LEASE AGREEMENT

This Lease Agreement ("Agreement") is made and entered by and between DENNIS DIAMOND MAYER, of 1750 Anka Street, Juneau, Alaska 99801 ("Landlord") and TAKU HORTICULTURE COMPANY, LLC, an Alaska limited liability company, of P.O. Box 32331, Juneau, Alaska 99803 ("Tenant").

RECITALS:

A. Landlord owns certain real property commonly described as 1758 Anka Street, Building B, Suite A1, Juneau, Alaska 99801 which is a portion of the real property legally described as follows:

> That portion of Lot 5A, Glacier Industrial III Subdivision, a replat of Lots 4 and 5, Glacier Industrial II Subdivision and Tract E, S.S.G. Subdivision Phase IV, according to Plat 95-39, Juneau Recording District, First Judicial District, State of Alaska, described as:
>
> BEGINNING at a point which is the West corner of Tract E and the Northerly right-of-way of Commercial Blvd., of S.S.G. Subdivision IV, within U.S. Survey 2487; thence along a common line between Glacier Industrial Subdivision and S.S.G. Subdivision IV; N 66 degrees 20' 30" East 217.43 feet; thence S 0 degrees 06' 15" West 87.61 feet to the Northerly right-of-way of Commercial Blvd; thence along said right-of-way N 89 degrees 53' 45" West, 199.00 feet.

B. Landlord leases to Tenant the above-described real property on the terms and subject to the covenants and conditions hereinafter provided, which area, including all improvements, are hereinafter more particularly described and referred to as the "premises."

C. Tenant desires to lease from Landlord and Landlord desires to lease to Tenant the above-described property for the purpose of a business operating as an Alaska Standard Marijuana Cultivation Facility. The Landlord understands and grants full approval of Tenant to undertake and conduct all aspects of a business operating as an Alaska Standard Marijuana Cultivation Facility pursuant to Alaska Administrative Code 3 AAC 306 subject to Tenant obtaining all necessary State of Alaska and City and Borough of Juneau permits and licenses for the operation of the Alaska Standard Marijuana Cultivation Facility.

AGREEMENT

In consideration of the mutual promises and agreements as hereafter set forth, the sufficiency of which consideration is hereby acknowledged, the parties agree as follows:

I. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises, for the term, at the rental rate, and subject to all of the conditions, covenants and agreements set forth hereinafter.

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II. TERM. The term of this lease shall be from May 1, 2018 until April 30, 2023, consisting of an initial term of five (5) years. Tenant shall have the option to renew the term of this Lease upon written notice to Landlord served at least six (6) months prior to expiration of the then existing term. Renewals and extensions shall be upon mutual agreement of the parties. Notwithstanding said commencement date set forth above, if for any reason Landlord cannot deliver possession of the demised premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this lease or the obligations of Tenant hereunder or extend the term hereof; however, in such case, Tenant shall not be obligated to pay rent until possession of the demised premises is tendered to Tenant. In the event that Landlord fails to deliver possession of the demised premises within sixty (60) days from said commencement date, Tenant may, at its option, cancel this lease by giving to Landlord written notice within ten (10) days after the expiration of such sixty (60) day period, in which event, Landlord and Tenant shall be discharged from all responsibilities hereunder. Failure to deliver such written notice within the prescribed ten (10) day period shall terminate Tenant's right to cancel this lease.

III. RENT. This is a triple net Lease with Tenant responsible for rent as defined herein and for payment of any and all expenses incurred in operating the leased Premises. Beginning May 1, 2018, Tenant agrees to pay Landlord rent at the rate of THREE THOUSAND AND NO/100 DOLLARS ($3,000.00), plus City and Borough of Juneau sales tax, per month.

Rent may be paid by Tenant in the form of cash, check, charge, money order or other form of accepted payment. Rent is late if not paid within five (5) business days from the beginning of the month. If rent is not received on or before the fifth business day of the current month, a late fee of Ten Dollars ($10.00) per day will be charged for each day that the rent is late. All late fees shall be deemed additional rent for the rental month and shall be paid and collected as such. Payments made by the Tenant shall apply first to the oldest item for which a bill or statement has been presented, or for the earliest month's rent then due.

IV. SECURITY DEPOSIT. The Tenant agrees to pay, within 20 days of the signing of this Agreement a security deposit of $3,000.00. The Landlord is not required to pay interest on the security deposit. The security deposit is not to be considered last month's rent, nor is it to be used as such by the Tenant.

