Alaska Commercial Lease Agreement

In consideration of the Landlord's leasing of the premises to the Tenant, the Tenant's leasing from the Landlord the premises, and the mutual benefits and obligations conferred by this lease on the Parties, and in recognition of the receipt and sufficiency of said consideration, the Parties hereby agree to the following terms and conditions:

I. The Parties – Lease agreement is between Lessor under the individual/entity (hereinafter known as the "Landlord") known as Clinton Dunlap and the Lessee under the individual/entity (hereinafter referred to as the "Tenant") known as Thrifty Hippie Cultivation LLC.

II. Premises – The space/property being leased shall be described as:

1350 S. Pioneer Dr. Palmer AK 99645

(Hereinafter referred to as the "Premises").

III. Space Rented - The space described equals: 1250 Square Feet (SF)

IV. Term – The term of the lease shall be 2 years beginning on the 01 day of October, 2017 and ending on the 30 day of September, 2019.

V. Rent – Rent shall be paid on the 1st of every month in the amount of One Thousand Five Hundred Dollars ($1500.00) which equates to $0.83 Per Square Foot ($/SF).

Check One

☐ - Rent shall increase _____ percent (____%) on an annual basis.

☐ - Rent shall increase _____

■ - Rent shall remain fixed for the lease term.

VI. Common Areas – The Tenant, along with any of their employees, may use the following common area(s) along with other inhabitants:

☐ _____ Parking Space(s) ■ All Parking Space(s)
■ Restroom(s)
■ Storage Area(s)
■ Entrance(s) (Incl. Stairs & Elevators)
■ Conference/Meeting Room(s)
■ Trash Area(s)
■ Kitchen(s)
☐ Other _____

VII. Renewals

Check One

■ - Tenant shall have the option to renew the lease for 5 year(s) under the following conditions:
Tenants has option to renew lease.

☐ - Tenant does not have the right to renew the lease.

VIII. Security Deposit – The Tenant is required pay Fifteen Hundred Dollars ($1500) as a Security Deposit. If the Tenant follows the terms and conditions of this agreement in good faith and without damaging the Premises, the Security Deposit will be returned within ten (10) business days. Otherwise, any repairs needed for the Premises will be deducted from the Security Deposit.

IX. Condition Upon Move-In

Check One

■ - The Tenant agrees to take tenancy of the property on an "as is" basis, willing to make all fit-ups (if needed) on the Premises at the expense of the Tenant.

☐ - The Landlord accepts building the fit-ups for the Tenant that includes improvements to be made ☐as an addendum ☐ described below:

All fixtures shall ☐ remain ☐ not remain on the premises at the end of the lease term.

X. Improvements During Lease Term - The Tenant, with written approval of the Landlord that may not be unreasonably withheld, shall be able to make any type of improvement to the Premises.

XI. Use – The Tenant will occupy the Premises for the following use:

Cultivating Cannabis - Alaska Marijuana Control Office Limited Cultivation License (Less then 500sq ft) is required.

Note the Americans with Disabilities Act (ADA): All businesses that are open to the public or employ 15 or more people require that the premises be accessible by persons with disabilities. In the event that the premises must be altered for ADA compliance, the cost of improvements, alterations, and/or modifications necessary for compliance with the ADA shall be the responsibility of:

(Check one)

☐ - Tenant

☐ - Landlord

▬ - Cost to be split equally between Landlord and Tenant.

XII. Utilities and Other Expenses

Check Who Pays

☐ Landlord ☐ Tenant - **Air Conditioning (AC)**
☐ Landlord ☐ Tenant - **Cable**
☐ Landlord ☐ Tenant - **Electricity**
☐ Landlord ☐ Tenant - **Gas**
☐ Landlord ☐ Tenant - **Heat**
☐ Landlord ☐ Tenant - **Internet**
☐ Landlord ☐ Tenant - **Oil**
☐ Landlord ☐ Tenant - **Sewer**
☐ Landlord ☐ Tenant - **Water**
☐ Landlord ☐ Tenant - **Other:** _____
☐ Landlord ☐ Tenant - **Other:** _____
☐ Landlord ☐ Tenant - **Other:** _____

XIII. Landlord's Representations – At the time of lease signing, the Premises shall be properly zoned for the Tenant's stated use as stated in Section XI and will be in compliance with all applicable state and federal laws and regulations. The Premises shall not have been used for the storage or disposal of any toxic or hazardous substances, and the Landlord has received no notice from any governmental authority concerning removal of any toxic or hazardous substances from the property.

XIV. Landlord's Responsibility

- Landlord shall maintain and make any and all necessary repairs to: (1) the roof, structural components, exterior walls, and interior common walls of the premises, and (2) the plumbing, electrical, heating, ventilating, and air-conditioning systems.

- Landlord will regularly clean and maintain (including snow removal) the parking areas, yards, common areas, and exterior of the building and remove all litter so that the premises will be kept in an attractive condition.

