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# COMMERCIAL LEASE

THIS LEASE is made this 28th day of _ August , 2017 , by and between Irish Luck LLC (hereinafter referred to as "Landlord"), and Happy Trees LLC, d/b/a Happy Trees (Here in after referred to as "Tenant".)

In consideration of the rental specified below and the covenants hereinafter stipulated, Landlord does hereby lease to Tenant and Tenant leases from Landlord the Building containing approximately 4900 +/- square feet and the lot on which it is located situated in the City of Fairbanks State of Alaska, and with the Address
2750 Picket Place Fairbanks, AK 99709

The Building, the lot and all improvements and appurtenances therein, is herein called "the Premises."

## 1. TERM

1.01. The term of the Lease is for 60 _ months and shall commence on the first day of _August 1, 2017 or on such earlier date as Tenant may take possession of the Premises, and Will end on August 31 , 2022.
Tenant shall have the option to renew the term of this lease for two(2) renewal periods, each having a term of 5 (5) years.

1.02 If Landlord is unable to deliver possession of the Premises to Tenant on the date of Commencement of the term hereof, Landlord shall not be subject to any liability for the failure to deliver possession on said date, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder or extend the term hereof, but the rent reserved shall not commence to accrue until possession of the Premises is tendered to Tenant. If Landlord cannot deliver possession of the Premises within 90 days of the date of Commencement, unless said delays are caused by the Tenant or by events described in Section 25.01, then Tenant shall have the option to terminate this Lease with no penalty.

## 2. POSSESSION

2.01. N/A

2.02. If permission is given to Tenant to occupy the Premises prior to the date specified for commencement of the term hereof, such occupancy shall be subject to all of the provisions of this Lease.

2.03. Tenant's taking possession shall be conclusive evidence as against the Tenant that the Premises were in good order and satisfactory condition when Tenant took possession. No promise of Landlord to alter, remodel or improve the Premises and no representation respecting the condition of the

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Premises have been made by Landlord to Tenant.

## 3. RENT

3.01. Tenant shall pay Landlord-a monthly rent of $8,575.00 (, in lawful money of the United States which shall be legal tender at the time of payment, in advance on the first day of each calendar month during MONTHS 1-12, $8,575.00 MONTHS 13-24, $8,789 MONTHS 25-36, $9,009 MONTHS 37-48, $9,234 MONTHS 49-60, $9,465 at the office of Landlord or at such other place as Landlord may from time to time so designate in writing, except that the first month's rent shall be paid upon the execution hereof. Said rental shall be paid without deduction or set off. The installment of rent payable for any portion, less than all, of a calendar month shall be a pro rata portion of the installment payable for a full calendar month. Rent collected after the 4th day of the month shall be subject to a 5%late fee.

3.02. Tenant hereby deposits the sum of $1,000 with Landlord the receipt of which is hereby acknowledged as security for the payment of rent hereunder and the full and faithful performance of all the terms, covenants, and conditions of this Lease to be performed by Tenant. Landlord shall have the right, but not the obligation, to apply the security deposit in whole or in part as payment of such amounts as are reasonably necessary to remedy Tenant's defaults in the payment of rent or in the performance of the covenants or agreements contained herein. Tenant's liability is not limited to the amount of the security deposit. If Tenant is not then in default hereunder, said security deposit or any portion thereof remaining unapplied shall be returned to Tenant upon termination of this Lease without interest except as provided by law.

4.01. Tenant will pay to Landlord promptly as _____ additional rent when due and payable and before they become delinquent, all real property taxes, assessments, license fees, excises, levies, charges or impositions and other similar governmental ad valorem or other charges levied on or attributable to the Premises or its ownership, operation, and all taxes, charges, assessments or similar impositions imposed in lieu of the same. In all events, any taxes assessed on tenant's personal property, or any improvements, alterations or installations made by tenant, and any other tax or assessments arising out of the existence of this Lease except income, estate, or inheritance taxes shall be paid by Tenant (Payment). Tenant shall, simultaneously with the payment of any sums required hereunder, reimburse Landlord for any excise, sales or transaction privilege tax imposed or levied by any governmental agency upon Landlord as a result of any such Payment. _____

_____ TENANT

4.02. Tenant will pay when due and payable and before they become delinquent:

a. All utility charges incurred for, including but not limited to, lights, heat, air conditioning, power, water, sewer, drainage and waste Disposal. _____

b. All other costs incurred for operation, maintenance, replacement and repair including, without limiting the generality of the foregoing, the following – Signage costs, interior and exterior janitorial and window washing.

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4.03. At the beginning of and for each rental year after the first rental year of this Lease until this Lease is terminated, the basic rent shall be adjusted and changed as described below:

2.5% escalation each year

4.04 There will be a 5% late fee assessed on any rent payment not paid by the 4th day of the month.

## 5. HOLDING OVER

5.01. Without Landlord's consent, Tenant shall have no right to hold over after the expiration of the term of this Lease. If with Landlord's consent, Tenant holds over after the termination of this Lease, Tenant shall become a tenant from month-to-month only, upon each and all of the terms herein provided as may be applicable to such month-to-month tenancy and any such holding over shall not constitute an extension of this Lease. During such holding over, Tenant shall pay additional rent required by Section 4 and rent at 150% of the monthly rent required by Section 3 at the expiration of the term of this Lease, payable in advance on or before the first day of each month. In such event, Tenant shall continue in possession until Tenant or Landlord shall have given to the other party a written notice of its intention to terminate such tenancy. Such written notice must be given no less than thirty (30) days prior to said termination date.

