Rental Lease Agreement

A. BASIC TERMS.

1. **Parties.** This Lease is made by OTIUM SANCTUM LLC ("Lessor"), 48500 Diamond M Ranch Road, Kenai, Alaska 99611; and CANNA GET HAPPY, LLC., ("Lessee"), P.O. Box 874574, Wasilla, Alaska 99687.

2. **Premises.** The Lessor leases the real property ("Premises") described as follows to the Lessee:

SUITES B & C, consisting of 2,000 square feet ("s.f.") including entry and parking lot, located at:

LOT 1, CARROL MARTIN SUBDIVISION NO. 2, according to Plat No. 94-82, Kenai Recording District, Third Judicial District, State of Alaska; Street Address: 40593 Kalifornsky Beach Road ("Property"):

subject to the terms and conditions of this Lease and to rules and regulation for use of such areas established by Lessor.

3. **Term.** The term of the Lease is two (2) years, beginning May 25, 2024, ending May 31, 2026.

4. **Rent.**

a. The rent for the Premises is due the first (1st) of each month and payable in advance, with a (10) day grace period. The monthly rent is **$4,500** plus **$15.00** sales taxes. Any tenant or occupant of the premises is liable for the full rent. Lessee shall make rent payments directly to Lessor or an account selected by Lessor. May prorated dates, June, July, and August were paid upfront May 25, 2024. On or before the first of every month starting September 1, 2024 and ending May 1, 2026 $4,515 will be due monthly unless the borough sales tax laws change.

b. A late fee of **$100.00/week** accrues on all rent payments received after the 10th of the month.

c. Deposit of partial rent into the account chosen by Lessor, or Lessor's acceptance of partial rent, is not a waiver of Lessor's right to require or demand the full rent payment.

5. **Security Deposit.** Lessee paid Lessor a security deposit of **$4,500**, on May 25, 2024, as security for Lessee's performance under this Lease. This deposit may not be used in lieu of rent. This deposit will be refunded to Lessee within 30 days after the Premises has been vacated by Lessee if the Premises is in good condition (normal wear and tear accepted) and Lessee has paid all sums due under this Agreement. Otherwise, Lessor may apply the security deposit to any amount required to place the Premises in good condition and to pay for any money owed to Landlord under this Lease. If Lessor has to use any part of this deposit during the term of this Lease, Lessee shall replace that amount within 5 days after written demand by Lessor.

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B. ADDITIONAL TERMS AND CONDITIONS.

1. **Amendment/Addendum.** This Lease may be amended or modified, or subject to an addendum, but only by a writing signed and dated by both parties.

2. **Assignment/Sublease.** Lessee shall not lease or sublease the Premises or assign or transfer any rights and duties under this Lease without the prior written consent of the Lessor. No persons shall reside in or on the Premises or Property without the prior written consent of the Lessor.

3. **Condition of Premises.** Lessee accepts the condition of the Premises and Property "as is." Lessee agrees to occupy the Premises and to keep the Premises in good condition, reasonable wear and tear accepted. Any items left on the Premises by Lessor may be kept and used by Lessee at no additional charge, but Lessor has no responsibility to remove such items, or to repair or replace such items.

4. **Default/Remedies.**

a. The following shall be deemed a default by Lessee and a breach of this Lease: (i) failure to pay rent when due; (ii) failure to comply with a term or condition of this Lease; (iii) a dissolution or liquidation of the Lessee (or action or proceeding relating to); (iv) bankruptcy of the Lessee; (v) seizure of property on the Premises (or the Premises) by a government official, trustee or receiver; (vi) vacation or abandonment of the Premises; (vii) creation or placement of a lien on the Premises or Property by Lessee or its creditors or claimants.

b. Lessor shall have the following remedies in the event of a default by Lessee: (i) to distrain Lessee's personal property for the rent due; (ii) to re-enter, take possession of and remove all property in the Premises; (iii) to declare the Lease ended, and terminate the Lease; (iv) to re-let the Premises (such re-letting is not a termination of the lease and does not relieve Lessee of liability for rent and damages); (v) to recover damages from Lessee including rent, attorney fees, costs of repair, and any other damages arising from such default.

