

LANDLORD: HOLLISTER ENTERPRISES, LLC

Howard C. Hollister President

WAREHOUSE / SHOP LEASE

THIS AGREEMENT is entered into by and between

Wilken Properties Inc.
2829 Chief William Drive #6
Fairbanks, AK 99709

hereinafter referred to as "LANDLORD"; and

Hollister Enterprises LLC
Howard C. Hollister, Personal Guarantor
3264 Riverview Drive
Fairbanks, AK. 99709

hereinafter referred to as "TENANT".

WITNESSETH:

Tenant hereby leases and rents from Landlord that certain portion of the Landlord's property located at 1851 Fox Ave., Fairbanks, Alaska, comprised of approximately 23,000 square feet of office, retail, basement and warehouse space.

TERM:

The INITIAL TERM of this lease is mutually agreed upon for the period of five (5) years commencing on the 9th day of March 2016 and expiring on the 31st day of May 2021.

SECURITY DEPOSIT:

Tenant shall deliver a security deposit in the amount of $5,000.00 to Landlord with the signing of this agreement. Landlord agrees to allow Tenant to fund this security deposit over time. $1,000 shall be paid at lease signing, $2,000 shall be due on September 1, 2016 and $2,000 shall be due on March 1, 2017. Said deposit will be returned to Tenant upon termination of occupancy, provided the premises are in the same condition as when received less reasonable wear and tear. Should Tenant fail in the performance of the conditions herein provided, Tenant agrees that Landlord may retain said deposit on account for any loss or damage hereunder.

RENT:

Base rental rates shall increase throughout the term of this lease. The lease schedule shall be as follows:

Lease year 1 (6/1/16 - 5/31/17)
Lease year 2 (6/1/17 – 5/31/18)
Lease year 3 (6/1/18 – 5/31/19)
Lease year 4 (6/1/19 – 5/31/20)
Lease year 5 (6/1/20 – 5/31/21)

Tenant shall pay to Landlord the scheduled amount as rent for the premises together with such other sums as may be assessed by the Landlord under other provisions of this lease payable in monthly installments in advance, on the fifth (5th) day of each and every calendar month during the term of the lease. The first installment in the amount of $3,500.00 shall be due and payable upon signing of this lease.

All rents and other sums due thereunder shall be paid, electronically transferred without discount or offset to an account to be determined at Denali State Bank. Rent not received electronically within ten (10) days of the date upon which it was due shall be in default and shall bear a four percent (4%) late fee. Unpaid late fees shall be treated as rent for all purposes under this lease.

OPTION TO PURCHASE:

Addendum B shall be incorporated to this lease agreement to define the terms of the purchase option.

UTILITIES:

Initials

Hazard Insurance. Tenant, at its cost and expense, shall procure and maintain policies of insurance insuring the building, situated upon the Leased Premises, against loss or damage by fire, lightning, wind storm, hail storm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by ISO Causes of Loss – Special Form. The insurance coverage shall be for not less than one hundred percent (100%) of the full replacement cost of such building with all proceeds of insurance payable to Landlord.

Damage by Fire or Other Causes

If the Demised Premises shall be partially (but less than substantially) damaged by fire, lightning, tempest, flood, earthquake, or explosion and if the damage may be reasonably repaired within ninety (90) days and the cost of repairs is less than $1,000,000, then the damage shall be repaired with the insurance proceeds or by and at the expense of Tenant if there are insufficient insurance proceeds and the rent until such repairs shall be made shall be apportioned according to the part of the Demised Premises which is usable by Tenant. No penalty shall accrue for reasonable delay that may arise by reason of adjustment of insurance and for reasonable delay on account of "labor troubles" or any other cause beyond reasonable control. Repairs to alterations, additions, or improvements made by Tenant shall be performed by Tenant at its own expense in accordance with this Lease.

If the Demised Premises are totally or substantially damaged or are rendered wholly or substantially untenantable by fire or any other cause, or if the estimated cost to repair the damages is greater than 50% of replacement cost, or the estimated time to repair is greater than ninety (90) days, and if Landlord shall decide not to restore or not to rebuild the same, Landlord may, within thirty (30) days after such fire or other hazard, notify Tenant of such decision, and thereupon the Term of this Lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Demised Premises and surrender the same to Landlord, and if Tenant is not in default under this Lease, Tenant shall not be liable for rent accruing after the date of the occurrence of such damage. "Substantially damaged" shall be defined as damage that significantly impairs Tenant's business operations. If the damage is due to the fault or neglect of Tenant, the debris shall be removed by, and at the expense of, Tenant. In the event Landlord decides not to repair the Demised Premises all insurance proceeds for such loss shall belong and be paid to Landlord. If Landlord shall decide to repair, rebuild, and restore the Demised Premises and Landlord's repairs, rebuilding, and restorations are not complete within six (6) months of the fire or other hazard, Tenant may, at its option, terminate this Lease upon written notice given to Landlord no later than thirty (30) days before the expiration of the six (6) months for Landlord's work. Within thirty (30) days of Tenant's termination of this Lease, Tenant shall vacate the Demised Premises and surrender the same to Landlord, and Tenant shall not be liable for rent accruing after the date of the occurrence of the fire or other hazard.

Tenant shall give immediate verbal and electronic notice to Landlord in case of fire or other damage to the Demised Premises.

