ALASKA LEASE AGREEMENT

ALASKA LEASE AGREEMENT (hereinafter referred to as the "Agreement") made and entered into effective as of the 1st day of June 2018, by and between Matanuska Thunder Farms LLC (hereinafter referred to as "Tenant") and Farboy LLC (hereinafter referred to as "Landlord").

WHEREAS, Landlord is the fee owner of certain real property being, lying and situated in Houston, Alaska, such real property having a street address of 12605 W Big Lake Road, Houston, Alaska 99694 (hereinafter referred to as the "Premises").

WHEREAS, Landlord desires to lease the Premises to Tenant upon the terms and conditions as contained herein; and

WHEREAS, Tenant desires to lease the Premises from Landlord on the terms and conditions as contained herein;

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

- **TERM.** Landlord leases to Tenant and Tenant leases from Landlord the above described Premises together with any and all appurtenances thereto, for a term beginning on July 1, 2018 at 12:00 a.m. and ending on June 30th 2020 at 11:59 p.m.

- **RENT.** The total rent for the term hereof is the sum Six Thousand dollars ($6,000) per calendar month payable by the FIFTH day of each calendar month of the term. All such payments shall be made to Landlord at Landlord's Business address or at such other place as Landlord and Tenant may agree.

- **DAMAGE DEPOSIT.** Upon the due execution of this Agreement, Tenant shall deposit with Landlord the sum of Two Thousand dollars ($2,000), as security for any damage caused to the Premises during the term hereof. Such deposit shall be returned to Tenant, without interest, and less any set off for damages to the Premises upon the termination of this Agreement.

- **USE OF PREMISES.** The Premises shall be used and occupied by Tenant during the term of this Agreement for the purpose of carrying on a standard marijuana cultivation facility. Tenant shall comply with any and all laws, ordinances, rules and orders of any and all governmental or quasi-governmental authorities affecting the cleanliness, use, occupancy and preservation of the Premises, provided that, an exception will be made for the Controlled

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- **CONDITION OF PREMISES.** Tenant stipulates, represents and warrants that Tenant has examined the Premises, and that they are at the time of this Lease in good order, repair, and in a

safe, clean and tenantable condition.

- **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Agreement, or sublet or grant any license to use the Premises or any part thereof without the prior written consent of Landlord. A consent by Landlord to one such assignment, subletting or license shall not be deemed to be a consent to any subsequent assignment, subletting or license. An assignment, subletting or license without the prior written consent of Landlord or an assignment or subletting by operation of law shall be absolutely null and void and shall, at Landlord's option, terminate this Agreement

- **ALTERATIONS AND IMPROVEMENTS.** Tenant shall make no alterations to the buildings or improvements on the Premises or construct any building or make any other improvements on the Premises without the prior written consent of Landlord. Any and all alterations, changes, and/or improvements built, constructed or placed on the Premises by Tenant shall, unless otherwise provided by written agreement between Landlord and Tenant, be and become the property of Landlord and remain on the Premises at the expiration or earlier termination of this Agreement. Landlord and Tenant hereby agree that Landlord shall not be obligated to complete or undertake any improvements to the Premises whatsoever.

- **NON-DELIVERY OF POSSESSION.** In the event Landlord cannot deliver possession of the Premises to Tenant upon the commencement of the Lease term, through no fault of Landlord or its agents, then Landlord or its agents shall have no liability, but the rental herein provided shall abate until possession is given. Landlord or its agents shall have thirty (30) days in which to give possession, and if possession is tendered within such time, Tenant agrees to accept the demised Premises and pay the rental herein provided from that date. In the event possession cannot be delivered within such time, through no fault of Landlord or its agents, then this Agreement and all rights hereunder shall terminate.

- **HAZARDOUS MATERIALS.** Tenant shall not keep on the Premises any item of a dangerous, flammable or explosive character that might unreasonably increase the danger of fire or explosion on the Premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

- **UTILITIES.** Tenant shall be responsible for arranging for and paying for all utility services required on the Premises.