XV. Tenant's Responsibility

- Tenant shall keep the Premises clean and well maintained at all times, so that the Premises shall be in marketable condition.

XVI. Insurance

Landlord agrees to carry fire and hazard related coverage insurance for the Premises. Tenant agrees to carry public liability insurance that includes the Landlord as an insured party for personal injury.

The coverage the Tenant shall provide will be in the amount(s) of:

Check All That Apply

☐ - $_____ per occurrence
☐ - $_____ per year

This agreement automatically releases the Landlord and Tenant from each other in reference to liability for property, loss, damage, personal injury, or anything else covered by the insurance plan.

XVII. Taxes

Check Who Pays

☐ Landlord ☐ *Tenant - **Real Property Taxes**
■ Landlord ☐ Tenant - **Personal Property Taxes**

*For Properties With Multiple Tenants - If the Tenant pays for the real property taxes it should be noted that the calculation should be equal to that Tenant's portion of the property/total square feet.

XVIII. Subletting – The Tenant ☐ does ■ does not have the right to sublet the Premises. Any new Tenant under a sublease must meet the approval of the Landlord and such approval shall not be unreasonably withheld.

XIX. Damage to the Premises – The Tenant may terminate the lease agreement if necessary repairs to the Premises due to fire, flood, or any natural catastrophe keep the Tenant from being open for over ninety (90) days.

- If the Tenant is not able to be open for the ninety (90) day period due to damage to the Premises, there will be no rent paid during said period.

XX. Default – If the Tenant defaults on the lease agreement for non-payment of rent or for any other reason, the Landlord agrees to give notice to the Tenant giving the Tenant the right to cure the issue(s). If the Tenant does not cure the issue(s) within the amount of time stated in the notice, then the Landlord has the right to take legal action.

XXI. Notice of Quiet Enjoyment – During the term of the lease agreement, the Tenant has the right of quiet enjoyment of the Premises.

XXII. Eminent Domain – The lease automatically becomes void if the Premises are taken by eminent domain. During the process, the Tenant will have to right to claim:

- Value of the Lease Agreement
- Loss of Business Revenue
- Moving and Relocation Expenses

XXIII. Holding Over – If the Tenant remains in possession of the Premises after the lease agreement ends, the tenancy shall continue on a month-to-month, or "Tenancy at Will," basis unless the Landlord gives notice for the Tenant to vacate.

XXIV. Disagreements During the Lease Period – If a disagreement arises during the lease period, the following actions shall take place:

Check All That Apply

☐ – Litigation - If a dispute arises from either the Landlord or Tenant; the parties have the right to take the matter to the court under the Premises' jurisdiction.

☐ - Mediation with Possible Litigation – If there is a dispute between the Landlord and Tenant, all parties agree to attempt to come to an agreement through the use of an agreed upon mediator.

- It is agreed that the cost(s) involved in hiring the mediator shall be shared equally and that each party shall cooperate in a good faith attempt to reach a resolution. Both parties agree that they shall allow the mediator thirty (30) days from the first (1st) meeting to reach a compromise before going to court.

☒ - Mediation with Possible Arbitration – If there is a dispute between the Landlord and Tenant, all parties agree to attempt to come to an agreement through the use of an agreed upon mediator.

- It is agreed that the cost(s) involved in hiring the mediator shall be shared equally and that each party shall cooperate in a good faith attempt to reach a resolution. Both parties agree that they shall allow the mediator thirty (30) days from the first (1st) meeting to reach a compromise before going to the arbitrator.

- The arbitrator selected will be a third (3rd) party to be mutually agreed upon. The arbitrator shall decide all costs directed towards hiring the arbitrator.

The Landlord shall not have to attend the mediation or arbitration process unless Tenant is current with the rental payments, either submitting to the Landlord directly or depositing the funds in an escrow account.

XXV. Additional Agreements – Landlord and Tenant additionally agree to the following:

Disclaimer: At any time the landlord may not take possession or remove marijuana from the premises or

enter the restricted areas unsupervised and AMCO will be contacted in required situations

Landlord agrees the Tenant will be cultivating marijuana IAW the Alaska Marijuana Control Office and State law

XXVI. Entire Lease Agreement – This document supersedes any other writings in relation to the Premises and has authority over any oral agreements made between the Landlord and Tenant.

XXVII. Successors and Assignees – All assignees of the parties including heirs, successors, or anyone else that may be considered is mutually bound by this lease agreement.

XXVIII. Notices – All notices in relation to the Premises or this lease agreement shall be in writing and delivered to the following address below via Certified Mail with Return Receipt:

Landlord

Clinton Dunlap

1350 S Pioneer Dr

Palmer AK 99645

Tenant

Thrifty Hippie Cultivation LLC.

1350 S Pioneer Dr.

Palmer AK 99645

XXIX. Governing Law – This lease agreement will be governed by and construed in accordance with the laws in the State of Alaska.

