GROUND LEASE

THIS LEASE is made this 10th day of April, 2018, by and between Thomas & Taralyn Dicus, landowners ("Landlord"), and KLS Development LLC, an Alaska limited liability company ("Tenant").

1. Premises. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed, and observed by Tenant, does hereby let, lease, and demise to Tenant the unimproved real estate located in the Palmer Recording District, Third Judicial District, State of Alaska, commonly known as 3900 N Sierra Street, Wasilla, Alaska 99654, and more particularly described as follows:

   Shaw's Tri-Lks #4 Block 1, Lot 6 (partial – approximately 1200 sqft of the lot)

2. Appurtenances, Etc. Landlord leases and grants to Tenant all easements, parking and loading rights, right of ingress and egress during reasonable work hours, improvements, fixtures, and appurtenances now or hereafter belonging or appertaining to the leased premises.

3. Purpose. Landlord acknowledges that Tenant intends to sublease the leased property for a marijuana cultivation establishment and agrees to the use as such.

4. Term. Lease commencement date shall be the date that this Lease has been fully executed by the parties, but in no event later than May 1, 2018. Lease expiration date shall be May 31, 2028.

   a) Holding Over. In the event that Tenant holds over at or after the end of the term, or any extended term, the tenancy shall be deemed a month-to-month tenancy commencing on the first day of the holding over period.
   b) Early Termination. Tenant shall have the right to terminate this Lease by providing sixty (60) day written notice to Landlord.

5. Rental Amount. Beginning on the first of the month following the first product sale by Mr. Happy Farms LLC and continuing on the first day of each calendar month, Tenant shall pay Landlord monthly rent in an amount of $1,000.00. Tenant shall also pay all charges for water, gas, sewer, electricity, power, or other public utility services for leased premises rendered during the term of this Lease, and any extended term, as such charges become due. Landlord shall pay the real property taxes for the leased premises.

   a) Late Payment. If any rent or other sum due from Tenant is not received within ten (10) calendar days of the due date, Tenant shall pay to Landlord as a late charge an additional sum of five percent (5%) of such overdue payment.
   b) Security Deposit. Landlord waives any requirement for Tenant to post a security deposit.

6. Compliance with Laws, Care of Premises. Tenant agrees that it shall keep the leased premises in good working order, condition, and repair appropriate for buildings of similar construction and class in the area.

AMCO Received 11/13/2018

a) All buildings, structures, and permanent improvements shall remain the property of Tenant until the termination of the Lease. At the expiration or termination of the term of the Lease, or any extended term thereof, Landlord may, at its option, become the owner of all buildings, structures, and improvements located on the premises without any obligation to pay therefor.

b) Upon termination by expiration of time or otherwise of this Lease, or of any renewal thereof, or at any prior time, Tenant shall have the right to remove all trade fixtures and other movable items of personalty, provided that any damage caused to the leased premises by reason of such removal shall be paid by Tenant.

7. Quiet Enjoyment. Provided Tenant is not in default hereunder, Landlord covenants that Tenant shall have peaceful and quiet enjoyment of the leased premises without hindrance on the part of Landlord, and that Landlord will warrant and defend Tenant in the peaceful and quiet enjoyment of the demised premises.

8. Default. In the event of a default on the lease terms by the Tenant, the Landlord agrees that it will not take possession of or remove marijuana from the premises. If this becomes necessary, Landlord will contact the Alcohol & Marijuana Control Office.

9. Assignment or Subletting. Tenant shall not sublet the leased premises, or any part thereof, or assign this Lease, or any part thereof, without the prior written consent of Landlord to such subletting or assignment, which shall not be unreasonably withheld. Tenant shall further have the right to sublease all or any portion of space in the building to be constructed upon the premises.

IN WITNESS WHEREOF, the parties have hereunto executed this Lease Agreement the day and year first hereinabove written.

TENANT

KLS DEVELOPMENT LLC

By _____

LANDLORD

THOMAS J. DICUS

By _____

TARALYN DICUS

By _____

AMCO Received 11/13/2018

GROUND SUBLEASE

THIS LEASE is made this 10th day of April, 2018, by and between KLS Development LLC, an Alaska limited liability company and ground leaseholder ("Landlord"), and Mr. Happy Farms LLC, an Alaska limited liability company ("Tenant").

