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COMMERCIAL LEASE/RENTAL AGREEMENT

This Agreement made this 12th day of November, 2018, by and between:

Landlord:	Manolakais Inc
Address:	c/o Seward Properties 437 4th Ave Seward, AK 99664
and	
Tenant:	The Tufted Puffin LLC, "A Cannabis Retail Business"

In consideration of the mutual covenants contained herein and other good and valuable consideration, the parties hereto agree as follows:

1. Landlord's Representative

Tenant is hereby notified and acknowledges that Integrity Realty is authorized to manage the Premises on behalf of Landlord, and to act for and on behalf of Landlord for the purposes of collecting Rent, receiving service of process notices and demands, and enforcing the terms and conditions of this Agreement.

2. Premises

216 4th – Unit 2
Seward, AK 99664 (the "Premises")

Landlord hereby leases to the Tenant the above Premises upon the following terms and conditions.

3. Term

Original lease agreement signed on April 18th 2018 for a term of two years, commencing on the 20th day of April, 2018 and terminating on the 30th day of April, 2020.

Upon expiration of the Term, if the parties mutually agree to the Tenant's holding over of the Premises, this Agreement shall be extended for one additional one year periods on the existing terms or however may be negotiated between the parties. Should either party wish to renegotiate the terms of this Agreement or to allow the Tenant to hold over the Premises for an additional one-year period then the party wishing to renegotiate or hold over shall provide written notice to the other party indicating the desire to do so at least 90 days prior to the expiration of the then current term. Should the other party not be willing to renegotiate or allow the Tenant to hold over the Premises then the party must reject the other parties offer in writing at least 60 days prior to the expiration of the then current term. Should the parties continue to actively negotiate the terms of a hold over Agreement past the then current expiration of Agreement then the Tenant shall be permitted to continue to occupy the Premises at the then current terms of this Agreement until the parties complete their negotiation or one party issues a final best and final offer and provides the other party with a definitive and final termination date which shall be no less than 60 days from the date of the termination notice due to the failed negotiations.

If no hold over or renegotiation written notice is provided to the other party regarding this Agreement as described above then the Agreement shall terminate upon the expiration of the then current term and the Tenant shall relinquish the Premises back to the Landlord upon the expiration of the term. If the Tenant stays at the Premises past the expiration date of this Agreement, then by signing this Lease the Tenants are accepting notice in advance that they will be considered Trespassers and will be liable for up to 1.5 x damages when taken to court. No further notice of termination of tenancy will need to be delivered when this lease is signed and the Tenant acknowledges the Term of the Agreement

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4. Rent

The Rent from April 20th, 2018 through April 30th, 2018 shall be fully abated, and the Tenant shall pay zero dollars to the Landlord during this time. The Tenant will not be available for commercial business during this initial time period and shall be primarily performing tenant improvements at the sole expense of the Tenant.

The Rent from May 1st, 2018 through May 30th, 2018 shall be discounted to a total of one thousand dollars ($1000.00). The Tenant will not be available for commercial business during this initial time period and shall be primarily performing tenant improvements at the sole expense of the Tenant. Should Tenant be able to open the commercial business to the public then Tenant shall pay the full Rent as described below beginning on the opening day of the business and any additional rent amounts due shall be remitted to the Landlord within 5 days of the business opening.

The rent for the Premises from June 1st, 2018 through April 1st, 2019 shall be one thousand three hundred eighty five DOLLARS ($1385.00) which includes sales tax per month to be paid in advance on or before the first (1st) day of each month without demand or notice therefor. The rent for the premise for the remaining duration of the term of the lease, June 1st, 2019 through April 30th, 2020, shall be one thousand six hundred eighty five dollars ($1685.00) which includes sales tax per month to be paid in advance on or before the first (1st) day of each month without demand or notice therefor.

Any partial months rents shall be prorated for the number of days remaining in any given month. Any new rental rate adjustment due to the increased costs of utilities shall be capped such that the maximum rental rate shall be $2,035/month, unless Landlord can prove that utilities have increased even more significantly due to Tenant activity. The Landlord shall provide to Tenant any documents, invoices or other materials that the Landlord is relying upon to justify the increase in the utility expense. The Landlord and Tenant shall discuss how the Tenant shall modify its operations to address the increase in the utility expense.

Rent checks made to "Seward Properties".