XXX. Counterparts and Modifications

- The Landlord and Tenant agree that they shall sign several identical counterparts of this lease and any fully signed counterpart shall be treated as an original.
- Only writing(s) signed by the party against whom such a modification is sought to be enforced shall modify this lease.

XXXI. Waiver - If either Landlord or Tenant waives any term or provision of this lease at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this lease, that party retains the right to enforce that term or provision at a later time.

XXXII. Early Termination - The tenant ■ *has ☐ does not have the option to terminate the lease.

*The landlord shall allow the tenant to quit or terminate the lease via a penalty of One Thousand dollars ($1000.00). In addition, the tenant must provide written notice to the address stated in Section XXVIII within least 30 ■ days ☐ months of the intended end date.

XXXIII. Severability - If any court determines that any provision of this lease is invalid or unenforceable, any invalidity or unenforceability will affect only that provision. It will not make any other provision of this lease invalid or unenforceable, and shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

Signatures

Landlord

Name: Clinton Dunlap

Date: Sep 24th 2017

Tenant

Name: Thrifty Hippie Cultivation LLC.

Date: Sep 24 2017

☐ - Broker(s)

Name:

Date:

Name:

Date:

■ - Personal Guaranty - Upon my authorization of this agreement, I personally guarantee the performance of all financial obligations under this lease.

Date: Sep 24 2017

Name: Thrifty Hippie Cultivation LLC.

A L A S K A

2012-012189-0
Recording Dist: 311 - Palmer
6/12/2012 11:30 AM Pages: 1 of 3

WARRANTY DEED

36481NF
The Grantor, JOSEPH LEWIS WINTER and LISA A. SCHALIG-WINTER, husband and wife, whose address is 1530 Northview Dr #Unit D3, Anchorage AK 99504, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, does hereby convey and warrant unto the Grantee, CLINTON R. DUNLAP, an unmarried person, whose address is 1550 S Pioneer Drive, Palmer, AK 99645, and to the heirs and assigns of the Grantee, the following described real property:

Lot 9, Block 1, Chugach View Estates, according to the official plat thereof filed under Plat No. 70-12, in the records of the Palmer Recording District, Third Judicial District, State of Alaska.

SUBJECT TO ALL reservations, easements, exceptions, restrictions, covenants, conditions, plat notes, by-laws and rights-of-way of record, if any.

SUBJECT TO taxes due the Matanuska-Susitna Borough for the year 2012, a lien but levy therefore has not been made.

SUBJECT TO Matanuska-Susitna Borough Application for Determination of Legal Pre-Existing Nonconforming Status for a Structure, including the terms and provisions thereof, recorded August 19, 1997, Book 908, Page 243.

SUBJECT TO Matanuska-Susitna Borough Ordinance Serial No 00-001 (AM), including the terms, provisions and assessments therein, recorded February 20, 2007, Instrument No. 2007-004022-0.

SUBJECT TO limitations, conditions, restrictions, terms and effects of the Uniform Common Interest Ownership Act, A.S. 34.08 *et seq.*, including any lien for future common assessments created pursuant to A.S. 34.08.470; and future dues and/or assessments to Chugach View Homeowners Association.

TOGETHER WITH, ALL AND SINGULAR, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the premises, all and singular, together with the appurtenances and privileges thereto incident unto said Grantee, and to the heirs, executors, administrators and assigns of the Grantee, FOREVER.

DATED this 11 day of June, 2012.

GRANTOR:

Joseph Lewis Winter
JOSEPH LEWIS WINTER

Lisa A. Schalig-Winter
LISA A. SCHALIG-WINTER

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 11th day of June, 2012, by JOSEPH LEWIS WINTER and LISA A. SCHALIG-WINTER.

Amy M Purvis

Notary Public in and for Alaska
My Commission expires: 8/15/2012

STATE OF ALASKA
NOTARY PUBLIC
Amy M. Purvis
My Commission Expires Aug 15, 2015

DATED this _____ day of _____, 2012.

GRANTEE:

_____
CLINTON R. DUNLAP

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by CLINTON R. DUNLAP.

_____
Notary Public in and for Alaska
My Commission expires: _____

Please record in Palmer
Recording District & return to
Clinton Dunlap

_____
_____

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by JOSEPH LEWIS WINTER and LISA A. SCHALIG-WINTER.

_____
Notary Public in and for Alaska
My Commission expires: _____

DATED this 11 day of June, 2012.

GRANTEE:

_____
CLINTON R. DUNLAP

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 11 day of June, 2012, by CLINTON R. DUNLAP.

_____
Notary Public in and for Alaska
My Commission expires: 6/13/15

STATE OF ALASKA
NOTARY PUBLIC
Natalie Francis
My Commission Expires: June 13, 2015

Please record in Palmer
Recording District & return to
Clinton Dunlap
1350 S ~~Dor~~ Pioneer Drive
Palmer, AK 99645