As to the security deposit, the Landlord may use therefrom such amounts as are reasonably necessary to remedy the Tenant's defaults in the payment of rent, to repair damages to the premises caused by the Tenant(s), their guests and invitees, exclusive of ordinary wear and tear, or to clean such premises, if necessary, upon termination of tenancy. If the security deposit is insufficient to cure all defaults specified above and the Tenant does not otherwise cure such defaults, the Landlord may proceed with collection of such deficiency using any lawful means.

V. UTILITIES. This is a triple net lease, and Tenant shall fully and promptly pay or cause to be paid all charges for water, gas, heat, light, power, telephone service, and other public utilities of every kind used, rendered, supplied, or furnished to, on or in the premises throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted thereon, and

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Landlord shall have no responsibility of any kind for any thereof. Any charges or expenses in connection with any Landlord approved alterations, additions, installations, or changes required or desired in connection with the supplying or using of such utilities or services or substitutes therefor throughout the lease term shall be paid by Tenant. Tenant agrees to and hereby does indemnify Landlord and saves it harmless against any liability or damages for such utilities.

VI. PAYMENT OF TAXES, ASSESSMENTS, LIENS. Tenant shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments and municipal liens which may be levied, assessed, charged or imposed or which may become a lien or charge on or against the premises and any building or buildings or any other improvements now or hereafter thereon, or on or against Tenant's estate hereby created which may be a subject of taxation, during the entire term hereof, excepting only those taxes which Landlord is obligated to pay by this lease.

VII. PAYMENT OF BOROUGH PROPERTY TAXES TO LANDLORD. Tenant shall be required to pay directly to the Landlord no less than ten (10) days prior to the due date established by the City and Borough of Juneau for payment of assessed property taxes (September 30) assessed upon the premises by the City and Borough of Juneau, both land and improvements. The parties acknowledge that the City and Borough of Juneau requires this procedure. Landlord agrees to provide Tenant with a copy of the check and document submitted to the City and Borough of Juneau for payment of the real property taxes on the premises.

VIII. PROPERTY CONDITION. The Tenant agrees to have examined the premises, including, but not limited to, any and all furniture, furnishings, fixtures, appliances, equipment, ceilings, walls, windows, doors, floors, carpeting, plumbing facilities, electrical facilities, hot and cold water supply, building grounds and appurtenances, and acknowledges that the same are in good, clean and sanitary order, condition and repair, unless noted to the Landlord in a signed writing attached hereto. The Tenant shall return the premises to the Landlord in as good order, condition and repair as when received, ordinary wear and tear excepted, and free of all Tenant's personal property. Trash and debris, burns, stains, marks, holes or tears of any size or kind in the carpeting, draperies or walls, does not constitute reasonable wear and tear.

The Tenant acknowledges that no representations as to the condition or repair of the premises, nor as to the Landlord's intentions with respect to any improvement, alteration, decoration or repair of the premises, have been made to the tenant, unless noted in any signed writing attached hereto.

IX. MAINTENANCE AND REPAIR. The Tenant shall (1) keep the premises in a clean and sanitary condition; (2) dispose of all rubbish, garbage, and waste in a clean and sanitary manner; (3) properly use and operate the premises and keep the same in a clean condition; (4) notify the Landlord of any damage to the premises, or areas requiring maintenance and any potential hazard or danger on the property; (5) occupy and use the premises in the manner in which they were designated and intended to be occupied and used; and (6) comply with the proper disposal of waste. If the system is plugged or backed up because of improper disposal of sewage, the Tenant will be charged accordingly. The Tenant shall not alter, add to the premises, paint or wallpaper without prior written consent of the Landlord. The Tenant shall be liable for the expense caused by the Tenant's failure to comply with these conditions. Upon the Tenant's failure to

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comply with these conditions, the Tenant agrees that the Landlord may bring the premises into compliance and charge the Tenant the reasonable cost thereof. Any such expense incurred by the Landlord is payable by the Tenant to the Landlord upon presentment of the charges to the Tenant. When the Tenant vacates the premises at the conclusion of the rental term, the Tenant will be charged rent for each day required by the Landlord to clean or repair the premises in order to bring the premises back to its condition at the time of renting.

X. USE OF THE PREMISES.

(a) Tenant shall utilize the premises for an Alaska Standard Marijuana Cultivation Facility purposes only. No non-prescriptive drugs that are illegal under Alaska law shall be permitted in the premises.

(b) Tenant shall at all times keep the premises in a neat, clean and orderly condition and in a good state of repair.

(c) In accordance with the terms of Alaska law, tenant shall only make lawful use of the premises or any portion thereof.

