Alaska Commercial Lease Agreement

This Commercial Lease Agreement ("Lease") is made and effective January 22, 2018, by and between Carol J. Waldo ("Landlord") and Carol J. Waldo, Sole Proprietor ("Tenant").

Landlord is the owner of land and improvements commonly known and numbered as 17 Helms Loop Spur Haines, Alaska 99827 and legally described as follows (the "Building"): USS 207-TL 24 **[Legal Description of Building]**

Landlord makes available a portion of the property known as "The Leased Premise". The Leased Premise includes 2 24'x88' pole barns and surrounding fenced in area.

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. Term.

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning January 22, 2018 **[Start Date]** and ending January 22, 2019 **[End Date]**. Landlord shall use its best efforts to give Tenant possession as nearly as possible at the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Tenant shall make no other claim against Landlord for any such delay.

B. Tenant may renew the Lease for one extended term of one year **[Renewal Term]**. Tenant shall exercise such renewal option, if at all, by giving written notice to Landlord not less than ninety (90) days prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

2. Rental.

A. Tenant shall pay to Landlord during the Initial Term rental of $6,000.00 **[Annual Rent]** per year, payable in installments of $500.00**[Monthly Rental Amount]** per month. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at PO Box 274, Haines, AK 99827 **[Landlord's Designated Payment Address]** or at such other place designated by written notice from Landlord or Tenant. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. Tenant shall also pay to Landlord a "Security Deposit" in the amount of $1,000.00 **[Security Deposit]**.

B. The rental for any renewal lease term, if created as permitted under this Lease, shall be $6,000.00 **[Annual Rent in Renewal Term]** per year payable in installments of $500.00 **[Monthly Rental Amount]** per month.

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3. **Use**

Tenant may use the premise only for the legal cultivation of marijuana under a license issued by the state of Alaska. All other activities must be pre-approved by landlord in writing.

Tenant shall comply with all laws, ordinances requirements and regulations of the federal, state, county, municipal and other authorities and fire insurance underwriters. However, the tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature. Tenant shall remain in compliance with the Marijuana Control Board regulations.

4. **Sublease and Assignment**.

Tenant will not have right to sublease.

5. **Repairs**.

During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease.

6. **Alterations and Improvements**.

Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense.

7. **Property Taxes**.

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

8. **Insurance**.

Landlord shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Landlord shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

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9. **Utilities.**

Tenant shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Tenant on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing by Landlord.

10. **Signs.**

Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable by AMCO.

11. **Entry.**

Landlord shall have to right to enter upon the leased premises at reasonable hours, provided the landlord does not unreasonably interfere with tenant's business. Landlord shall comply with Glacier Bay Farms visitor policies.

12. **Parking.**

Tenants will access leased premises by driveway connecting Helms Loop Spur to fenced area. Tenants will not block fire lane. Parking will be available inside fenced area.

13.. **Damage and Destruction.**

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions , inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

14. **Default.**

By signing this lease the Landlord acknowledges that the "leased premise" will be used as a licensed Standard Marijuana Cultivation Facility. In the event Tenant abandons the property, the Landlord shall not take control of the premise and will not remove from the premise or take possession of marijuana. The Landlord agrees to immediately contact AMCO enforcement to obtain guidance on how to handle any marijuana and marijuana product left on the premises. Any inspections by Landlord must comply with Tenant's visitor policy which meet the requirements of the Alaska Marijuana Control Board regulations relating to visitors in a restricted access area and licensed premises.

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16. **Quiet Possession**.

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

17. **Condemnation**.

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

18. **Subordination**.

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

19. **Security Deposit**.

The Security Deposit shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. Unless otherwise provided by mandatory non-waivable law or regulation, Landlord may commingle the Security Deposit with Landlord' s other funds. Landlord may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Tenant hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. If Tenant is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by Landlord to Tenant. If Landlord transfers its interest in the Premises

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during the term of this Lease, Landlord may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

20. **Notice**.

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Landlord to:

Carol J Waldo

[Landlord]

PO Box 274 Haines, AK 99827

[Landlord's Address]

If to Tenant to:

Carol J Waldo, Sole Proprietor

[Tenant]

PO Box 274 Haines, AK 99827

[Tenant's Address]

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

21. **Brokers**.

Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

22. **Waiver**.

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

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23. **Memorandum of Lease**.

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

24. **Headings**.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

25. **Successors**.

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

26. **Consent**.

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

27. **Compliance with Law**.