Rent should be dropped off in the dropbox at the Seward Properties office at 437 4th Avenue, Seward, AK unless instructed otherwise. If mailed, they should be sent to Seward Properties, PO Box 1466, Seward, AK 99664 and have to arrive by the 1st of the month.

Each monthly Rent payment shall be paid by one check, or money order per month. Cash will not be accepted under any circumstances. All Rent and other payments to be made hereunder shall be made by mail or personal delivery to the Landlord at the address hereinbefore set out, or such other address as the Landlord may from time to time designate in writing to the Tenant. If Rent payments are being sent by regular mail, Tenant is responsible for ensuring that such payments are mailed with sufficient time to allow delivery by the 1st day of the month. If any Rent payment is hand delivered to the Landlord, Tenant should request a receipt from the Landlord as confirmation.

Partial rental payments will not be accepted. If all rent is not paid on or before the fifth (5th) day of the calendar month, the Tenant shall be charged a late fee of FIFTY DOLLARS ($50.00). In addition, the Tenant agrees to pay an administrative charge of TWENTY-FIVE DOLLARS ($25.00) for each NSF check, i.e. any check returned by the bank for non-sufficient funds. Late fees may be waived, at the Landlord's option, if Tenant notifies the Landlord at least 14 days prior to the due date for a Rent payment and the parties mutually agree to an alternate payment date.

5. Sales Tax

There is, levied by the Kenai Peninsula Borough, a consumer's sales tax of up to 3 percent maximum rate on all retail sales, on all rents, and on all services made or rendered within the borough, measured by the

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gross sales price of the seller. In addition to the tax levied by the borough, any municipality within the borough may levy a consumer's sales tax as provided by Alaska Statute which shall be reported, collected, and enforced according to the Statute. The sales tax referred to shall be applied only to the first $500.00 of each separate sale, rent or service transaction.

The sales tax rate is 4% for the City of Seward and 3% for KPB for a combined rate of 7%. This tax will be applied in addition to your total monthly rent and shall be paid along with the monthly rent in one check, money order or direct deposit. Because of the tax cap, any rent over $500 per month will only be charged an additional $35 tax fee per month rather than the full 7%.

6. Property Taxes

Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

7. Security Deposit

A security deposit One Thousand Four Hundred DOLLARS ($1400.00) collected from Tenant, receipt of which is hereby acknowledged, shall be held by the Landlord as security against loss from damage, nonpayment of rent, or any other breach of this Agreement by Tenant. Landlord shall deposit the security deposit in a non-interest bearing account for the Term of this Agreement, and shall promptly return the security deposit, or unused portion thereof (if any) within thirty (30) days of the Tenant vacating the Premises.

If the Premises requires additional cleaning, it shall be billed at the rate of the cleaning person hired and deducted from the security deposit.

It is expressly understood that Tenant shall not direct the Landlord to apply the security deposit as unpaid Rent or other charges during the Term of this Agreement.

8. Conditions for Tenants Use of Property

Tenant shall limit the use of the property and the improvements (and or changes to the property) to only those that have been approved of and that are listed in this agreement. Please state the intended use of this property and list the activities that you expect to take place during the use of this property and what changes will be made to premises. Please list who is responsible to pay for these changes and who retains ownership of these changes if any. Unless agreed to in writing Tenant will return property to the same condition it was in before tenant occupied this property.
Tenant is permitted to run a cannabis retail store at the premises. Tenant is responsible for cost of any/all tenant improvements. At the end of the lease, the Landlord will walk through with the tenant to decide if Tenant needs to return property, at Tenant's sole expense, to same condition as move in.
Only those things listed in this agreement have been authorized as uses for this property any activities other then those listed can be grounds to cancel this lease agreement.

9. Business Licenses

Tenant shall apply for and maintain any all licenses that are required by both the state of Alaska and the city of Seward. Should the tenant not acquire or maintain all such licenses, this can be grounds to void

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this rental agreement. The Business Owner is responsible for knowing what is required of them and to make sure they are in compliance with the law.

10. Non Smoking Policy

Due to the increased risk of fire, and the known health effects of secondhand tobacco smoke, smoking is prohibited in any area of the property, both private and common, whether enclosed or outdoors. The policy applies to all owners, tenants, guests, and servicepersons. The term "smoking" means inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, or other tobacco product in any manner or in any form. The tenant might forfeit all or a portion of their security deposit or be subject to eviction for violating the non smoking policy.