(d) During the term of occupancy, Tenant shall comply with all applicable State of Alaska laws, ordinances, and regulations regarding the use and physical condition of the premises, including City and Borough of Juneau rules and regulations.

XI. SIGNS & AWNINGS. Any exterior sign, awning, advertising, decoration or lettering of any kind shall conform to all applicable local or state requirements as to design, size, location and safety and shall be maintained by Tenant in good condition and repair at all times.

XII. ALTERATIONS. All additions, alterations and improvements to the premises shall remain the property of Tenant throughout the term of this lease and any extensions or renewals thereof. Upon the expiration of the term of this lease or any renewal thereof, Tenant shall, at Tenant's election, either remove all such additions, alterations and improvements (including fixtures) and restore the premises to their prior condition or shall abandon them, whereupon they shall become Landlord's property.

If Tenant intends to alter the functional floor plan or reduce or expand the area of the premises causing it to differ from the description of the premises as referenced in the diagram of the premises on file with the Alaska Marijuana Control Board, it must first obtain written approval from Landlord and the director of the Alaska Marijuana Control Board.

XIII. INSURANCE. Tenant shall:

(a) During the term of this Lease, Tenant shall carry at all times General Comprehensive Liability Insurance protecting Landlord and Tenant against all claims for bodily injury and death, and property damage occurring in, upon or about the Premises or any improvements thereto, and any common areas, parking areas or appurtenances, which in any manner relate to or arise out of this Lease or Tenant's use and occupancy of the Premises, providing

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in the foregoing regard a combined single limit of not less than One Million and No/100 Dollars ($1,000,000.00) per Occurrence. Any such insurance shall be endorsed to require at least a thirty (30) day notice to Landlord prior to cancellation.

(b) During the term of this Lease, Tenant shall at all times carry upon any property belonging to Tenant and placed, erected or installed in, on or upon the Premises, replacement value fire and casualty insurance protecting as against loss, damage or destruction caused by wind, fire, lightning, explosion, vandalism, malicious mischief, or such other casualties and such other risks as may be provided by extended coverage. Any such insurance shall name Landlord as an additional insured or contain such other provisions as may be needed to preclude any subrogation claims by the insurers against Landlord. Any such insurance shall be endorsed to require at least thirty (30) days' notice to Landlord prior to cancellation. Tenant shall also be responsible for providing Tenant's own personal property/inventory insurance coverage. Landlord will not be providing any insurance for the protection of Tenant, Tenant's loss of business, personal injury or property damage claims or content coverage. Tenant is responsible for providing any and all of its insurance coverage.

(c) During the term of this Lease, Landlord shall maintain fire and extended coverage insurance on the building structures, solely for Landlord's benefit, with Tenant responsible to immediately upon notice reimburse Landlord for any and all premiums paid out for said insurance. In the event of any occurrences that are or may be covered events under such insurance, Landlord and Tenant shall provide written notification to the other party within ten (10) days of the occurrences and coordinate the submission and processing of such claims.

(d) All policies of insurance shall be issued by and maintained in responsible insurance companies selected by Tenant, organized under the laws of one of the states of the United States or The Underwriters at Lloyd's of London, authorized under the laws of the State of Alaska to assume the risks covered thereby, and rated at least "AA" by A.M. Best Company, Inc. or "AA" by Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. Tenant shall make its best efforts to obtain marijuana industry-specific insurance coverage. If Tenant is denied coverage by all insurance providers due to the subject of the property to be covered, Tenant must self-insure. Tenant will deposit annually with Landlord, policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect.

(e) Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby each waive and release the other from any and all claims, liabilities, causes of action, or any loss or damage that may occur to the Premises, or personal property located therein, by reason of fire or other casualty regardless of cause or origin, including the negligence or misconduct of Landlord, Tenant, Landlord's employees or agents or Tenant's employees or agents, but only to the extent of the insurance proceeds paid to such releaser under its policies of insurance or, if it fails to maintain the required policies, the insurance proceeds that would have been paid to such releaser if it had maintained such policies. Each party to this Lease shall promptly give to its insurance company written notice of the mutual waivers contained in this subparagraph, and shall cause its insurance policies to be properly endorsed, if necessary, to prevent the invalidation of any insurance coverages by reason of the mutual waivers contained in this subparagraph.

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XIV. DESTRUCTION OF THE PREMISES. If the premises or any part of the property providing access or essential services to the premises ("relevant space") are damaged by fire or other casualty, but are not thereby rendered partially untenable, Landlord shall cause such damage to be repaired, and the rent payable hereunder shall not be abated.