## 6. USE

6.01. Tenant shall use and occupy the Premises as Marijuana Cultivation Facility and for no other purpose.

6.02. Tenant shall:

a. Not use or permit upon the Premises anything that would invalidate any policies of insurance now or hereafter carried on the Building or that will increase the rate of insurance on the Premises or on the Building;

b. Pay allextra **insurance premiums which may** be caused by the use which Tenant shall make of the Premises:

c. Not in any manner deface or injure the Premises or any part thereof or overload any floor of the Premises.

d. Not do anything or permit anything to be done upon the Premises in any way tending to create a nuisance, or tending to disturb the occupants of neighboring property, or tending to injure the reputation of the Premises.

e. Comply with all governmental, health and police requirements and regulations respecting the Premises.

f. Not use the Premises for lodging or sleeping purposes or for any immoral or illegal purpose, nor conduct or permit to be conducted upon the Premises any activity contrary to any of the laws of the United States of America or laws, regulations or ordinances of the state, county, or municipality in which the Premises is situated, nor commit or suffer to be committed any

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waste upon the Premises.

g. Comply with Rules And Regulations as attached hereto as Exhibit "C".

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7.01. Tenant agrees to procure and pay for all water, electricity, heat and air conditioning and janitorial services required for Tenant's use. Tenant shall not be entitled to any abatement or reduction of rental by reason of any interruption with respect to any of the forgoing. Landlord shall not be liable under any circumstances for loss, however occurring, through or in connection with or incidental to any interruption as to any of the foregoing, unless such cessation or interruption is caused by the knowing and intentional acts of the Landlord.

7.02. Tenant will not, without the written consent of Landlord, use any apparatus or device in the Premises using electric current in excess of 220 volts, nor connect, except through existing electrical outlets in the Premises or water pipes, any apparatus or device for the purposes of using electric current, water or other utilities. Whenever heat generating machines or equipment are used in the Premises which affect the temperature otherwise maintained by the air conditioning system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, and the cost of operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

## 8. CARE OF PREMISES

8.01. Tenant, at Tenant's own expense, shall take good care of the Premises and shall promptly repair all damages to the Premises and replace or repair any damaged or broken fixtures and appurtenances which are made necessary as a result of any use, misuse, neglect or negligence of Tenant, its employees or invitees. Tenant shall maintain and repair ceilings, walls, floors; all doors, windows and plate glass; plumbing, pipes and fixtures; electrical wiring, switches, fixtures and equipment including lighting replacement for building standard lights and Premises exterior lighting; heating, ventilating and air conditioning equipment; fire sprinkler suppression and detection equipment; security wiring and equipment; furniture, fixtures and improvements installed by or for Tenant. Tenant shall promptly reimburse Landlord for maintenance contracts currently in effect or procured by Landlord on any of the Premises systems, or at Landlord's option, in the absence of maintenance contracts, Landlord shall permit Tenant to secure maintenance contracts pursuant to Landlord's specifications and contractor approval with final contract copies provided to Landlord. If Tenant does not do so, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof upon being billed for same. Landlord may, but shall not be required to do so, enter the Premises at all reasonable times to make any repairs as Landlord shall desire or deem necessary to the Premises or to any equipment located in the Premises or as Landlord may be required to do by the order or decree of any court or by any governmental authority.

8.02. Except as otherwise provided herein, Landlord shall repair and maintain the building exterior walls, foundations, roof and roofing, sidewalks, driveways and parking lot, except to the extent the repair and maintenance arises from any misuse, neglect or negligence of Tenant, its employees, or invitees. Landlord shall pay for or make replacements to the heating, ventilating, air conditioning equipment and fire sprinkler suppression equipment of a capital nature as reasonably determined by Landlord, except to the extent the replacements arise from any misuse, neglect or negligence of Tenant, its employees, or invitees. Landlord shall not be liable for any failure to make any repairs, replacements or to perform any maintenance until Landlord is given written notice of the need for such repairs, replacements or maintenance, and unless Landlord fails within a reasonable period of time, to commence such repairs, replacements, perform such maintenance, or to use due diligence in completing Landlord's obligations. Except as provided in Section 12 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any entry to or interference with Tenant's business arising from the making of any repairs in or to any portion of the Premises or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any provision of statutory or common law now or hereafter in effect.

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8.03. If during the term of this Lease, Landlord should make any alteration or addition to said Premises, Landlord, at its sole cost and expense, agrees to comply with applicable requirements of Title III of the Americans With Disabilities Act (Act) Public Law 101-336 (July 26, 1990) and any regulations promulgated pursuant thereto. Tenant shall at Tenant's sole cost and expense (but subject to Landlord's prior written approval, which shall not be unreasonably withheld), make each and every alteration or addition to the Premises required to bring the Premises into compliance with the requirements imposed by the Act and any regulations promulgated pursuant thereto during the term of this Lease, and any period of holding over by Tenant ("ADA Requirements"), if

a. The requirement for such alteration or addition arises as a result of:

(1) Any alteration or addition by Tenant.