- **MAINTENANCE AND REPAIR; RULES.** Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Agreement and any renewal thereof.

- **DAMAGE TO PREMISES; INSURANCE.** In the event the Premises are destroyed or rendered wholly uninhabitable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, this Agreement shall terminate from such time except for the purpose

of enforcing rights that may have then accrued hereunder. The rental provided for herein shall then be accounted for by and between Landlord and Tenant up to the time of such injury or destruction of the Premises, Tenant paying rentals up to such date and Landlord refunding rentals collected beyond such date. Should a portion of the Premises thereby be rendered uninhabitable, the Landlord shall have the option of either repairing such injured or damaged portion or terminating

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this ease. In the event that Landlord exercises its right to repair such uninhabitable portion, the rental shall abate in the proportion that the injured parts bears to the whole Premises, and such part so injured shall be restored by Landlord as speedily as practicable, after which the full rent shall recommence and the Agreement continue according to its terms. Tenant shall maintain a property insurance policy covering the Premises in an amount agreed upon between Tenant and Landlord. This policy shall name Landlord as an additional insured using an endorsement form acceptable to Landlord.

- **INSPECTION OF PREMISES.** Landlord and Landlord's agents shall have the right at all reasonable times during the term of this Agreement and any renewal thereof to enter the Premises for the purpose of inspecting the Premises and all buildings and improvements thereon. And for the purposes of making any repairs, additions or alterations as may be deemed

appropriate by Landlord for the preservation of the Premises or the building. Landlord and its agents shall further have the right to display the usual "for sale," "for rent" or "vacancy" signs on the Premises at any time within forty- five (45) days before the expiration of this lease. The right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations or additions that do not conform to this Agreement or to any restrictions, rules or regulations affecting the Premises. The Landlord understands a licensed marijuana facility abides by strict regulations and will not enter the premises without a licensee present, and agrees to never remove any marijuana or marijuana products from the premises.

- **SUBORDINATION OF LEASE.** This Agreement and Tenant's interest hereunder are and shall be subordinate, junior and inferior to any and all mortgages, liens or encumbrances now or hereafter placed on the Premises by Landlord, all advances made under any such mortgages, liens or encumbrances (including, but not limited to, future advances), the interest payable on such mortgages, liens or encumbrances and any and all renewals, extensions or modifications of such mortgages, liens or encumbrances.

- **SURRENDER OF PREMISES.** Upon the expiration of the term hereof, Tenant shall surrender the Premises in as good a state and condition as they were at the commencement of this Agreement, reasonable use and wear and tear thereof and damages by the elements excepted. Upon the surrender of premises, the landlord understands that any and all marijuana or marijuana product must be removed by the Licensee or AMCO, and the landlord agrees to contact AMCO in the event that removal of marijuana or marijuana product is necessary.

- **QUIET ENJOYMENT.** Tenant, upon payment of all of the sums referred to herein as being payable by Tenant and Tenant's performance of all Tenant's agreements contained herein and Tenant's observance of all rules and regulations, shall and may peacefully and quietly have, hold and enjoy said Premises for the term hereof.

- **INDEMNIFICATION.** Landlord shall not be liable for any damage or injury of or to the Tenant, Tenant's family, guests, invitees, agents or employees or to any person entering the Premises or the building of which the Premises are a part or to goods or equipment, or in the structure or equipment of the structure of which the Premises are a part, and Tenant hereby agrees to indemnify, defend and hold Landlord harmless from any and all claims or assertions of every kind and nature.

- **DEFAULT.** If Tenant fails to comply with any of the material provisions of this Agreement, other than the covenant to pay rent, or of any present rules and regulations or any that may be

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hereafter prescribed by Landlord, or materially fails to comply with any duties imposed on Tenant by statute, within seven (7) days after delivery of written notice by Landlord specifying the non-compliance and indicating the intention of Landlord to terminate the Lease by reason thereof, Landlord may terminate this Agreement. If Tenant fails to pay rent when due and the default continues for seven (7) days thereafter, Landlord may, at Landlord's option, declare the entire balance of rent payable hereunder to be immediately due and payable and may exercise any and all rights and remedies available to Landlord at law or in equity or may immediately terminate this Agreement. Landlord will not take possession of or remove marijuana from the Premises and AMCO (the Alcohol & Marijuana Control Office) will be contacted in the event that this is necessary.