If the relevant space is damaged in whole or in part, rendering it untenable and the relevant space can be substantially repaired within sixty (60) days, Landlord shall, at its own expense, cause the damage to be repaired. Rent shall abate in proportion to that part of the premises that is unfit for use in Tenant's business. The abatement shall consider the nature and extent of interference to Tenant's ability to conduct business in the relevant space and the need for access and essential services. In the event that such damage results from the negligence or willful misconduct of Tenant or its employees, there shall be no abatement of rent.

In the event that fifty percent (50%) or more of the entire property shall be damaged or destroyed by a fire or other casualty regardless of the extent of damage, if any, to the premises, Landlord shall have the right to elect to cancel and terminate this lease, which option shall be exercised by written notice delivered to Tenant within sixty (60) days from occurrence of the casualty. Upon the giving of such notice, the terms of this lease shall expire by lapse of time upon the third (3rd) day after such notice is given, after which Tenant shall promptly vacate and surrender the premises to Landlord.

XV. EMINENT DOMAIN. In the event that the entire premises are condemned by a public authority, or acquired pursuant to a threat of condemnation, or the extent of the taking is such that the demised premises are no longer suitable for the conduct of Tenant's business, this lease shall terminate as of the date title to the subject property is vested in the acquiring party. All compensation for such taking, whether fixed by agreement or judicial award, shall belong to Landlord except those portions of the award that are specifically allocated as compensation for actual expenses incurred by Tenant for moving Tenant's fixtures, stock in trade and inventory and as compensation for the taking of Tenant's fixtures and leasehold improvements, which shall belong to Tenant.

In the event that a portion of the premises is condemned or acquired under threat of condemnation but the remaining portion of the demised premises is suitable for the conduct of Tenant's business, this Agreement shall not terminate and Landlord shall promptly repair the premises at its own expense in accordance with plans and specifications approved by Tenant. Following such taking, rent shall be abated proportionately according to the square footage of the premises that were taken and Tenant's ability to continue its business operations in the same manner. In no event shall Landlord be obligated to expend for such repairs any amount in excess of the compensation received from the taking authority. All compensation paid by the condemning authority, whether fixed by agreement or judicial award, shall belong to Landlord except any portions thereof specifically allocated to Tenant as compensation for the taking of Tenant's fixtures or leasehold improvements.

XVI. INDEMNIFICATION. Tenant's Indemnity. Tenant indemnifies, defends, and holds Landlord harmless from claims: (i) for personal injury, death, or property damage; (ii) for

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incidents occurring in or about the premises or building; and (iii) caused by the negligence or willful misconduct of Tenant, its agents, employees, or invitees. When the claim is caused by the joint negligence or willful misconduct of Tenant and Landlord or Tenant and a third party unrelated to Tenant, except Tenant's agents, employees, or invitees, Tenant's duty to defend, indemnify, and hold Landlord harmless shall be in proportion to Tenant's allocable share of the joint negligence or willful misconduct.

Landlord's Indemnity. Landlord indemnifies, defends, and holds Tenant harmless from claims: (i) for personal injury, death, or property damage; (ii) for incidents occurring in or about the premises or building; and (iii) caused by the negligence or willful misconduct of Landlord, his agents, employees, or invitees. When the claim is caused by the joint negligence or willful misconduct of Landlord and Tenant or Landlord and a third party unrelated to Landlord, except Landlord's agents, employees, or invitees, Landlord's duty to defend, indemnify, and hold Tenant harmless shall be in proportion to Landlord's allocable share of the joint negligence or willful misconduct.

XVII. SALE OR TRANSFER OF PREMISES DURING LEASE TERM. If the property is sold or transferred, voluntarily or involuntarily, Landlord's lease obligations and liabilities accruing after the transfer shall be the sole responsibility of the new owner if: (a) the new owner expressly agrees in writing to assume Landlord's obligations; and (b) the Tenant's funds that Landlord is holding, such as the last month's rent, are given to the new owner.

XVIII. ASSIGNMENT AND SUBLETTING. Tenant shall not assign its rights under this Agreement in whole by operation of law or otherwise and may not sublease any portion of the premises to any other party.

XIX. RIGHT OF ENTRY. Landlord or his agents may upon reasonable advance notice to Tenant (except in emergencies, in which case no advance notice is required) enter the premises during normal business hours to examine the same to show them to prospective purchasers or tenants, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable. Such actions by Landlord shall not constitute an eviction of Tenant in whole or in part, and there shall be no abatement of rent while any such repairs, alterations, improvements or additions are being made unless such activities render it impractical for Tenant to operate its business while work is going on. Entrance onto the premises by Landlord, his agents or invitees shall at all times comply with the requirements of 3 AAC 306.710.