11. Utilities & Services

The following utilities and services shall be provided and/or paid for by the party indicated beside each item:

Service / Utility	Provided by	
	Landlord	Tenant
Electricity	L	
Gas / heating	L	
Water / sewer	L	
Internet		T
Garbage pick-up	L	
Smoke detector batteries		T
Light bulb replacements		T

12. Appliances & Furnishings

Any furniture, appliance or decoration which is supplied by the Landlord upon move in shall remain on the Premises and be in the same condition upon move out. Any personal item that belongs to the Landlord and was left for the Tenant is the responsibility for the Tenant to provide proper care and use. Any misuse will result in the Tenant paying for the damages or the damaged being assessed against the security deposit.

13. Inventory Inspection Checklist

The Tenant shall inspect the Premises and return a copy of the signed Inventory Inspection Checklist to the Landlord within seven (7) days after taking possession of the Premises. Tenant understands and agrees that failure to return the Inventory Inspection Checklist within the 7-day period will constitute the Tenant's acceptance and confirmation that the Premises are in good, clean, tenantable condition with no damage. If the Tenant fails to inspect the Premises before taking possession, or fails to make a written request of repairs prior to taking possession, the Tenant agrees to accept the Premises AS IS with no representations or warranties expressed or implied.

14. Keys

Tenant hereby acknowledges receipt of the following code and keys to the Premises: *2 door keys and front door code.* Tenant agrees to pay the actual costs of replacing the locks in the event that any keys are lost, stolen, broken or not returned when Tenant vacates the Premises.

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15. Pets

No pets or animals of any kind will be permitted on the Premises without the written consent of the Landlord. Any violation of this clause will be considered a breach of this Agreement and shall immediately give the Landlord the right to declare the Tenant in default. For each pet allowed by the Landlord, Tenant agrees to pay a refundable pet deposit of $200.00. If a pet is found on the premises (even if it is just there temporarily) without written consent of the Landlord, the Tenant will be charged a $500.00 damage fee and the pet shall be removed from the premises immediately. During the course of business operations, Tenant may allow retail customers which require "service animals" onto the Premises and this shall not be considered a default of this Agreement. Tenant requires a "service animal" for certain employees, compliance with this need shall not be considered a default under this Agreement. Tenant shall be responsible for any damage caused by Tenant's employees "service animals".

16. Landlord's Right of Entry

The Landlord reserves the right at all times to enter the Premises without notice or consent in the case of an emergency. The Landlord reserves the right, upon twenty-four (24) hours' notice to Tenant and during reasonable hours, to enter the Premises for making inspections, repairs, alterations, or improvements, to supply necessary or agreed services, or to show the Premises to potential or actual tenants, purchasers, mortgagees, workmen or contractors, and Tenant shall not unreasonably withhold consent to such entry. If Tenant refuses to allow Landlord lawful access to the Premises, the Landlord may obtain injunctive relief to compel access or terminate this Agreement.

17. Obligations of Tenant

The Tenant shall:

(a) maintain the Premises in a clean and sanitary condition;

(b) dispose of all trash and other waste in a clean and safe manner in the trash receptacles provided;

(c) use all electrical, plumbing, heating, air conditioning and other services, facilities and appliances in a safe, reasonable and energy-efficient manner;

(d) not intentionally or negligently damage, impair, destroy or remove all or any part of the Premises, furnishings, appliances, fixtures or appurtenances belonging to the Landlord;

(e) not engage in conduct, or allow any of Tenant's guests or invitees to engage in conduct, which is noisy or may be disturbing to other tenants or neighbors;

(f) make no alterations, repairs or renovations to the Premises without the express written consent of the Landlord;

(g) not sublet the Premises, assign this Agreement or transfer possession of the Premises without the express prior written consent of the Landlord;

(h) give prior written notice to the Landlord if Tenant and the other occupants will be absent from the Premises in excess of seven (7) days.

18. Repairs & Maintenance

Tenant shall not make any repairs without the express prior written consent of the Landlord. Tenant agrees to give the Landlord prompt notice of necessary repairs. The Landlord will make all necessary interior and exterior repairs to the Premises in a timely manner, to keep the Premises in a tenantable condition as prescribed by local or state housing ordinances. The Landlord shall commence repairs or

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cause repairs to be commenced to heating, plumbing or electrical failures within twenty-four (24) hours of receiving a request from the Tenant for such repairs. Tenant hereby agrees to pay for any repairs beyond normal wear and tear caused by the Tenant, Tenant's family, guests or invitees.

