

PURCHASE AND SALE AGREEMENT

The parties to this Purchase and Sale Agreement ("Agreement") are:

1. Matanuska Brewing Company, LLC, ("Buyer"); and
2. State of Alaska, Division of Agriculture ("Seller").

RECITALS

WHEREAS this Agreement is for the sale of real property. Such property is a parcel consisting of 3.03 acres, together with all improvements, buildings and fixtures located thereon and located in Palmer, Alaska ("Property").

WHEREAS Seller acquired title to the Property through foreclosure and is the owner in fee simple of the Property;

WHEREAS Buyer seeks to purchase, and Seller seeks to sell, the Property on the terms and conditions as set forth in this Agreement;

AGREEMENT

Now, therefore, for and in consideration of their mutual promises as set forth below, the parties agree as follows:

1. Purchase Price. Buyer shall pay Seller the sum of eight-hundred twenty-five thousand dollars (\$825,000.00) at closing for the conveyance of the Property to Buyer.

2. Conveyance. The Property is more particularly described as:

Tract A-1, Alaska State Land Survey No. 96-4, according to Plat No. 99-62, located in the Palmer Recording District, Third Judicial District, State of Alaska;

and located at 513 South Valley Way, Palmer, Alaska. The Property shall be conveyed by quit claim deed free and clear of any and all liens, encumbrances, mortgages or other obligations secured by the Property or by any part of the Property.

3. Execution. This Agreement shall be deemed in full force and effect as of the complete execution of the Agreement.

4. Due Diligence. Buyer shall have one-hundred eighty (180) days from execution of this Agreement to perform its due diligence on the Property. If within the 180-day period Buyer and Seller so agree in writing, then closing may occur sooner than 180 days from this Agreement's execution. Otherwise, closing shall occur on the 180th day following execution of this Agreement (or upon the next business day if the 180th day falls on a weekend or holiday).

Upon request, Seller shall make available to Buyer for Buyer's inspection all documents in Seller's possession that pertain to the Property.

5. As Is. Where Is. The Property shall be conveyed "as is, where is" without any implied or express warranties or conditions of fitness for any purpose. All structures on the Property shall be conveyed together with the land in the same or similar condition that such structures and land were in as of the date of execution of this Agreement.

6. Interim Responsibilities of Seller. Following execution of this Agreement, Seller shall maintain the Property in the same condition it was in as of such execution. Seller shall not be required to improve the Property, but at the same time Seller shall not allow the Property or any of the structures on the Property to be damaged or destroyed. Seller shall not enter into any leases, subleases or other agreements for the use of the Property. Seller shall not allow any liens, encumbrances, deeds of trust, mortgages or other obligations secured by the Property to be entered into or recorded against the Property.

7. Conditions Precedent to Buyer's Obligation to Close. Buyer's obligation to close the transaction referenced in this Agreement shall be subject to the following conditions precedent being either satisfied or waived by Buyer in writing prior to closing:

A. Buyer shall obtain financing for the purchase of the Property. Such financing shall be satisfactory to Buyer in Buyer's sole discretion.

B. Buyer shall have reasonable access to the Property and the right to inspect the Property. If such inspection reveals a defect or deficiency in the Property, then such defect or deficiency shall be identified by Buyer and Seller shall correct the defect or deficiency to Buyer's satisfaction, or Buyer shall be relieved of its obligation to close.

C. A re-zoning of the Property by the City of Palmer shall occur, such rezoning to be acceptable to Buyer in Buyer's sole discretion.

D. Buyer or Seller shall obtain written notification from the Alaska Department of Environmental Conservation ("D.E.C.") that the Property is not the subject of the type of environmental contamination that could form the basis of an enforcement action by D.E.C.

8. Access During Due Diligence Period. The parties acknowledge that the Property has had environmental contamination which occurred prior to Buyer's offer to purchase the Property. Accordingly, during the due diligence period Buyer shall be given reasonable access to the Property in order to inspect the property or to assist the Seller and its contractor with clean-up operations designed to secure the D.E.C. notification referenced in paragraph 7.D. above.