XX. SURRENDER. At the expiration of the term of this Agreement, Tenant shall surrender the premises in the same condition as they were in upon delivery of possession thereof, reasonable wear and tear excepted. Tenant shall surrender all keys for the premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the premises. Tenant shall remove all its furniture, equipment, trade fixtures and any alterations or improvements and all marijuana and marijuana products belonging to tenant before surrendering the premises and shall repair any damage to the premises occasioned thereby. Upon the surrender of the premises by Tenant, if the Tenant fails to remove all marijuana and marijuana products from the premises, Landlord shall under no circumstances take possession of or remove marijuana or marijuana products from the premises. Landlord will

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contact the Alaska Marijuana Control Board enforcement to notify it of the termination of Tenant's tenancy.

XXI. TERMINATION/DEFAULT. The tenancy created herein terminates upon the expiration of the lease set forth in the first paragraph of this Agreement. Additionally, this tenancy may be terminated upon written notice of either party's violation of the terms of this Agreement and such party's failure to cure any such non-compliance.

Default of this Agreement includes, but is not limited to, the following:

Noncompliance with any provision of this Agreement;
Federal intervention;
Changes in federal enforcement policy pertaining to the proposed use of the premises;
Forfeiture threats; and
Federal enforcement actions.

Upon termination of Tenant's tenancy under this Agreement, if the Tenant fails to remove all marijuana and marijuana products from the premises, Landlord shall under no circumstances take possession of or remove marijuana or marijuana products from the premises. Landlord will contact Alaska Marijuana Control Board enforcement to notify it of the termination of Tenant's tenancy.

XXII. HOLDING OVER. Any holding over after the expiration of the term of this Agreement, with or without the consent of Landlord, shall constitute a tenancy from month to month for one hundred percent (100%) of the rents herein specified and on the other terms and conditions contained herein.

XXIII. WAIVER. The waiver by Landlord or any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of this lease. The acceptance of rent by Landlord hereunder shall never be construed to be a waiver of any term of this Agreement. No payment by Tenant or receipt by Landlord of a lesser amount than shall be due according to the terms of this Agreement shall be deemed or construed to be other than on account of the earliest rent due nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

XXIV. AMENDMENTS IN WRITING. This Agreement contains all of the covenants, promises, agreements, conditions and understanding, either oral or written, between the parties. No subsequent alteration, change or amendment to this Agreement shall be binding upon the parties unless reduced to writing and signed by them.

XXV. ATTORNEYS' FEES. If an action or proceeding is brought in connection with this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorney's fees, court costs, and other reasonable fees and costs incurred in that action or proceeding (whether at trial, on appeal, and/or in a bankruptcy or similar proceeding) and in enforcing any judgment rendered thereon, in addition to any other relief to which it may otherwise be entitled. For purposes

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of this agreement, the prevailing party means the party who succeeds either affirmatively or defensively under claims having the greater value or importance, as decided by the court.

XXVI. GOVERNING LAW. This Agreement shall be governed by law and interpreted in accordance with the laws of the State of Alaska. If any provisions of this Agreement should be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

XXVII. SUCCESSORS AND ASSIGNS. All rights, remedies, liability and obligations herein given to or imposed upon either of the parties hereto shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors in interest and permitted assigns of the respective parties.

XXVIII. NOTICES. Any notice or demand which either party hereto is required or desires to give to or make upon the other shall be in writing and shall be given or made by certified mail of the United States Postal Service, return receipt requested, addressed in the case of Landlord to:

Dennis Diamond Mayer
1750 Anka Street
Juneau, Alaska 99801

and addressed in the case of Tenant to:

Taku Horticulture Company, LLC
P.O. Box 32331
Juneau, Alaska 99803

subject to the right of either party to designate a different address by notice similarly given. Any notice or demand so sent shall be deemed to have been given or made on the date the same was deposited with the United States Postal Service as certified matter with postage thereon fully prepaid.

All payments by Tenant to Landlord pursuant to any provision of this Agreement shall be paid to Landlord at the above-referenced address or at such place or places as Landlord may from time to time designate by notice to Tenant.

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LANDLORD:

Dennis Diamond Mayer

Date: 5-10-18

TENANT:

Taku Horticulture Company, LLC

By: David L. Turner, Managing Member

Date: 5/10/18

This 10th of May 2018 @ Hoonah, AK

NOTARY PUBLIC
DOANIA HARRISON
STATE OF ALASKA
My Commission Expires April 18, 2021

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