The Tenants are responsible for maintaining drains. If a bathtub or kitchen sink drain is clogged because of Tenant use (i.e. hair, food scraps), then the Tenant is responsible for having that fixed.

Sewer and septic systems are sensitive to items placed in them. DO NOT flush anything except toilet paper and human waste. Absolutely no paper towels, wipes, or feminine care products may be flushed down toilets.

19. Signs

Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.

20. Disturbances, Illegal Activities, Violations of Ordinances

The Tenant is responsible for the conduct of family members, guests and invitees. Violation of local housing ordinances and disturbances to neighbors will not be tolerated. If local law enforcement authorities are needed to enforce ordinances or control noise, the Tenant may be subject to eviction.

The Tenant shall not engage in conduct or allow any family member, guest or invitee on the Premises with expressed or implied permission to engage in conduct which is hazardous, dangerous or unlawful. In the event the Tenant or any invitee of the Tenant is convicted or diverted for a criminal offense occurring in or around the Premises, the Landlord shall have the right to terminate this Agreement immediately. Violation of this clause shall not only be a breach of this Agreement, but, in addition, the Tenant agrees to reimburse Landlord for any damages Landlord suffers by reason of any such violation.

21. Indemnification of Landlord

Tenant shall indemnify Landlord and its Manager (each an "Indemnitee") from and against each and every demand, suit, action, proceeding, claim, obligation, liability, cost, fee, award, penalty and judgment (each a "Claim"), which in any way arises out of, results from, or is based upon, in whole or in part, any act, omission, error or conduct in, on or about the Premises (each an "Occurrence") by Tenant, or any other person in, on or about the Premises with the express or implied consent of Tenant. Tenant shall, at its expense, defend each such Indemnitee against each such Claim which in any way arises out of, results from or is based upon any such Occurrence, regardless of its merit or lack of merit. Each such defense and indemnity obligation shall survive the expiration or sooner termination of this Agreement for any reason.

22. Tenant's Insurance

The Tenant understands and acknowledges that the Landlord's insurance coverage does not insure against loss or damage of Tenant's personal property on the Premises due to fire, theft, vandalism or other causes. Any losses incurred by Tenant shall be borne entirely by Tenant, and Tenant shall not hold or attempt to hold the Landlord responsible for any such loss or damage. It is recommended that Tenant obtain renter's insurance to cover Tenant's personal property against loss or damage.

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Tenant shall at all times maintain real property and liability insurance in sufficient amounts to cover any damage to the Property, or to persons or items (personal property) on the Property, arising from Tenant's operations on the property, **which policies shall name Landlord as an additional insured**. Tenant shall provide proof that such insurance is in place before they will be allowed to do business and proof that this insurance is being maintained will be provided upon request.
Please attach insurance documentation to lease or provide the information here.

Insurance company: _____

Insurance broker name and phone number: _____

Insurance policy number: _____
We may check from time to time to be sure the required insurance is being maintained. If the insurance lapses for any reason this lease agreement may be considered void at landlord's discretion.

23. Termination

Tenant hereby acknowledges Tenant's obligation to pay Rent for the full Term as set out in Section 3 hereof. If for any reason the Tenant vacates the Agreement early they are responsible for the remainder of the rent for the Term of the Agreement or until a new, qualified renter is found. Any Tenant vacating a Lease early, whether by their own choice or because they violated a term on this Agreement, will be responsible for paying the replacement fee for finding a new renter which is 50% of one full month's rent - in addition to the rent owed. This cost can be taken out of the security deposit.

Upon termination of this Agreement, Tenant shall surrender the Premises in as good a condition as it was in when Tenant took possession, normal wear and tear excepted. All keys, and any copies made of such keys, must be returned upon Tenant's vacating the Premises. Failure to return the keys at such time will result in Tenant being charged Rent on a daily pro rated basis until all keys are returned or the locks changed, and the actual charges for such lock replacement will be deducted from the security deposit.

24. Extended Absences by Tenant

Tenant shall notify Landlord in advance if Tenant will be away from the Premises for seven (7) or more consecutive days. During such absence, Landlord may enter the Premises at times reasonably necessary to maintain the Premises and inspect for needed repairs. If such absences are customary and frequent, Tenant agrees to provide Landlord with a schedule outlining the expected frequency and duration of Tenant's extended absences throughout the term of this Lease.

The Tenant is responsible for having someone check on the Property regularly while they are out of town. It is not the responsibility of the Landlord to check on the Property. The Tenant shall supply contact information for the house sitter to the Landlord and vice versa in case of emergency.