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

28. **Final Agreement**.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

29. **Governing Law**.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Alaska.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

[Landlord] Signature Block

[Tenant] Signature Block

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Mailed 6-8-17 Copy GROW 12680

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	CAROL J WALDO	**License Number:**	12680		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	GLACIER BAY FARMS				
Physical Address:	17 helms loop spur				
City:	Haines	**State:**	AK	**Zip Code:**	99827
Designated Licensee:	CAROL J WALDO				
Email Address:	waldogroup4@aptalaska.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
1 –	Proof of Possession for proposed premises
1 –	Statement of Financial Interest

RECEIVED
JUN 12 2017
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

OFFICE USE ONLY					
Received Date:		Payment Submitted Y/N:		Transaction #:	

GRAW 12680

2006-000116-0
Recording Dist: 106 - Haines
3/2/2006 11:13 AM Pages: 1 of 1

ALASKA

FILED FOR RECORD AT THE REQUEST OF:
Kenneth Edward Waldo
P. O. Box 1082
Haines, Alaska 99827

GRANTORS MAILING ADDRESS:
Kenneth Edward Waldo
P. O. Box 1082
Haines, Alaska 99827

RETURN TO
GRANTEE'S MAILING ADDRESS:
Willard A. & Carol J. Waldo
P. O. Box 274
Haines, Alaska 99827

STATUTORY QUIT CLAIM DEED

THE GRANTOR Kenneth Edward Waldo

For and in consideration of Ten Dollars ($10.00) and other good and valuable consideration in hand paid, conveys and warrants to: the GRANTEE : Willard A. Waldo and Carol J. Waldo of P. O. Box 274, Haines, Alaska 99827

The following described real estate, "The NW quarter of a parcel of land in U.S. Survey No. 207, containing 12.96 acres, more or less, beginning at a point which is on the East line of U. S. Survey No. 207 and South 10.925 chains distance from Corner No. 6 of U. S. Survey No. 207; thence South along the East line or U. S. Survey No. 207, a distance of 10.925 chains, more or less; thence West 11.86 chains distance to a point which is 3.16 chains distance East of corner No 3 of said U. S. Survey No. 207; thence North 10.925 chains distance; thence East 11.86 chains to the beginning point.
and
The NE quarter of a parcel of land in U. S. Survey No. 207 containing 12.96 acres, more or less, Beginning on a point which is on the East line of U. S. Survey No. 207 and South 10.925 chains distance from Corner No. 6 of U. S. Survey No. 207; thence South along the East line of survey No. 207 a distance of 10.925 chains, more or less; thence West 11.86 chains distance to a point which is 3.16 chains distance East of Corner No. 3 of said U. S. Survey No. 207; thence North 10.925 chains distance; thence East 11.86 chains to the point of beginning."

Which is situated in the Haines Recording District, First Judicial District, State of Alaska:

Dated 2/28/06

Grantor

Kenneth E Waldo

(Notary Seal)

Acknowledgement

On this day Kenneth Edward Waldo personally appeared before me, to me known and known to me to be the individual described in and who executed the within and foregoing instrument, and acknowledged that signed the same as free and voluntary act and deed, for the uses and purposes herein mentioned.

Grace 12680

BOOK 10 Deed PAGE 52
Haines Recording District

WARRANTY DEED

The grantors, WALTER M. ISAAC and MIRIAM ISAAC, husband and wife, of SEATTLE, Washington, for and in consideration of the sum of Ten Dollars ($10.00) in hand paid, convey and warrant unto WILLARD A. WALDO and CAROL JEAN WALDO, husband and wife, of Haines, Alaska, as tenants by the entirety, the following described real property situated in the Haines Recording District, First Judicial District, State of Alaska, to-wit:

> The South one-half of a tract of land in U.S. Survey 207, Haines, Recording District, First Judicial District, State of Alaska, described as:
>
> Begin on the East line of said survey 721.50 feet (10.925 chains) from the Northeast corner (corner 6), run thence South, on said East line, 720.60 feet to the Northeast corner of that Tract conveyed to JOHN W. LANE by Deed recorded June 2, 1950 in Deed Book 2 at Page 144; thence West 782.86 feet (11.86 chains) to a point 208.56 (3.16 chains) East of a Northerly extension of line 2-3 of said survey; thence North 720.60 feet; thence East 782.86 feet to the point of beginning.

Dated this 24 day of April, 1969, in Seattle, Washington.

Walter M. Isaac
Grantor

Miriam Isaac
Grantor

LE, EASTAUGH & ANNIS
PHONE 586-3340
JUNEAU, ALASKA

Grew 12680

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Juneau Recording District

commissioned and sworn, personally appeared WALTER M. ISAAC and MIRIAM ISAAC known to me to be the persons they represent themselves to be, and the same identical persons who executed the above and foregoing instrument, and acknowledged to me that they executed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

Notary Public, State of Washington
My commission expires: 12/26/72

LE, EASTAUGH & ANNIS
PHONE 586-3340
JUNEAU, ALASKA

RECORDED - FILED