(2) Any violation by Tenant of any ADA Requirements.

(3) A special use of the Premises or any part thereof by Tenant or any assignee or subtenant of Tenant (including but not limited to use for a facility which constitutes, or if open to the public generally would constitute, a "place of public accommodation" under the ADA Requirements).

(4) The special needs of the employee(s) of Tenant or any assignee or subtenant of Tenant.

b. The ADA requirements would otherwise make Tenant rather than Landlord primarily responsible for making such alteration or addition.

In the event the Act or any regulations promulgated pursuant thereto requires alterations, other than those set forth above, then Landlord shall make the alterations.

## 9. ASSIGNMENT AND SUBLETTING

9.01. Tenant shall not, either voluntarily or by operation of law, sell, assign, hypothecate or transfer this Lease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Tenant or Tenant's employees, including those of its affiliates, without the prior written consent of Landlord in each instance. Landlord's consent shall not be unreasonably withheld. Any sale, assignment, mortgage, transfer or subletting of this Lease which is not in compliance with the provisions of this Section 9 shall be voidable and shall, at the option of Landlord terminate this Lease. The consent by Landlord to any assignment or subletting shall not be construed as relieving Tenant from obtaining the express written consent of Landlord to any further assignment or subletting or as releasing Tenant from any liability or obligation hereunder, whether or not then accrued.

9.02. The Landlord reserves the right, should the Tenant request such assignment or subletting, to release the Tenant from the terms and provisions of this Lease and the Landlord shall have thirty (30) days to make such determination. Should the Landlord exercise this right, then the Lease shall terminate as set forth in Section 23 *as* of the date notice is given to Tenant at no penalty or cost to Tenant.

## 10. AL I ERATIONS

10.01. Tenant shall make no alterations, additions or improvements (including initial tenant improvements) to the Premises without the prior written consent of Landlord. Landlord may impose, as a condition of

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such consent, such requirements as Landlord in its sole discretion may deem reasonable or desirable, including, without limiting the generality of the foregoing, requirements as to the manner in which, the time or times at which, and the contractor by whom such work shall be done. Any such consent by Landlord shall be for its own purposes and shall not be a representation that such alterations, additions, and improvements are in compliance with any codes, ordinances, regulations or laws nor that they are suitable for Tenant's use.

10.02. All such alterations, additions, and improvements shall become the property of Landlord and shall be surrendered with the Premises, as a part thereof, at the end of the term hereof, except that the Landlord may, by written notice to Tenant given at least thirty (30) days prior to the end of the term, require Tenant to remove all alterations, additions and improvements installed by Tenant, to restore the Premises to their original condition, reasonable wear and tear and loss by casualty excepted, after such removal, and to repair any damages to the Premises from such removal. Notwithstanding anything herein to the contrary, Tenant shall be allowed, at the termination of this Lease, to remove all of Tenant's furniture, equipment and personal property, provided Tenant is not in default of this Lease. Any and all lighting fixtures, ventilation equipment and other personal property directly related to the marijuana cultivation operation shall remain the property of the landlord upon termination or default of Lease.

## 11. CERTAIN RIGHTS RESERVED BY LANDLORD

11.01. Landlord shall have the following rights, exercisable without notice or giving rise to any claim for set off or abatement of rents:

a. To change the Premises' name or street address.

b. To designate and/or approve any and all signs at the Premises.

c. To **designate** and/or approve, prior to installation, all types of window shades, blinds, drapes, awnings, window ventilators and other similar equipment.

d. To show the Premises to prospective tenants at reasonable hours and if vacated by Tenant, to prepare the Premises for re-occupancy.

e. To retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises. No lock shall be changed and no new lock shall be installed without the prior written consent of Landlord. Consent shall not be unreasonably withheld and can be obtained by sending an e-mail to Landlord.

f. To make repairs, alterations, additions or improvements, whether structural or otherwise, in and about the Premises or in any part thereof and for such purposes to enter upon the Premises and during the continuance of any such work, to temporarily close doors, entryways, and corridors in the Premises and to interrupt or temporarily suspend building services and facilities, all without abatement of rent or affecting any of Tenant's obligations hereunder so long as the work does not materially interfere with Tenant's use of the Premises.

g. To have and retain a paramount title to the Premises, free and clear of any act of Tenant purporting to burden or encumber it.

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expressly permitted herein.

i. To require all furniture and similar items to be moved into and/or out of the Premises only at such times and in such manner as Landlord shall direct in writing. Movements of Tenant's property into or out of the building and within the Premises are entirely at the risk and responsibility of Tenant and Landlord reserves the right to require permission before allowing any such property to be moved into or out of the Premises. Consent shall not be unreasonably withheld and can be obtained by sending an e-mail to Landlord.

To approve or disapprove in writing the placing of vending or dispensing machines of any kind in or about the Premises.