5. **Entry Onto Premises.** Lessor may enter the Premises at reasonable times for the purposes of inspection. In all instances, except those of emergency or abandonment, the Lessor shall give Lessee reasonable notice (no less than 24 hours notice) prior to such an entry.

6. **Holding Over.** If Lessee remains in possession after this Lease terminates, the continuing tenancy will be treated as having a term of month to month, subject to the terms and conditions of this Lease, except that the tenancy may be terminated with 30 days notice.

7. **Improvements/Alterations.** Lessee shall not make any alterations or improvements to the Premises or Property without the prior written consent of the Lessor. Lessee shall promptly remove all alterations or improvements made without Lessor's prior written consent, at Lessor's request. Lessee may remove any of Lessee's alterations or improvements, as long as Lessee promptly repairs any damage caused by attaching the items to or removing them from the Premises or Property. Any such alternations or improvements by Lessee become the property of Lessor at the termination of the Lease or when Lessee vacates the Premises, unless agreed to otherwise by the parties in writing.

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8. **Indemnification.** Lessee indemnifies and releases Lessor from any liability for any property loss, property damage, personal injury or any other kind of damages arising from or caused by Lessee's activities or operations on the Premises. Lessor indemnifies and releases Lessee from any liability for any property loss, property damage, personal injury or any other kind of damages arising from or caused by Lessor's activities on the Premises.

9. **Insurance.** Lessee will carry liability insurance on the Premises during the term of this Lease, with Lessor listed as an additional named insured, in an amount acceptable to Lessor. Lessee will provide property insurance on the Premises. Lessee must provide proof of such insurance within 30 days of the date of signing this Lease. Lessee is responsible for purchasing insurance for Lessee's personal property located on the Premises during the term of this Lease and for purchasing business insurance for Lessee's business; Lessor has no liability for any loss of or damage to such property, personal injury caused by such property, or for any loss, damage, or interruption to Lessee's business.

10. **Maintenance/Repairs.** Lessor at start-up, will fix toilet, leaking sink, hot water and sand in the water. Then, Lessee will maintain and make all necessary repairs to plumbing, electrical, heating, ventilating, and air-conditioning systems (if any) in the Premises. Lessor will maintain and repair the exterior of the building and the rest of the Property. Lessee will maintain and make all other necessary repairs and maintenance to the interior of the Premises.

11. **Notices.** All notices shall be given in writing, either by personal service or by mail, postage prepaid. Notice is considered given when personally delivered or on the date of mailing. Notices shall be addressed as follows:

LESSOR:	LESSEE:
OHUM SANCTUM LLC	CANNA GET HAPPY, LLC
48500 Diamond M Ranch Road	P.O. Box 874574
Kenai, Alaska 99611	Wasilla, Alaska 99687

12. **Quiet Enjoyment.** Lessee is entitled to exclusive occupancy of the Premises, and to quiet enjoyment of the Premises, as long as Lessee is in compliance with this Lease.

13. **Renewal.** After the first two (2) year term ends, the parties may opt to renew the Lease for a five-year term. Renewal requires the prior written agreement of both parties. Proposed new terms shall be exchanged between the parties by **January 5, 2026**. It is understood between the parties that the renewal rent will not increase more than 12% from the rent at the end of the first two-year term. If Lessee does not intend to renew the Lease for a second term, then Lessee shall give notice to Lessor no less than **120** days before the end of the first Lease term.

14. **Signs.** Lessee shall not, without Lessor's prior written consent, place or erect any signs on the Premises or Property. Lessee's signs shall comply with municipal ordinances governing signs. Upon the termination of this Lease, Lessee shall remove all such signs and repair any damage to the Premises caused by the erection, maintenance, or removal of such signs.

15. **Successors and Assigns.** This Lease is binding on the heirs, successors and assigns of the parties.

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16. **Taxes.** Lessor is responsible for all real property taxes and assessments levied on the building and improvements used by Lessee on the Property. Lessee will pay all personal property taxes levied on Lessee's personal property located on the Premises or Property during the term of this Lease. Lessee is responsible for collection and remittance of any sales taxes due on Lessee's sales.

