A L A S K A

2015-000322-0
Recording Dist: 110 - Petersburg
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DEED OF TRUST

AK-30539

This Deed of Trust, made this 2nd day of June, 2015, between **GARY MORGAN and KIM MORGAN, husband and wife**, herein called TRUSTOR, whose mailing address is P.O. Box 375, Petersburg, AK 99833, KETCHIKAN TITLE AGENCY, INC., an Alaskan corporation, herein called TRUSTEE, and **CHRISTOPHER L. WITMER and JULIE M. WITMER, husband and wife**, herein called BENEFICIARY, whose mailing address is P.O. Box 5500, Wenatchee, WA 98807.

WITNESSETH: That Trustor GRANTS, BARGAINS, SELLS, and CONVEYS TO TRUSTEE IN TRUST WITH POWER OF SALE, that property in the Petersburg Recording District, First Judicial District, State of Alaska, described as:

Lot 13D of the Jeff Berg Subdivision, a plat of subdivision of Government Lot 13 of Section 14, Township 60 South, Range 79 East, Copper River Meridian, according to the plat thereof filed July 13, 1998 as Plat No. 98-14, Petersburg Recording District, First Judicial District, State of Alaska

TOGETHER with the tenements, hereditaments, fixtures, and appurtenances thereunto belonging, or in anywise appertaining, the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits; to have and to hold the same, with the appurtenances, unto the Trustee;

TOGETHER WITH, all interests, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property;

TOGETHER WITH, all easements, rights-of-way, and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments, and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same; and

TOGETHER WITH, all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property; and any and all sidewalks, alleys, strips and gores of land adjacent to or used in connection with the Property.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Trustor herein contained; (2) Payment of indebtedness evidenced by one promissory note of even date herewith, in the Principal sum of $160,000.00 payable to Beneficiary or order.

eRecorded Document

A. To protect the security of this Deed of Trust, Trustor agrees:

1. Care. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to do all other acts which from the character or use of said property may be reasonably necessary.

2. Insurance. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to the above named Beneficiary, including builder's risk insurance if appropriate, in an amount equal to the full insurable value of the property. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If there are no improvements or structures located on this property, this paragraph shall not apply.

3. Defend. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary, or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4. Taxes. To pay: at least ten days before delinquency all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs fees and expenses of this Trust.

5. Expenditures. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof with interest from date of expenditure at the rate set forth in the promissory note secured hereby.

6. Protection of Security. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees.

B. It is mutually agreed that:

1. Condemnation. Any award or damages in connection with any condemnation for public use of or injury to said property or any part thereof, is hereby assigned and shall be paid to Beneficiary who may apply or release such monies as received in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive the right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. Trustee Special Powers. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. Additional Security. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Default.

a. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause to be sold the herein described property to satisfy the obligation hereof, and shall cause such notice to be recorded in the office of the recorder of each recording precinct wherein said real property or some part thereof is situated.

b. Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Notwithstanding the foregoing the Beneficiary shall be entitled to enter an offset bid at the time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the proceeding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor or Beneficiary, as hereunder defined, may purchase at such sale.

c. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof not then repaid with accrued interest at the rate set forth in the promissory note secured hereby; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

d. Any default under any encumbrance senior in priority to this Deed of Trust, and any attempt by anyone to enforce any lien that is superior in priority to or is asserted to be superior to this Deed of Trust, shall be deemed a default in Trustor's obligations hereunder. If Beneficiary advances any monies to the holder of any encumbrance or lien that Beneficiary in good faith believes may have priority over this Deed of Trust, which advance Beneficiary in good faith believes is necessary to protect Beneficiary's interests under this Deed of Trust, then Trustor shall reimburse Beneficiary for said advances within ten (10) days of the sending of written demand therefore, and failure by Trustor to do so reimburse Beneficiary shall be deemed a default in Trustor's obligations hereunder.

7. Binding. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a Beneficiary herein, or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the

context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Acceptance. Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party.

9. Substitute Trustee. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and stead of Trustee herein named, and thereupon, the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereinunder with the same effect as if originally named Trustee herein.

10. Remedies. The power of sale conferred by this Deed of Trust and permitted by the laws of the State of Alaska is not an exclusive remedy and when not exercised, Beneficiary may foreclose this Deed of Trust judicially or seek any other remedy available at law or permissible by the terms of this Deed of Trust or any agreement incorporated herein.

