COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT is made this1st day of October, 2019, by and between Russell Turgeon (hereinafter "Lessor") and David Parker ,FAT TOPS LLC(hereinafter "Lessee"), as follows:

1. **PREMISES.** Lessor hereby leases to Lessee, and Lessee does hereby lease from Lessor, a portion of the property located at 35975 Kenail Spur Hwy, which legal description is attached hereto as Exhibit A (the "Premises"). In particular, Lessee shall have that portion of the Premises identified as follows:

2. **PURPOSE.** The Premises is to be used for the purpose of any lawful business operation, and activities incident thereto. The Premises shall be used for no other purpose without the written consent of Lessor. Lessee shall not use the Premises for illegal or unsafe purposes.

3. **TERM.** The term of the Lease shall be 1 (One) years beginning the 1st day of October, 2019, and ending the 30th day of September, 2020. Tennant may exercise up to 4 additional One year options for premises and must notify Lessor in writing no later than 60 days prior to the expiration of the expiring lease period.

4. **RENT.** Lessee shall pay Lessor Two Thousand Nine Hundred forty Dollars ($2940.00) in advance on the first day of each month . The Rent will increase in each option period by five percent (5%) annually on the anniversary of the Lease. Lessee shall also be responsible for payment of all electricity and gas used at the Premises, as well as property tax and property insurance. Failure to pay the electricity shall constitute failure to pay rent. All late fees and other liquidated damages associated with failure to pay rent shall apply.

5. **SECURITY DEPOSIT.** As a security deposit, Lessee has paid to Lessor the sum of
$ 2800, the receipt of which is hereby acknowledged. If Lessee fully complies with all provisions of this Lease, the amount shall be returned to Lessee within ten(10) days after expiration of the Lease term and vacation of the Premises.

6. **REPAIRS.** The Premises have been inspected and are accepted by Lessee in its present condition. Lessee will at all times keep the Premises neat, clean and in a sanitary condition. All repairs shall be at Lessee's sole cost and expense.

7. **INSURANCE.** Lessee shall maintain General Liability Insurance Protection Policy of up to One Million Dollars ($1,000,000) for any and all damage claims related to property or any personal injury claims by third parties It shall also carry standard policy fire and other catastrophic insurance. Lessee shall name Lessor as an additional insured and provide proof of insurance to Lessor.

8. **ACCEPTANCE OF PREMISES.** Lessee accepts the Premises subject to all local, state and federal laws, regulations and ordinances. Lessor makes no representation or warranty that the Premises are now or in the future will be suitable for Lessee's use. Lessee has made its own investigation regarding all applicable laws and does not rely on any representations or statements of Lessor or any of its agents or representatives. Lessor shall be

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entitled to retake the Premises in the event any governmental entity shuts down or challenges the operation of Lessee's business during the term of this Lease.

9. **WASTE.** Lessee will permit no waste, damage or injury to the Premises and at Lessee's own cost and expense, will keep all drainage pipes free and clear and will protect water, heating and other pipes so that they will not freeze or become clogged.

10. **ACCIDENTS.** All personal property kept on the Premises shall be at the risk of Lessee. Lessor shall not be liable for any damage, either to any person or property, sustained by Lessee, any invitees, employees or customers, caused by any current or future defect in the Premises, any part becoming in need of repair, caused by fire, or from any accident in and about said Premises. Lessee further agrees to defend, indemnify and hold Lessor harmless from any and all claims for damages suffered or alleged to be suffered in or about the Premises by any third person.

11. **LIENS AND INSOLVENCY.** Lessee shall keep the Premises free from liens arising out of any work performed, materials furnished or obligations incurred by Lessee. Should Lessee become insolvent, file voluntarily or be forced into involuntarily bankruptcy proceedings, or if a receiver, assignee or other liquidating officer is appointed for the business of the Lease, Lessor may cancel this Lease at its option.

12. **ACCESS.** Lessor shall have 24-hour access to the Premises. Lessee will allow Lessor free access at all reasonable times to the Premises for inspection or making repairs, additions or alterations, but the right shall not be construed as an agreement by the Lessor to make any repairs.

13. **FIRE AND OTHER CASUALTY.** Should the Premises be destroyed or damaged by fire, earthquake or other casualty to such an extent as to render the same untenantable in a substantial part, it shall be optional for Lessor to rebuild or repair the same, or terminate this Lease.

14. **SIGNS.** All signs or symbols placed on the Premises by Lessee shall be subject to the prior approval of Lessor.

15. **ALTERATIONS.** Lessee shall not make any alteration, addition or improvement to the Premises, without the written consent of Lessor. All alterations, additions and improvements shall be at the sole cost and expense of Lessee, and shall become the property of Lessor and be surrendered with the Premises at the termination of this Lease, unless Lessor requests that they be removed. Lessee agrees to comply with all laws, ordinances, rules and regulations of the pertinent and authorized public authorities. Lessee further agrees to save Lessor free and harmless from damage, loss or expense arising out of the work. Specifically, any item attached in any fashion to the Premises shall remain on the Premises upon termination or expiration of the Lease. Lessee may not change any locks on the Premises. An unauthorized change of locks by Lessee shall be considered a basis upon which Lessor may terminate the Lease.