- **ABANDONMENT.** If at any time during the term of this Agreement Tenant abandons the Premises or any part thereof, Landlord may, at Landlord's option, obtain possession of the Premises in the manner provided by law, and without becoming liable to Tenant for damages or for any payment of any kind whatever. Landlord may, at Landlord's discretion, as agent for Tenant, relet the Premises, or any part thereof, for the whole or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Landlord's option, hold Tenant liable for any difference between the rent that would have been payable under this Agreement during the balance of the unexpired term, if this Agreement had continued in force, and the net rent for such period realized by Landlord by means of such reletting. If Landlord's right of reentry is exercised following abandonment of the Premises by Tenant, then Landlord shall consider any personal property belonging to Tenant and left on the Premises to also have been abandoned, in which case Landlord may dispose of all such personal property in any manner Landlord shall deem proper and Landlord is hereby relieved of all liability for doing so.
- **ATTORNEYS' FEES.** Should it become necessary for Landlord to employ an attorney to enforce any of the conditions or covenants hereof, including the collection of rentals or gaining possession of the Premises, Tenant agrees to pay all expenses so incurred, including a reasonable attorneys' fee.

- **RECORDING OF AGREEMENT.** Tenant shall not record this Agreement on the Public Records of any public office. In the event that Tenant shall record this Agreement, this Agreement shall, at Landlord's option, terminate immediately and Landlord shall be entitled to all rights and remedies that it has at law or inequity.

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

- **SEVERABILITY.** If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

- **BINDING EFFECT.** The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the parties hereto.

- **DESCRIPTIVE HEADINGS.** The descriptive headings used herein are for convenience of

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reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the Landlord or Tenant.

- **CONSTRUCTION.** The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.

- **NON-WAIVER.** No indulgence, waiver, election or non-election by Landlord under this Agreement shall affect Tenant's duties and liabilities hereunder.

- **MODIFICATION.** The parties hereby agree that this document contains the entire agreement between the parties and this Agreement shall not be modified, changed, altered or amended in any way except through a written amendment signed by all of the parties hereto.

- **JOINT LIABILITY.** Each tenant, if more than one, shall be fully liable for lease.

- **NOTICE.** Any notice required or permitted under this Lease or under state law shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, if addressed to Tenant at the Premises and if addressed to Landlord at the address set forth in Section 2 of this Lease.

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.

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LANDLORD: FARBOY LLC- LANDLORD: FARBOY LLC-

THIS IS TO CERTIFY THAT on the 22nd day of October, 2019, at Anchorage . Alaska, before me personally appeared John Farleigh of Farboy LLC, whom I know, and acknowledged to me that he executed the foregoing instrument freely and voluntarily, that he knew the contents thereof, and the same was his act on behalf of Farboy, LLC.

John Farleigh

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

"Official Seal"
Notary Public
Eli Gionet
State of Alaska
Commission # 180613013 Expires 06/13/2022

Notary Public in and for Alaska
My commission expires: 6-13-2022

TENANT:

As to Tenant

THIS IS TO CERTIFY THAT on the 22nd day of Ocotber 2019, at Anchorage . Alaska, before me personally appeared Michael Boylan of Matanuska Thunder Farms LLC, whom I know, and acknowledged to me that he executed the foregoing instrument freely and voluntarily, that he knew the contents thereof, and the same was his act on behalf of Matanuska Thunder Farms, LLC.

Michael Boylan

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Notary Public in and for Alaska
My commission expires: 6-13-2022

"Official Seal"
Notary Public
Eli Gionet
State of Alaska
Commission # 180613013 Expires 06/13/2022

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