LEASE AGREEMENT WITH OPTION TO PURCHASE

By entering into this Lease Agreement, made on the 2nd day of MAY, 2020, between

Dennis Varner
Lessor or Landlord:

And
Lessee or Tenant:
Rural Retail Management, LLC

Lessor does lease to Lessee the residence and garage situated at 213 West A Street, Dillingham, Alaska, for the period beginning May 1, 2020 through May 30, 2025 on the following terms and conditions:

1. **RENT:** Lessee agrees to pay to Lessor monthly rent for the premises of $500 per month for the garage and $1,000 per month for the house once passion is taken. Landlord understands the property is for a marijuana retail store. Rents will be applied to the purchase price.

2. **INSURANCE AND DAMAGE TO PREMISES**: Lessee shall insure against loss the premises and all personal property owned by Lessee or its permitted Tenant that is located on the premises. If the premises are materially damaged by fire, Lessee may continue with the Lease or terminate the Lease at its option.

3. **UTILITIES**: Lessee shall be responsible for arranging and paying for all reasonable utility services required on the premises. Lessee reserves the right to ration water, gas, or electricity as need arises, but Lessee will maintain heat in the building at all times to prevent water pipes from freezing.

4. **MAINTENANCE & REPAIR:** Lessor will be responsible for major repairs and maintenance. For purposes of determining the difference between minor and major repairs, it is agreed that any one repair, not Lessee caused, with a cost of more than $200 shall be considered major and thus the responsibility of Lessor. Lessee will be responsible for minor repairs up to, but not more than, three such repairs during the term of this Lease ($600 total).

5. **RIGHT OF INSPECTION**: Lessor and his agents shall have the right at all reasonable times to enter the premises for the purpose of inspecting the same. Lessor shall provide Tenant with 48 hours' advance notice prior to exercising this right of access. The lessor must be escorted through the property within any

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secured locations as a guest and must be with an employee of the retail store at all times.

6. **ALTERATIONS**: Lessee will make approved alterations to the garage to set up for a retail location.

7. **USE OF THE PREMISES**: Lessee agrees that the premises will be used for marijuana retail store.

8. **ASSIGNMENT AND SUBLETTING**: The Lessee may sublet the premises without notification to the Lessor.

9. **DANGEROUS MATERIALS**: Lessee shall not keep or permit to be kept on the premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonable increase the danger of fire on the Premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

10. **REMOVAL OF LESSOR'S PERSONAL PROPERTY**: If the lessee falls behind in rent, in the case of marijuana inventory, Owner shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska Alcohol and Marijuana Control Office (AMCO) prior to any access to the licensed premises if Tenant cannot be reached, abandons the property, or similar event.

11. **LESSEE TO TURN OVER THE PROPERTY IN A CLEAN CONDITION**: Lessee shall clean, repair and restore said residence and return it to the Landlord in its original condition (reasonable wear and tear expected).

12. **VENUE**: It is agreed that the venue of any legal action brought under the terms of this Lease shall be in Barrow, Alaska, in the Second Judicial District, and that this Lease shall be construed according to the laws of the State of Alaska.

13. **INTEGRATED AGREEMENT**: This document constitutes the entire agreement between Landlord and Tennant.

14. **PURCHASE OPTION**: Lessee has a right to purchase the building for $275,000 minus any rental payments made during the term of this lease. The purchase is for the 213 West A. Street, Dillingham, Alaska. The Lessee wishes to purchase the property as soon as reasonability possible.

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

LESSOR/LANDLORD:

Owner

By: _____
Dennis Varner

By: _____
MELISSA VARNER

LESSEE/TENANT:

Rural Retail Management, LLC

By: _____
Jason Evans

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