16. **HAZARDOUS MATERIALS:** Lessee shall not use, store, generate, release or dispose of any hazardous material on the Premises. However, Lessee is permitted to make sure of such materials that are required to be used in the normal course of its business provided that Lessee complies with all applicable laws. Lessee is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Lessee, and will hold Lessor harmless from any claims or liabilities arising therefrom, including but not limited to, reimbursement of Lessor's attorney's fees and costs. Lessee shall have no responsibility for

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any liability resulting from any hazardous materials placed or left on the property prior to Lessee's occupancy of the Premises.

17. **DEFAULT AND RE-ENTRY.** If Lessee defaults under any of this Agreement's terms, Lessor will give to Lessee a written notice of the default. Lessee has three (3) business days from receipt of this notice to cure the default. If Lessee does not cure the default, Lessor may cancel this Lease upon giving notice required by law and re-enter the Premises. Notwithstanding such re-entry by Lessor, the liability of Lessee for the rent shall not be extinguished for the balance of the Lease term and Lessee agrees to reimburse Lessor any deficiency arising from a re-entry and re-letting of the Premises.

18. **LATE CHARGES.** Lessee acknowledges that either late payment of rent or issue of NSF check may cause Lessor to incur costs and expenses. If any rent payment is not received by Lessor within five (5) calendar days after it is due, or if a check is returned NSF, Lessee shall pay to Lessor a fifteen percent (15%) late fee, plus eighteen percent (18%) interest per annum on the delinquent amount, and One Hundred Dollars ($100.00) as a NSF fee for any returned checks. Any late charge, delinquent interest, or NSF fee shall be paid with the current installment of rent. Lessor's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Lessee. Lessor's right to collect a late charge or NSF fee shall not be deemed an extension of the date rent is due or prevent Lessor from exercising any other rights and remedies under this Lease or allowable by law. Lessor and Lessee acknowledge that the late fee is a reasonable liquidated damage based on the estimate of additional administrative and other possible expenses resulting from a default and the nature of this Lease.

19. **VACATING PREMISES.** Lessee agrees that at the expiration or sooner termination of this Lease, Lessee will quit and surrender the Premises without notice, and in a neat and clean condition, and shall deliver all keys belonging to said premises to Lessor. Lessor shall have the right to show the Premises to interested parties ninety (90) days prior to the expiration of this Lease.

20. **ASSIGNMENT.** Lessee shall not let or sublet the Premises or assign this Lease without the prior written consent of Lessor.

21. **COSTS AND ATTORNEY'S FEES.** In the event a lawsuit or other action is brought regarding the obligations contained in this Lease, the substantially prevailing party shall be entitled to reimbursement of its reasonable attorney's fees and costs incurred in the action from the non-prevailing party.

22. **NON-WAIVER OF BREACH.** The failure of Lessor to insist upon strict performance of any of the covenant of this Lease shall not be construed as a waiver or relinquishment of any such right and the same shall remain in full force and effect.

23. **REMOVAL OF PROPERTY.** Should Lessor re-enter the Premises after a default by Lessee, Lessor shall have the right, but not the obligation, to remove all of Lessee's personal property and may store the same in any place selected by Lessor at the expense and risk of the owners. Lessor shall have the right to sell such stored property, without notice to Lessee. After it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee.

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24. INDEMNIFICATION. Lessee shall indemnify, defend and hold Lessor harmless from all claims, disputes, litigations, judgments, liabilities and attorney's fees and costs arising out of Lessee's use of the Premises.

25. HEIRS AND SUCCESSORS. Subject to the provisions hereof pertaining to assignment and subletting, this Lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

26. HOLD-OVER. This Lease shall terminate upon the expiration of the term provided for in Paragraph 3 and there shall be no right of Lessee to holdover its tenancy.

27. NOTICES. Any notice required to be served in accordance with the terms of this Lease shall be sent by registered mail to the addressees below.

Lessor: Russ Turgeon
P.O. Box 69022
Seattle, WA 98168

Lessee: _____
_____
_____

Lessee agrees to respect the privacy and business needs of all co-tenants, including Lessor. Any discussions or meetings between the parties must be arranged in advance via e-mail. Lessee's failure to abide by this term shall constitute an offense by which this Lease may be terminated upon three (3) days notice. Impromptu meetings are unacceptable.

28. MERGER. All prior negotiations and agreements between the parties are merged within this document. Except as set forth herein, all prior negotiations and any possible verbal agreements are null and void. This Agreement may not be modified verbally, but must be memorialized in writing.

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

LESSOR:

By:
Its: Russell Turgeon
10/1/19

LESSEE:

By: David R. Parker
Its: Fat Tops LLC
member/owner
David R. Parker, Individually

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ADDENDUM TO COMMERCIAL LEASE AGREEMENT

October 1, 2019

I, Russell Turgeon, the owner/Landlord of the property located at 35975 Kenai Spur Highway leased to Fat Tops Retail Store. Upon a possible default of the Lease, I will not remove or take possession of any Marijuana or Marijuana products left at the property and will notify AMCO Enforcement immediately.

Russell Turgeon 10/1/19

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