## 12. DAMAGE TO PROPERTY; INJURY TO PERSONS; INSURANCE

12.01. Subject to the waivers set forth in Section 18.01, Tenant shall indemnify and hold Landlord harmless from any and all claims arising from Tenant's use of the Premises, from the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises, and shall further indemnify and hold Landlord harmless from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or of its agents or employees, and from all costs, attorneys' fees, expenses and liabilities incurred as a result of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises from any cause which does not result from the negligence or intentional acts of Landlord or anyone for whom Landlord is responsible.

12.02. Landlord or anyone **authorized** to act for Landlord shall not be liable for any damage to property entrusted to employees of the Premises nor for loss of or damage to any property by theft or otherwise, nor for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein, or from the roof, street or subsurface, or from any other place resulting from dampness or any other cause whatsoever which does not result from the negligent or intentional acts of Landlord. Landlord or its manager shall not be liable for interference with the natural light, nor shall Landlord be liable for any defect in the Premises. Tenant shall give prompt notice to Landlord of any fire, accident or defect discovered upon the Premises.1

12.03. Tenant agrees to carry at its own expense throughout the term of the Lease, comprehensive public liability insurance insuring both Landlord and Tenant against all claims, demands or actions arising out of or in connection with Tenant's use or occupancy of the Premises, or by the condition of the Premises with a combined single limit of liability of $1,000,000, or, in the alternative, $1,000,000 per person and $1,000,000 per occurrence for bodily injury or death and $1,000,000 per occurrence for property damage. Tenant shall deliver a Certificate of Insurance to Landlord prior to the date of occupancy of the Premises and said insurance policy shall list and protect Landlord and Tenant as their interests may appear and shall contain an endorsement stating that the insurer agrees to give no less than thirty (30) days prior written notice to Landlord in the event of modification or cancellation thereof.

12.04. Tenant shall be responsible for its own personal property insurance.

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## 13. FIRE OR CASUALTY

13.01. If any part of the Premises shall be damaged by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord. In the event the Premises (including machinery and equipment used in its operation) are destroyed or damaged by fire or other casualty to the extent that said Premises cannot be repaired within one hundred eighty (180) days after Landlord receives such notification thereof, then either Landlord or Tenant shall have the option to terminate this Lease by giving written notice to the other within forty-five (45) days after the occurrence of the damage or destruction.

13.02. If this Lease is not terminated as provided in Section 13.01, Landlord shall proceed to complete the necessary restoration or repairs with reasonable promptness, and this Lease shall continue in effect.

13.03. Unless said damage or destruction was caused by the fault or neglect of Tenant or its employees, licensees, or invitees, rents required by Section 3 shall abate during the period beginning with the date of such destruction or damage that rendered the Premises or any portion thereof untenantable and ending with the date when the Premises are again rendered tenantable, by an amount bearing the same ratio to the total amount of rent due for such period that the untenantable portion of the Premises bears to the entire Premises.

13.04. Landlord shall not be obligated to repair any damage by fire or other cause or to make any repairs or replacements of any items or leasehold improvements originally installed by Tenant.

## 14. ACCESS

14.01 Landlord and anyone authorized by Landlord shall have the right to enter the Premises at all reasonable times for the purpose of examining or inspecting the same, showing the same to prospective purchasers or tenants of the Premises and making such alterations, repairs, improvements or additions to the Premises as Landlord may deem necessary or desirable. If Tenant shall not personally be present to open and permit an entry into the Premises at any time when such entry by Landlord is necessary or permitted hereunder, Landlord may enter by means of a master key or may enter forcibly, without liability to Tenant, except for any failure to exercise due care of Tenant's property, and without breaching the terms of this Lease.

## 15. CONDEMNATION

15.01. If the whole of the Premises shall be taken or condemned by any governmental authority for any public use or sold to prevent the exercise thereof (collectively, a "taking"), this Lease shall automatically terminate as of the date of such taking. In the event of a taking of such portion of the Premises as shall, in the opinion of Landlord, substantially interfere with the operation thereof, the term of this Lease shall end on the date when the possession of the part so taken shall be required for such use or purpose and Landlord shall be entitled to receive the entire award without any payment to Tenant. Current rent shall be apportioned as of the date of such termination.

15.02. In the event of a taking which does not result in the termination of this Lease, the rent shall be apportioned according to the part of the Premises remaining usable by Tenant. Landlord shall with reasonable diligence make repairs or restoration only to those portions of the Premises that were originally provided at Landlord's expense. The repair and restoration of items in the Premises not provided at Landlord's expense shall be the obligation of Tenant.

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15.03. Should Landlord be prevented or delayed from repairing or restoring the Premises by reason of events described in Section 25.01, or any other cause for more than one hundred eighty (180) consecutive days, then Tenant shall have the option to terminate this Lease upon the giving of forty- five (45) days advance notice after the expiration of the 180 consecutive day delay. Tenant must vacate the Premises prior to the effective date of such termination.

15.04. Nothing contained in this Article 15 shall be deemed to give Landlord any interest in, or prevent Tenant from seeking any award against the condemning authority for the taking of personal property or fixtures of Tenant or for relocation or business interruption expense recoverable from the condemning authority, provided such award does not reduce or diminish Landlord's award.