25. Abandonment

Abandonment shall be defined as the absence of the Tenant from the Premises for a period of seven (7) or more consecutive days while rent or any monies owing remain unpaid. In such event, Tenant will be considered in default of this Lease. This definition is subordinate to, and shall not in any way impair, the rights and remedies of Landlord under this Lease and/or applicable law, except in the case of abandonment, Landlord or Landlord's agents may immediately or any time thereafter enter and re-take the Premises and terminate this Lease without notice to Tenant.

26. Default in Payment of Rent

If Tenant shall default in the payment of Rent when due, a seven (7) Demand for Rent Notice shall be issued. If Tenant fails to pay the Rent within the time specified in the Notice, the tenancy will terminate

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and the Landlord may seek a court order to immediately recover possession of the Premises. No second Demand for Rent Notice will be given. The Landlord/lessor will not take possession of or remove marijuana from the premises, and AMCO will be contacted In the event that the tenant defaults In the payment of rent.

27. Breach of Agreement

If Tenant shall fail to keep or perform any of the covenants or agreements herein contained, the Landlord may deliver written notice giving Tenant ten (10) days to cure the breach, failing which this Agreement will terminate in twenty (20) days and Landlord may seek a court order to recover possession. If Tenant fails to exercise due care and substantially the same breach occurs within six (6) months of the first occurrence, the Landlord may terminate the Agreement upon giving Tenant five (5) days written notice. Tenant acknowledges and agrees that this provision constitutes a continuing demand for Rent on the first (1st) day of each month during which it remains in effect.

28. Miscellaneous Provisions

a) The State of Alaska requires the registration of sex offenders residing within the State of Alaska (AS 12.63.010). As a tenant it is your responsibility to independently investigate and verify for yourself the acceptability of a property with respect to these issues (AS 34.70.050). www.dps.state.ak.us

b) *Amendments:* This Agreement may not be modified or amended except in writing and executed by both of the parties.

c) *Jurisdiction:* The parties agree that if any legal action pertaining to the enforcement of this Agreement or any of its provisions is initiated by any party to the subject Lease, the jurisdiction and venue for said action shall lie exclusively with the Courts of the Third Judicial District for the State of Alaska.

d) *Entire Agreement:* This Agreement shall constitute the entire agreement between the parties hereto, and no other agreement unless in writing and signed by the parties hereto shall be binding upon the parties with respect to the subject Premises. If the Landlord, its agents or employees have made any representations or promises with respect to any part of the Premises, the same shall not be valid unless reduced to writing and incorporated herein.

e) *Obligations Joint and Several:* In the event the Premises is rented to one or more individuals as the Tenant hereunder, each of the individuals shall be jointly and severally liable for the entire rent due and the performance of the terms and conditions of this Agreement. Each individual Tenant understands and acknowledges that there is joint and several responsibility with respect to the Premises and, accordingly, must exercise responsibility to see that the Premises is maintained in good order and repair and that the rental account is kept current.

f) *Severability:* In the event any provision of this Agreement shall be held invalid, such provisions shall be deemed severable and the remaining provisions hereof shall remain in full force and effect.

g) *No Waiver:* No delay or failure on the part of the Landlord in insisting upon the strict performance of the terms hereof or in exercising any remedy or right under this Agreement shall operate as a waiver of such remedy or right.

29. Notices

All notices required or permitted to be given pursuant to this Agreement shall be delivered by hand to the party for which it is intended, or sent by regular mail to the party to the address for the party as set out in the preamble of this Agreement or to such other address as either party may stipulate by notice to the other.

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Additional Tenancy Clauses

- *The back alley entrance is not to be used by customers.*
- *Cleaning and stocking the bathrooms and hallways are a joint responsibility between tenants. Tenants are responsible for any cleaning needed because of customers who visited their space.*

SEWARD PROPERTIES

11/12/18
Date

By: Allyson Pike
Allyson Pike, Landlord's Property Manager/Authorized Agent

11/12/2018 3:51:26 PM PST
Date

DocuSigned by:
66CFF13487E94D9...
Manolakakis Inc c/o Konstantinos Manolakakis

11/12/18
Date

The Tufted Puffin LLC c/o Randy Wells

Tenant: (Please put all contact information down) address:

Telephone numbers: 907-947-3349

Email Address: tuftedpuffinLLC@gmail.com

Emergency Contacts names and numbers: Jennifer Wells 907-947-3349

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