17. **Termination.**

a. This Lease automatically terminates at the end of the Term stated above unless the parties agree in writing to Lessee's occupancy for an additional period.

b. If Lessee defaults in the terms and conditions of this Lease, including, but not limited to, non-payment of rent, Lessor may terminate the Lease. Lessor shall give Lessee written notice of default, and 10 days to cure the default. If Lessee does not cure the default within the 10 days, then the Lease shall terminate at the end of the 10th day of the cure period.

c. Upon termination of this Lease, Lessee shall, upon termination of this Lease, vacate and return the Premises in the same condition that it was received, less reasonable wear and tear, and other damages beyond the Lessee's control. Lessee is responsible for any damages caused by Lessee's use of the Property.

d. The Lease may be terminated by written agreement of both Lessor and Lessee.

18. **Use.** Lessee agrees to use the Premises for Lessee's commercial purposes, unless Lessee notifies Lessor in writing of Lessee's intent to use the Premises for another purpose, and obtains Lessor's prior written consent to such use, which shall not be unreasonably withheld. Lessee agrees not to use the Premises in such a manner as to disturb the peace and quiet of the immediate neighbors, not to maintain a public nuisance on the Property, not to use the Property as a residence or to allow anyone to reside on the Property, and not to conduct activities on the Property that are in violation of any applicable federal, state or municipal laws or regulations.

19. **Utilities and Services.** Lessee will pay for its electric, gas, garbage and internet, and maintain separate meters and accounts for such services. Lessee will provide snow plowing and sanding on the Property.

20. **Waiver.** If one party waives any term or provision of this Lease at any time, that waiver will only be effective for the specific instance and specific purpose for which that waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this Lease, that party retains the right to enforce that term or provision at a later time.

C. GENERAL PROVISIONS

1. **Attorney Fees and Costs.** In the event of any action between the parties arising from or in connection with this Lease, the prevailing party shall recover reasonable attorney fees and other costs and expenses incurred in that action in addition to any other relief, and such attorney fees, costs and expenses shall be included in and as part of any judgment in such action.

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2. **Governing Law, Jurisdiction and Venue.** This Lease shall be construed and interpreted according to the laws of the State of Alaska. This Lease is for commercial property; and, therefore, the Alaska Uniform Residential Landlord and Tenant Act does not apply. The parties agree that the courts of Alaska, Third Judicial District, Kenai Venue District, shall have exclusive jurisdiction of any dispute between the parties arising out of this Lease.

3. **Further Development and Use.** Nothing in this Lease precludes Lessor from subdividing, further developing or selling the Property, including the Premises, or from using the Property outside the Premises, or the common areas.

4. **Entire Agreement.** This Lease constitutes the entire agreement between the parties, and, once signed by both parties, this Lease supersedes all prior agreements, memoranda, correspondence, conversations, and negotiations relating to the lease between the parties. No interlineation (typed or handwritten changes to the original printed text) to this Lease shall have any force or effect unless the change is initialed and dated by both parties. The parties expressly agree that there are no other verbal agreements or other written agreements lease of the Premises or Property that are not set forth in this Lease. This Lease may be signed in counterparts.

5. **Right of First Refusal.** During the term of this Lease, including any renewals, Lessor grants to Lessee the right of first refusal to purchase the Lessor's interest in the Property on terms which shall have been offered by any third party. The Lessor shall give written notice to Lessee of its intent to sell and the Lessee shall have 10 business days to meet the terms of any agreement to sell, by delivering to Lessor a written offer together with the same amount of earnest money as deposited by the third party.

WE, THE UNDERSIGNED, AGREE TO THIS LEASE:

LESSOR	LESSEE
OTIUM SANCTUM LLC	CANNA GET HAPPY, LLC
BY BLAIR MARTIN, Registered Agent	BY Sandra D Millhouse, Registered Agent
DATE: 6-7-24	DATE: 6-5-24

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STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THE FOREGOING INSTRUMENT was acknowledged before me this 7TH day of JUNE, 2024, by BLAIR MARTIN, Registered Agent, of OTIUM SANCTUM LLC, an Alaska limited liability company, on behalf of the company.

CHELSEA L. LEMES
My Commission Expires
NOTARY PUBLIC
Dec 28, 2024
STATE OF ALASKA

Notary Public for the State of Alaska
My Commission Expires 25DEC.2024

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THE FOREGOING INSTRUMENT was acknowledged before me this 5th day of June, 2024, by SANDRA D. MILLHOUSE, Registered Agent of CANNA GET HAPPY, LLC, an Alaska limited liability company, on behalf of the company.