## 16. ABANDONMENT

16.01. Tenant shall not vacate or abandon the Premises at any time during the term, and if Tenant shall abandon, vacate or surrender said Premises or be dispossessed by process of law or otherwise, any personal property belonging to Tenant and left in the Premises shall be conclusively presumed to be abandoned and may be kept or disposed of by Landlord as provided in Article 23 hereof.

## 17. SALE BY LANDLORD

17.01. In the event of a sale or conveyance by Landlord of the Premises, the same shall operate to release Landlord from any future liability under any of the covenants or conditions, express or implied, herein contained in favor of Tenant, and in such event Tenant agrees to look solely to the successor in interest of Landlord in and to this Lease as to any such liabilities. This Lease shall not be otherwise affected by any such sale, and Tenant agrees to attorn to such successor in interest. Landlord shall transfer the security deposit to such successor in interest and thereupon Landlord shall be discharged from any further liability in reference thereto.

## 18. MUTUAL RELEASE/WAIVER OF SUBROGATION

18.01. Landlord and Tenant each hereby release the other from any and all liability or responsibility for any insured direct or consequential loss, injury or damage to the Premises, or its contents, caused by fire or any other casualty, during the term of this Lease, even if such fire or other casualty may have been caused by the negligence (but not the willful act) of the other party or one for whom such party may be responsible. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), each party hereto agrees, if required by said policies, to give to each insurance company which has issued to it fire and other property insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

## 19. ENVIRONMENTAL

19.01. Neither Tenant nor Landlord (including their employees, agents, contractors, or invitees) shall cause or permit the release, discharge or disposal, nor the presence, use, transportation, generation or storage of any hazardous material (as hereafter defined) in, on, under, about, to or from the Premises other than the use of such materials in de minimus quantities reasonably necessitated by their regular business activities and utilized in conformance with all applicable laws.

19.02. Tenant further agrees and covenants to Landlord the following:

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a. To comply with all Environmental Laws in effect, or which may come into effect, applicable to the Tenant or Tenant's use and occupancy of the Premises;

b. To immediately notify Landlord, in writing, of any existing, pending or threatened (i) investigation, inquiry, claim or action by any governmental authority in connection with any Environmental Laws; (ii) third party claims; (iii) regulatory actions; and/or (iv) contamination of the Premises;

c. Tenant shall, at Tenant's expense, investigate, monitor, remediate, and/or clean up any Hazardous Material or other environmental condition on, about, or under the Premises created as a result of Tenant's use or occupancy of the Premises;

d. To keep the Premises free of any lien imposed pursuant to Tenant's responsibility, under this Article 19.

e. To indemnify, defend, and save Landlord harmless from and against any and all claims (including personal injury, real, or personal property damage), actions, judgments, damages, penalties, fines, costs, liabilities, interest, or attorneys' fees that arise, directly or indirectly, from Tenant's violation of any Environmental Laws resulting in the presence of any Hazardous Materials on, under or about the Premises.

19.03. The Tenant's obligations, responsibilities, and liabilities under this Article shall survive the expiration of this Lease.

19.04. Landlord further agrees and covenants to Tenant the following:

a. To comply with all Environmental Laws in effect, or which may come into effect, applicable to the Premises which are not the responsibility of the Tenant as defined herein;

b. To immediately notify Tenant, in writing, of any existing, pending or threatened (i) investigation, inquiry, claim or action by any governmental authority in connection with any Environmental Laws; (ii) third party claims; (iii) regulatory actions; and/or (iv) contamination of the Premises;

19.05. Landlord shall, at Landlord's expense, investigate, monitor, remediate, and/or clean up any Hazardous Material or other environmental condition on, about, or under the Premises when such action is reasonably necessary to protect persons or property, provided such action is required directly or indirectly, from Landlord's violation of any Environmental Laws resulting in or the presence of any Hazardous Materials on, under or about the Premises.

19.06. To indemnify, defend, and save Tenant harmless from and against any and all claims (including personal injury, real, or personal property damage), actions, judgments, damages, penalties, fines, costs, liabilities, interest, or attorneys' fees that arise directly or indirectly, from Landlord's violation of any Environmental Laws resulting in or the presence of any Hazardous Materials on, under or about the Premises.

19.07. The Landlord's obligations, responsibilities, and liabilities under this Article shall survive the expiration of this Lease.

19.08. For purposes of this Article the following definitions apply:

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a. "Hazardous Materials" shall mean: (1) any "hazardous waste" and/or "hazardous substance" defined pursuant to any Environmental Laws; (2) asbestos or any substance containing asbestos; (3) polychlorinated biphenyls; (4) lead; (5) radon; (6) pesticides; (7) petroleum or any other substance containing hydrocarbons; (8) any substance which, when on the Premises, is prohibited by Environmental Laws; and (9) any other substance, material, or waste which, (i) by any Environmental Laws requires special handling or notification of any governmental authority in its collection, storage, treatment, or disposal or (ii) is defined or classified *as* hazardous, dangerous or toxic pursuant to any legal requirement.

b. "Environmental Laws" shall mean: any and all federal, state and local laws, statutes, codes, ordinances, regulations, rules or other requirements, relating to human health or safety or to the environment, including, but not limited to, those applicable to the storage, treatment, disposal, handling and release of any Hazardous Materials, all as amended or modified from time to time.