C. SPECIAL CONDITIONS AND COVENANTS:

1. This Deed of Trust is to be held by Beneficiary.

2. Maturity. For purposes of AS 34.20.150, this Deed of Trust and Deed of Trust Note matures June 5, 2025.

TRUSTOR:

X _____
GARY MORGAN

X _____
KIM MORGAN

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTIRCT)

The foregoing instrument was acknowledged before me this 22nd day of June, 2015, by **GARY MORGAN and KIM MORGAN, husband and wife.**

Notary Public in and for Alaska
My Commission Expires: 09-01-2016

RACHEL KVERNVIK
NOTARY PUBLIC
MY COMMISSION EXPIRES SEPTEMBER 1, 2016
STATE OF ALASKA

After recordation return to:

Christopher L. Witmer
Julie M. Witmer
P.O. Box 5500
Wenatchee, WA 98807

COMMERCIAL LEASE

This Lease Agreement (this "Lease") is dated as of October 03, 2016, by and between Gary Morgan ("Landlord"), and SE Moog Droog LLC ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant 776 square foot building located on Lot 13D of Jeff Berg Subdivision. (the "Premises") located at Lot 13D Jeff Berg Subdivision, Petersburg, AK 99833.

TERM. The lease term will begin on September 05, 2016 and will terminate on September 04, 2017.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of $1,500.00, payable in advance on the first day of each month. Lease payments shall be made to the Landlord at PO BOX 375, Petersburg, Alaska 99833. The payment address may be changed from time to time by the Landlord.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

USE OF PREMISES. Tenant may use the Premises only for Marijuana Cultivation Facility The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

EXCLUSIVITY. Landlord shall not directly or indirectly, through any employee, agent, or otherwise, lease any space within the property (except the Premises herein described), or permit the use or occupancy of any such space whose primary business activity is in, or may result in, competition with the Tenants primary business activity. The Landlord hereby gives the Tenant the exclusive right to conduct their primary business activity on the property.

PARKING. Tenant shall be entitled to use 4 parking space(s) for the parking of the Tenant's customers'/guests' motor vehicle(s).

STORAGE. Tenant shall be entitled to store items of personal property in Equipment and Materials may be stored anywhere on the property of Lot13D during the term of this Lease. Landlord shall not be liable for loss of, or damage to, such stored items.

PROPERTY INSURANCE. Tenant shall maintain casualty insurance on the Premises in an

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amount not less than 100% of the full replacement value. Landlord shall be named as an additional insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on its own property.

RENEWAL TERMS. This Lease shall automatically renew for an additional period of three Months per renewal term, unless either party gives written notice of termination no later than 30 days days prior to the end of the term or renewal term. The lease terms during any such renewal term shall be the same as those contained in this Lease.

UTILITIES AND SERVICES. Tenant shall be responsible for all utilities and services incurred in connection with the Premises.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

REAL ESTATE TAXES. Landlord shall pay all real estate taxes and assessments for the Premises.

PERSONAL TAXES. Landlord shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises, along with all sales and/or use taxes (if any) that may be due in connection with lease payments.

TERMINATION UPON SALE OF PREMISES. Notwithstanding any other provision of this Lease, Landlord may terminate this lease upon 120 days days' written notice to Tenant that the Premises have been sold.

DEFAULTS. Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice (to the extent permitted by law), and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent". The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall

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not be construed as exclusive unless otherwise required by law.

INDEMNITY REGARDING USE OF PREMISES. To the extent permitted by law, Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises, nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease), nor assign, mortgage or pledge this Lease, without the prior written consent of Landlord, which shall not be unreasonably withheld.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Gary Morgan
Lot 13D Jeff Berg Subdivision
Petersburg, Alaska 99833

TENANT:

SE Moog Droog LLC
PO BOX 375
Petersburg, Alaska 99833

Such addresses may be changed from time to time by any party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of Alaska.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

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SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

BINDING EFFECT. The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

LANDLORD:

_____ Date: August 23, 2016
Gary Morgan

TENANT:
SE Moog Droog LLC

By: _____ Date: August 23, 2016
Gary Morgan,
Member

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