Notary Public for the State of Alaska
My Commission Expires: 9-29-24

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OFFICIAL SEAL
MOLLY GREEN
NOTARY PUBLIC-STATE OF ALASKA
My Comm. Expires September 29, 2024

Addendum to Lease Agreement

For the subject proper located at 40593 Kalifornsky Beach Rd.,

Suites B & C,

Kenai Alaska 99611

Legally described as:

Lot 1, Carrol Martin subdivision No. 2, according to the Plat No. 94–82, Kenai, Alaska.

The following additions and statements, as pertaining to the previously signed and executed lease agreement denoting right of possession for the above mentioned property, in exchange for money, as specified in the original agreement, are to be, upon signing by the same duly responsible representatives for both parties, Blair Martin, as true and legal representative for Otium Sanctum, LLC, and Sandra D. Millhouse, as true and legal representative for Canna Get Happy, LLC are to be binding, and in all consideration made, identically legally binding and enforceable, as addendums to, and in all consideration henceforth, parts of, the original executive lease agreement document.

Additional Clause Addendum to Lease Agreement
Default and Eviction From/Vacation, Premises/Property by Tenant/Lessee

In the event of any default on the lease agreement, as is defined in the signed and executed lease agreement, by the Lessee, resulting in either the eviction from, or the voluntary vacation of the property/premises by the Lessee, the following statements are made, and the directive and procedures contained therein are to be strictly adhered to and enforced.

As is the Lessee is to be conducting business at the property as a **Cannabis, Retail Store and Marijuana Concentrate manufacturing facility, duly, and legally, licensed by the State of Alaska, to conduct business and commercial activity as such**, any plants, and any marijuana, marijuana products, marijuana waste materials, or any products associated with marijuana are to be viewed as falling directly under the strict regulatory provisions as set forth by the state of Alaska Alcohol and Marijuana Control Office (AMCO) and their applicable regulatory and enforcement divisions/ departments. To that end, in the event of any default on the lease agreement, and subsequent eviction from/vacation of the property and premises by the Lessee, the Lessor is to immediately secure the premises and property, and notify the property authorities (AMCO/AMCO Enforcement) of the default, eviction/vacation, and keep the premises secured, while **Not Confiscating Taking, Seizing, or in way removing any items from the premises/property until such a time as AMCO, or their representatives have been contacted, and provided either assistance or written**

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instructions/guidance, as to how the Lessor and or their agents are to proceed. The property/premises is to be secured, with absolutely no action concerning the removal of any marijuana related items to be removed without the express written direction of AMCO, the State of Alaska, or their authorized agents. This is to be done as a means of preventing any possible diversion of marijuana or marijuana products and is to be seen as part of and requisite to the execution of the Rental Lease Agreement.

Signed in agreement, by

Blair Martin, as true and legal representative for Otium Santum LLC

Sandra D Millhouse, as true and legal representative for Canna Get Happy, LLC

And witnessed by.

I certify that ~~Blair Martin and~~ Sandra D. Millhouse did appear before me and sign the foregoing document freely and voluntarily for the stated purposes and reasons set forth therein on the 5th day of June, 2024.

Molly Green

Notary Public in the State of Alaska

My Commission Expires 9-29-24

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NOTARY PUBLIC-STATE OF ALASKA
My Comm. Expires September 29, 2024

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ALASKA NOTARY ACKNOWLEDGEMENT
(INDIVIDUAL)

State of Alaska

3RD Judicial District

On this 7th day of JUNE in the year 2024, before me, the undersigned notary public, personally appeared: BLAIR MARTIN known to me to be the person(s) whose name(s) is/are subscribed to the within instrument described as; Addendum to Lease Agreement located at 40593 Kalifornsky Beach Rd Suites B & C Kenai AK 99611 and acknowledged that he executed the same for the purposes therein contained.

(Seal)

CHELSEA L. LEMES
My Commission Expires
NOTARY PUBLIC
Dec. 25, 2024
STATE OF ALASKA

Signature of Notary

CHELSEA L LEMES

My Commission Expires. 25 DEC 2024

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