## 20. WAIVER

20.01. No waiver by Landlord of any provision of this Lease or any breach by Tenant hereunder shall be deemed to be a waiver of any other provision hereof, or of any subsequent breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant whether or not similar to the act so consented to or approved. No act done by Landlord or anyone authorized by Landlord during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of anyone authorized by Landlord shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to *any* such employee shall not operate as a termination of the Lease or a surrender of the Premises.

20.02. Except as provided in Article 22 relating to Landlord's remedies, Tenant hereby expressly waives the service of any notice of intention to terminate this Lease or to re-enter the Premises and waives the service of any demand for payment of rent or for possession and waives the service of any other notice or demand prescribed by any statute or other law.

## 21. ESTOPPEL CERTIFICATE

21.01. Tenant shall at any time and from time to time upon not less than ten (10) days prior written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if they are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

21.02. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one month's rental has been paid in advance.

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## 22. DEFAULTS; REMEDIES; EARLY TERMINATION

22.01. The occurrence of any one or more of the following events shall constitute a material default ("Default") and breach of this Lease by Tenant:

a. The vacating or abandonment of the Premises by Tenant.

b. The failure of Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant

c. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described above, where such failure shall continue for a period of fifteen (15) days after written notice thereof from Landlord to Tenant.

d. The making by Tenant of any general assignment, or general arrangement for the benefit of creditors, the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days.

22.02. In the event of any Default by Tenant, at any time thereafter, and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such Default or breach, Landlord may; (a) choose not to reenter but to hold Tenant responsible for all terms of this Lease, (b) reenter the Premises and terminate this Lease and hold Tenant responsible for all damages resulting from the breach; or (c) reenter the Premises, keep this Lease in force, and attempt to relet the Premises on behalf of Tenant as Tenant's agent. Upon reentering the Premises, Landlord may relet the Premises or any part thereof for such term, on such conditions and at such rental as Landlord may deem advisable with the right to make alterations and repairs to the Premises. Landlord may remove therefrom all automobiles, signs and other property, and such property may be removed and stored in any place for the account and at the expense and risk of Tenant or, in the alternative, such property may be otherwise disposed of by Landlord. Tenant hereby waives all claims for damages which may be caused by the reentry of Landlord and taking possession of the Premises, or the removing or storage of the property as herein provided, and will save Landlord harmlessfrom any loss, cost or damages occasioned thereby, and no such reentry shall be considered or construed to be forcible entry or detainer.

22.03. Should Landlord elect to reenter as herein provided, rentals received by Landlord from reletting shall be applied in this order: first, to any indebtedness other than rent due under this Lease; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alteration and repairs to the Premises; and fourth, to the payment of rent due and unpaid under this Lease; and the remainder, if any, shall be held by Landlord and applied in payment of future rent as the same becomes due and payable under this Lease. Should rentals received from such reletting during any month be less than that agreed to be paid during that month by Tenant under this Lease, then Tenant immediately shall pay and be liable for such deficiency to Landlord. No such reentry or taking

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possession by Landlord shall be construed as an election on its part to terminate this Lease unless written notice of such intention is given to Tenant. Notwithstanding any such reletting without termination, at any time thereafter, Landlord may elect to terminate this Lease for such previous Default. Should Landlord at any time terminate this Lease for any Default, in addition to any other remedy it may have, Landlord may recover from Tenant all damages Landlord may incur by reason of such breach, including, without limitation, the cost of recovering the Premises and the present worth at the time of such termination of the rent and charges equivalent to rent as reserved in this Lease for the remainder of the stated term.

22.04. In the event of default by the Lessee, Lessor/Landlord will not remove from the premises or take possession of any marijuana, and AMCO enforcement will be contacted immediately by the Landlord.

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## 23. SURRENDER OF POSSESSION

23.01. Upon the termination of this Lease and the term hereby created or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of Landlord as aforesaid, Tenant will at once surrender possession of the Premises to Landlord in good order, repair and condition, ordinary wear and tear or loss by casualty excepted. Without limiting the generality of the foregoing, Tenant agrees to remove, at the termination of this Lease, the items of furniture, equipment and personal property to which Tenant is entitled under Article ,10 hereof, together with any alterations, improvements or additions as Landlord shall designate to be removed.

23.02. All damage to the Premises caused by Tenant's moving of property in or out of the Premises, including damage to floors due to overloading, shall be fully repaired at Tenant's sole cost and expense. If Tenant shall fail or refuse to remove all such property from the Premises, Tenant shall be conclusively presumed to have abandoned the same, and the title thereto shall thereupon pass to Landlord without any cost either by set off, credit allowance or otherwise, and Landlord may, at its option, accept the title to such property, or, at Tenant's expense, (a) remove the same or any part thereof in any manner that Landlord shall choose and (b) either store or otherwise dispose of the same without incurring liability to Landlord or any other person.