1. Premises. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed, and observed by Tenant, does hereby let, lease, and demise to Tenant the unimproved real estate located in the Palmer Recording District, Third Judicial District, State of Alaska, commonly known as 3900 N Sierra Street, Wasilla, Alaska 99654, and more particularly described as follows:

   Shaw's Tri-Lks #4 Block 1, Lot 6 (partial – approximately 1200 sqft of the lot)

2. Appurtenances, Etc. Landlord leases and grants to Tenant all easements, parking and loading rights, right of ingress and egress during reasonable work hours, improvements, fixtures, and appurtenances now or hereafter belonging or appertaining to the leased premises.

3. Purpose. Landlord acknowledges that Tenant intends to use the leased property for a marijuana cultivation establishment and agrees to the use as such.

4. Term. Lease commencement date shall be the date that this Lease has been fully executed by the parties, but in no event later than May 1, 2018. Lease expiration date shall be May 31, 2028.

   a) Holding Over. In the event that Tenant holds over at or after the end of the term, or any extended term, the tenancy shall be deemed a month-to-month tenancy commencing on the first day of the holding over period.
   b) Early Termination Due to Lack of License. If Tenant is unsuccessful in securing necessary approvals, licenses, and/or permits for legal marijuana cultivation, Tenant shall have the right to terminate this Lease by providing sixty (60) day written notice to Landlord.
   c) Termination Due to Change in Law or License. In the event there are changes in state or federal law or policy that make the business of Tenant illegal under state law or otherwise not feasible to engage in or the Tenant's license becomes inactive with the State, Tenant may, upon ninety (90) days written notice to Landlord, terminate this lease.

5. Rental Amount. Beginning on the agreed upon rent commencement date and continuing on the first day of each calendar month, Tenant shall pay Landlord monthly rent in an amount of $1,000. Tenant shall also pay all charges for water, gas, sewer, electricity, power, or other public utility services for leased premises rendered during the term of this Lease, and any extended term, as such charges become due. Land owner shall pay the real property taxes for the leased premises.

   a) Late Payment. If any rent or other sum due from Tenant is not received within ten (10) calendar days of the due date, Tenant shall pay to Landlord as a late charge an additional sum of five percent (5%) of such overdue payment.

AMCO Received 11/13/2018

b) Security Deposit. Landlord waives any requirement for Tenant to post a security deposit.

6. Compliance with Laws, Care of Premises. Tenant agrees that it shall keep the leased premises in good working order, condition, and repair appropriate for buildings of similar construction and class in the area.

   a) All buildings, structures, and permanent improvements shall remain the property of Tenant until the termination of the Lease. At the expiration or termination of the term of the Lease, or any extended term thereof, Landlord may, at its option, become the owner of all buildings, structures, and improvements located on the premises without any obligation to pay therefor.
   b) Upon termination by expiration of time or otherwise of this Lease, or of any renewal thereof, or at any prior time, Tenant shall have the right to remove all trade fixtures and other movable items of personalty, provided that any damage caused to the leased premises by reason of such removal shall be paid by Tenant.

7. Quiet Enjoyment. Provided Tenant is not in default hereunder, Landlord covenants that Tenant shall have peaceful and quiet enjoyment of the leased premises without hindrance on the part of Landlord, and that Landlord will warrant and defend Tenant in the peaceful and quiet enjoyment of the demised premises.

8. Default. In the event of a default on the lease terms by the Tenant, the Landlord agrees that it will not take possession of or remove marijuana from the premises. If this becomes necessary, Landlord will contact the Alcohol & Marijuana Control Office.

9. Assignment or Subletting. Tenant shall not sublet the leased premises, or any part thereof, or assign this Lease, or any part thereof, without the prior written consent of Landlord to such subletting or assignment, which shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have hereunto executed this Lease Agreement the day and year first hereinabove written.

TENANT

MR HAPPY FARMS LLC

By _____

LANDLORD

KLS DEVELOPMENT LLC

By _____

AMCO Received 11/13/2018