No damages, compensation, or claims shall be payable by Landlord for inconvenience, loss of business, or annoyance arising from any repair or restoration of any portion of the Demised Premises.

ASSIGNMENT AND SUBLETTING:

Tenant shall not add, transfer or encumber this agreement or the property described in this agreement or permit occupancy of the property by any other person without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. Landlord shall have the absolute right to refuse any proposed assignment or sublease if the proposed assignee or proposed sublease intends to change the character or the use of the premises; or if the financial condition of the proposed assignee or proposed Tenant is not as good or better than the financial condition of the Tenant at the commencement of this lease.

Landlord agrees to allow Hollister Enterprises LLC to sublet premises to Pakalolo Supply Company Inc.

Nothing contained in this lease shall be interpreted to impair or affect in any way the right of the Landlord to assign, encumber or impair its rights under this lease to any person as security, to obtain financing, or for any other commercial purpose, provided only that the assignment does not materially impair the Landlord's covenant of quiet enjoyment to the Tenant.

Initials BZ HCN

USE OF THE PREMISES:

It is understood and agreed by the parties hereto that the herein described premises, unless excepted in writing by Landlord, is limited in use. The premises herein described will be used solely as storage and normal business activity related to cannabis cultivation, retail sales of cannabis and a cannabis lounge area. Any change in business or deviation will be considered a breach of the lease.

Tenant agrees to hold and maintain all business licenses required by city, borough and state agencies to conduct its business. Proof of such licenses shall be provided to Landlord no later than 7/01/16 or extended to a date certain mutually agreeable to both parties, but no later than 9/01/16.

Tenant agrees to conduct its business so as not to constitute a nuisance and to observe all rules, regulations, and all laws and ordinances applicable to the use and occupancy of the premises. Tenant agrees not to store dead vehicles on the site at any time during the term of this lease. Failure to abide by this agreement shall constitute grounds for eviction.

HAZARDOUS SUBSTANCES:

It is understood and agreed to by Landlord and Tenant that all hazardous substances, including motor oil, shall be disposed of by Tenant in an environmentally approved manner. Any hazardous substances, including motor oil, spilled on the gravel pad, floor or ground must be cleaned up immediately by the Tenant. Repeated infractions, and/or failure to clean up spillage shall be cause for immediate eviction. Tenant agrees by execution of this document to bear all costs incurred by Landlord for removal and clean up of hazardous substances placed there by Tenant. It is understood and agreed by Tenant that hazardous substances, including waste oil, shall NOT be stored indoors.

Landlord agrees to hold tenant harmless from and against any and all damage or liabilities for any spills or contamination done by Landlord, landlord's agents or previous tenants, to tenant's premises and yard space.

FLOOR DRAINS:

Floor drains are solely for the disposal of water runoff. Tenant understands that units with septic systems are unable to handle excessive water disposal caused by vehicle washing and Tenant agrees not to wash any vehicles within the garage bays where septic systems are in use.

SURROUNDING AREA:

Tenant is responsible for the area immediately surrounding said leased unit. Upon vacating the unit, Tenant shall remove all items from within and without the leased unit.

QUIET ENJOYMENT:

Landlord covenants and warrants that, so long as Tenant is not in default under the covenants and agreements of this Lease, Tenant's quiet and peaceable enjoyment of the Leased Premises shall not be disturbed or interfered with.

INDEMNITY:

The Tenant shall indemnify, hold harmless and defend the Landlord and its agents from any and all liability to any person or persons for damages, claims, suits, liabilities, costs and expenses arising directly or indirectly from the occupancy and use of the premises, or arising from acts by such party, its agents, servants, employees, customers, sub-lessees and contractors, except to the extent caused by the negligence of willful misconduct of the other party or its agents, servants, employees, customers, sub-lessees or contractors.

Landlord agrees to hold Tenant harmless from and against any and all damage or liabilities for any spills or contamination done by Landlord, Landlord's agents or previous tenants, to tenant's premises or yard space.

DEFAULT:

TENANT'S DEFAULT: The occurrence of any of the following shall constitute a default by Tenant:

(a) Failure to pay rent within fifteen (15) calendar days of when due.

(b) Abandonment of the premises.

(c) Failure to perform any of the provisions of this lease if the failure to perform is not cured within thirty (30) days after notice has been given to Tenant. If the default cannot reasonably be cured within thirty (30)

Initials

GENERAL PROVISIONS:

A. Landlord or Landlord's agents shall have the right to enter leased premises at all times and promises to do so in such a manner as not to interfere with Tenant's use or occupancy of the premises. Landlord agrees to provide Tenant with 24 hour notice of inspection and understands that due to State regulations, Tenant will be required to escort all visitors through cultivation and retail facility.

B. Tenant shall be bound to prompt payment of all amounts due Landlord, without provisions for offset of any kind unless mutually agreed and documented by both parties.

C. Failure of Landlord to promptly pursue remedies due Landlord through Tenant's nonperformance of any covenants and agreements of the lease, shall in no manner be construed to waive or relinquish any such right.

DATED this 9th day of March, 2016.

TENANT(S):

TENANT

Hollister Enterprises LLC
Howard C. Hollister

Howard C Hollister
Personal Guarantor

LANDLORD:

Owner:

Wilken Properties LLC
Gary Wilken

Initials HCH