## 24. - NOTICES

24.01. All notices to be given by one party to the other under this Lease shall be in writing, mailed or delivered to each as follows:

a. To Landlord: Irish Luck, LLC

1005 Shoreline Drive Fairbanks, AK 99709

b. To Tenant:

_

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24.02. Mailed notices shall be sent by United States certified or registered mail, postage prepaid. Such notices shall be deemed to have been given upon posting in the United States mail.

## 25. INABILITY TO PERFORM

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25.01. This Lease and the obligations of either party hereunder shall not be affected or impaired because said party is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of any strike, other labor dispute or other cause beyond the reasonable control of said party. The foregoing shall be inapplicable to the payment of rent by Tenant.

## 26. SUBORDINATION

26.01. Landlord expressly reserves the right at any time to place liens and encumbrances on and against the Premises superior in lien and effect to this Lease and the estate created hereby, provided however, that any such lien or encumbrance shall provide that the holder thereof will recognize Tenant's rights hereunder, notwithstanding any foreclosure of such lien or encumbrance.

## 27. MISCELLANEOUS

27.01. All rights and remedies of Landlord under this Lease shall be cumulative and none shall exclude any other rights and remedies allowed by law.

27.02. The provisions hereof shall apply without regard to the number or gender of words and expressions used herein.

27.03. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit, not only of Landlord and of Tenant, but also their respective heirs, legal representatives, successors and assigns, provided this clause shall not permit any assignment contrary to the provisions of Article 9 hereof.

27.04. Submission of this instrument for examination shall not bind Landlord in any manner, and no Lease or obligation of Landlord shall arise until this instrument is signed and delivered by Landlord and Tenant.

27.05. No rights to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

27.06. Clauses, plats and riders, if any, signed by Landlord and Tenant and endorsed on or affixed to this Lease are a part hereof.

27.07. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

27.08. The article captions contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.

27.09. This Lease, including exhibits, contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

27.10. 27. OThis Lease shall be governed by and controlled pursuant to the laws of the state in which the Premises are situated.

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EXHIBIT "C"

## RULES AND REGULATIONS

The rules and regulations set forth in this Exhibit shall be and hereby are made a part of the Lease (the "Lease") to which they are attached. Whenever the term "Tenant" is used in these rules and regulations, it shall be deemed to include Tenant, its employees or agents and any other persons permitted by Tenant to occupy or enter the Premises. The following rules and regulations may from time to time be modified by Landlord.

1. Tenant shall not conduct directly or indirectly any auction upon the Premises, or permit any other person to conduct an auction upon the Premises. Tenant shall not conduct malodorous activities in or about the Premises or the building.

2. No cooking shall be done upon the Premi§es, except as expressly approved by Landlord, provided, however, that the heating, refrigerating, and preparing of beverages and light snacks shall be permitted if there are appropriate facilities and equipment for such purposes. All electrical equipment used by Tenant shall be U.L. approved. Nothing shall be done or permitted and nothing shall be brought into or kept upon the Premises which would impair or interfere with any of the Building services or the proper and economic heating, cooling, cleaning, or other servicing of the Building or the Premises, nor shall there be installed by Tenant any ventilating, air-conditioning, electrical, or other equipment of any kind, that, in the judgment of Landlord, might cause any such impairment or interference.

3. Tenant shall not install or operate any steam or gas engine or boiler, upon the Premises. The use of oil, gas, or inflammable liquids for heating, lighting, or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought upon the Premises. Tenant shall not use any other method of heating than that supplied by Landlord.

4. Tenant must observe strict care not to leave the Premises interior exposed to the elements, and for any default or carelessness in this respect, Tenant shall make good all injuries or damages sustained to the Premises and Landlord. In this regard, it is Tenant's responsibility to see that all windows are closed prior to leaving the Premises each day.

5. Should Tenant desire to place in the Building any unusually heavy equipment, including, but not limited to, large files, safes, and electronic data processing equipment, Tenant shall first obtain written approval of Landlord to place such items within the Building and for the proposed location in which such equipment is to be installed. Landlord shall have the power to prescribe the weight and position of any equipment that may exceed the weight load limits of the building structure, and may further require, at Tenant's expense, the reinforcement of any flooring on which such equipment may be placed, and/or to have an engineering study performed to determine such weight and position of equipment, to determine added reinforcement required, and/or determine whether or not such equipment can be safely placed within the Building. Landlord shall not be responsible for the loss of or damage to such furniture or equipment from any cause. There shall not be used in the Building, either by Tenant or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards.

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6. Tenant shall not place additional locks or bolts of any kind upon any of the doors or windows of the Premises and no lock on any door therein shall be changed or altered in any respect. Duplicate keys (if applicable) shall be procured only from Landlord, which may make a reasonable charge therefor. Upon the termination of a Tenant's Lease, all keys of the Premises shall be delivered to Landlord.

7. If the Premises become infested with vermin, Tenant, at his sole expense, shall cause the Premises to be exterminated, from time to time, to the satisfaction of Landlord.