A. Seller shall be solely responsible for hiring and controlling the work of an appropriate environmental services contractor to inspect and perform remediation work at the subject property. Seller shall attempt to obtain the services of Ralph Hulbert at

Alaska Chem Engineering in Palmer, Alaska to perform the required environmental services. If for any reason, Seller is unable to hire Mr. Hulbert to perform the required services, the parties will attempt to find another contractor who can perform the required services. However, if the parties are unable to agree to an alternate contractor to perform the services, either party can cancel this agreement without any liability to the other party. Both parties shall be entitled to any reports or other documents generated by the contractor.

B. Seller shall pay up to \$25,000 for inspection and remediation work. If the inspection and remediation work is expected to exceed \$25,000, the parties shall attempt to reach an agreement on the allocation of any additional costs. If the parties are not able to reach an agreement, either party may cancel the agreement without any liability to the other party.

C. Buyer understands that this agreement cannot be signed by the board chair until such time as the terms of the agreement have been published and the public has had an opportunity to comment. If the board determines that public comments require changes to the terms of the agreement or cancellation of the agreement, the board may modify the agreement with the consent of the buyer, or cancel the agreement without any liability to the buyer.

9. Exceptions to Title. The parties acknowledge that neither party has ordered a preliminary commitment for title insurance from a title company. If such preliminary commitment, or any recorded document that pertains to the Property, shows any defect in title, any easement or other condition that limits Buyer's rights with regard to the Property, then Buyer shall be relieved of its obligation to close the transaction.

10. Condemnation, Damage or Destruction. In the event any structure on the Property is partially or completely condemned, or damaged, or In the event any structure on the Property is destroyed, then Buyer, at its option, may elect not to close the transaction.

11. Closing Costs. All closing costs shall be borne equally by Buyer and Seller, except that Seller shall purchase a standard owner's title Insurance policy and Buyer shall pay for any appraisal required by Buyer's lender. Buyer and Seller shall pay their own attorney fees and costs, if any, related to the transaction.

12. Default. If Buyer or Seller fail to close, other than for a condition precedent as specified In this Agreement, then such party shall be in default. Upon default, either party may seek an order of a court of competent jurisdiction to require the other party to perform, and may seek damages for breach.

13. Legal Costs and Fees. In the event of a legal dispute arising out of this Agreement, all parties shall bear their own costs and attorney fees.

14. Rule of Construction. The parties agree that each of them has had an equal hand in negotiating and drafting this Agreement and they agree that the rule of construction against the drafting party does not apply to this Agreement.

15. Legal Counsel. The parties have had a full and fair opportunity to consult legal counsel of their choosing, and by executing this Agreement the parties acknowledge that they have been encouraged to obtain legal advice with regard to this Agreement.

16. Acknowledgements. The parties hereby warrant and agree that each of them is executing this Agreement only after carefully reading and considering each provision of this Agreement, with a full understanding of each such provision and with an intent to be bound by this Agreement.

17. No Coercion or Duress. Each of the parties acknowledges that this Agreement is being entered into voluntarily. Each of the parties warrants and agrees that each is under no duress, financial or otherwise, and that there has been no coercion of any type with regard to the execution of this Agreement.

18. Entire Agreement. This Agreement expresses the entire agreement of the parties with regard to the subject matter hereof. All prior verbal and written agreements between the parties are hereby rendered null and void. This Agreement may be amended only by a writing executed by both parties.

19. Choice of Law and Forum. In the event of a dispute between the parties arising out of this Agreement, Alaska law shall apply. Venue shall be proper only in the state courts of Alaska in Anchorage, Alaska.

20. Notice. Notices under this Agreement by one party to another shall be to the following addresses:

If to Buyer: Kevin Burton
Matanuska Brewing Co.
19321 Upper Skyline Dr.
Eagle River, AK 99577

If to Seller: Director, Division of Agriculture
1800 Glenn Highway, Suite 12
Palmer, AK 99645

Matanuska Brewing Co., LLC

DATED: 6-28-16


By: Kevin Burton, Member

DATED: 6-28-2016

Matanuska Brewing Co., LLC


By: Matthew Tomter, Member

DATED: 6-28-2016

State of Alaska, Division of Agriculture


By: Arthur Keyes, director