8. Landlord shall have the right to prohibit any advertising by Tenant that, in Landlord's opinion, tends to impair the reputation of the Premises or its desirability as a building or offices and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

9. The sidewalks, entries, passages, and driveways shall not be obstructed or used by Tenant, for any other purpose than ingress and egress to and from the respective building.

10. No animals, birds, or pets of any kind shall be allowed upon the Premises other than might be required for the seeing or hearing impaired. Animals for this purpose shall not be domiciled overnight on the Premises.

11. The water closets, urinals, waste lines, vents, or flues of the Building shall not be used for any purpose other than those for which they were constructed, and no rubbish, acids, vapors, newspapers, or other such substances of any kind shall be thrown into them. The expense caused by any breakage, stoppage, or damage resulting from a violation of this rule by Tenant, shall be paid by Tenant.

12. No television antenna or satellite dish installation shall be made upon the Premises, without the Landlord's approval in writing.

13. If Tenant desires radio signal, communication, alarm, or other utility or service connection installed or changed, such work shall be done at the expense of Tenant, with the prior written approval and under the direction of Landlord. No wiring shall be installed in any part of the Building without Landlord's approval and direction. Landlord reserves the right to disconnect any radio, signal, or alarm system when, in Landlord's opinion, such installation or apparatus interferes with the proper operations of the Building or systems within the Building.

14. Except as permitted by Landlord, Tenant shall not mark upon, paint signs upon, cut, drill into, drive nails or screws into, or in any way deface the walls, ceilings, partitions, or floors of the Premises or of the Building and the repair cost of any defacement, damage, or injury caused by Tenant, shall be paid for by Tenant. Pictures, posters, calendars and like materials shall be hung on tacks, magnets or small nails. Tenant shall not use adhesive hangers or tape for such purposes.

15. All glass, lighting fixtures, locks, and trimmings in or upon the doors and windows of the Premises shall be kept whole and whenever any part thereof shall be broken through any cause, the same shall immediately be replaced or repaired at Tenant's expense.

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16, Tenant shall not go upon the roof of the Building, nor make any installations upon or through the roof or walls of the Building, without the prior written consent of Landlord.

17. Tenant shall not allow the lawn to exceed 5 inches in height and shall fertilize the lawn and keep it free of noxious weeds and undesirable grasses. Tenant shall fertilize, prune, and replace trees, shrubs and other landscaping materials as needed and maintain the lawn irrigation system in operating condition at all times and winterize properly to prevent damage.

Landlord reserves the right to rescind any of these rules and to make such other and further rules and regulations as in its judgment may from time to time be needful for the safety, care, and cleanliness of the Premises; such other and further rules, however, will not be inconsistent with the proper and rightful enjoyment by Tenant under this Lease.

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27.11. In the event of any legal action or proceeding brought by either party against the other out of this Lease in any manner whatsoever, the prevailing party shall be entitled to recover reasonable attorneys' fees incurred in such action and such amount shall be included in any judgment rendered in such proceeding.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease to be effective the day and year first above stated.

LANDLORD: BY _____

ITS Member

NOTARY: _____

NOTARY PUBLIC
STATE OF ARIZONA
Maricopa County
AARON NEAL
My Commission Expires November 23, 2020

TENANT: BY _____ 7/29/17

ITS _____

NOTARY:

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STATE OF ALASKA

State of Alaska

4th Judicial District

The within document, Lease Agreement for Ryan Castle/Happy Trees LLC,
(document description)

Was subscribed and sworn (or affirmed) to before me on this 29th (date) day of July (month), 2017 (year)

by Ryan Castle (name of individual).

Dated: 07/29/2017

(Signature of Notary)

Notary Public for the State of Alaska

My Appointment Expires: 03/25/2017

Seal or Stamp Here

Notary Public
COURTNEY OZIMKOSKI
State of Alaska
My Commission Expires March 25, 2020

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**COMMERCIAL LEASE**

**ADDENDUM A**

All Lease terms are to be subject to Happy Trees, LLC obtaining a commercial license to cultivate marijuana. In the event that Happy Trees, LLC does not obtain or does not maintain a license due to changes in governmental restrictions, Happy Trees, LLC shall not be bound to the terms of the Lease. The Lease shall not commence if a license is never issued, and the Lease shall be terminated upon any termination of a cultivation license due to governmental restrictions.

LESSOR _____ DATE 7/29/17

NOTARY _____

NOTARY PUBLIC
STATE OF ARIZONA
Maricopa County
AARON NEAL
My Commission Expires November 23, 2020

LESSEE _____ DATE 7/29/17

NOTARY _____

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STATE OF ALASKA

State of Alaska

4th Judicial District

The within document, Lease Agreement Addendum A - for Ryan Castle/Happy Trees LLC,
(document description)

Was subscribed and sworn (or affirmed) to before me on this 29th (date) day of July (month), 2017 (year)

by Ryan Castle (name of individual).

Dated: 07/29/2017

(Signature of Notary)

Notary Public for the State of Alaska

My Appointment Expires: 03/25/2017

Notary Public
COURTNEY OZIMKOSKI
Seal or Stamp Here
State of Alaska
My Commission Expires March 25, 2020

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