Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Arctic Greenery, LLC	**License Number:**	10286		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	ARCTIC GREENERY, LLC				
Physical Address:	1725 Richardson Highway				
City:	North Pole	**State:**	AK	**Zip Code:**	99705
Designated Licensee:	Sherry Gilbert				
Email Address:	sgilbert@gci.net				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Proof of Possession for Proposed Premises

OFFICE USE ONLY					
Received Date:		Payment Submitted Y/N:		Transaction #:	

COMMERCIAL LEASE

This Lease is made between **CGH Holdings, LLC** ("Lessor"), and **Artic Greenery, LLC** ("Lessee/Tenant"). Tenant hereby offers to lease from Lessor the real property located in the City of Fairbanks, State of Alaska, at the address of **1725 Richardson Highway Suite #101, 102, 103, 104, 105, 107 & 109 North Pole, Alaska, 99705** (the "Real Property"), as illustrated on the attached diagram (see attachment A), upon the following terms and conditions. (This document shall hereafter be referred to as the "Lease").

1. **Term and Rent.** This is a lease agreement dated 15 January 2017 between CGH Holdings LLC, landlord, and Arctic Greenery, tenant, for the property located at 1725 Richardson Highway, Fairbanks, AK 99705, described as Lot 1 Midway Industrial Park Out of TL 2732 Sec. 27 T1S R1E. The duration of this lease shall be until July 2023. Tenant shall be responsible for $3600 per month rent, plus all the utilities, insurance, taxes, and all other expenses related to keeping the property operating. Landlord shall also receive 33.33% of net income from all businesses operated by Arctic Greenery on the property. The lease payment is the responsibility of tenant and shall come out of their share of the proceeds, after landlord has received his 33.33% share. Tenant shall provide a monthly accounting of income and expenditures, and shares shall be distributed monthly. However, landlord may audit the accounting procedures at any time.

2. **Security Deposit.** No security deposit is required.

3. **Access.** The tenant shall have twenty-four (24) hours a day, seven (7) days a week access to the Real Property.

4. **Use.** Tenant shall use and occupy the Real Property for the commercial purpose of cannabis production, processing, handling, storage, shipping and retail. Other uses are allowed with prior written consent of the Lessor.

5. **Improvements.** All capital improvements made by the tenant shall remain with the property at termination of the lease. However, trade fixtures belonging to tenants will be removed prior to release; these include fans, cultivation lights, cultivation equipment.

6. **Care and Maintenance of Real Property.** The Lessor shall be responsible for maintenance and repair of the Real Property. Tenant shall assist the Lessor in maintaining the Real Property in good and safe condition.

7. **Alterations.** Tenant shall not, without first obtaining the consent of Lessor, make any alternations, additions, or improvements, in, to or about the Real Property,

8. **Ordinances and Statutes.** Tenant shall comply with all statutes, ordinances, regulations, covenants, conditions and requirements of all municipal and state authorities now in force, or which may hereafter be in force, pertaining to the Real Property, occasioned by or affecting the use thereof by Tenant.

9. **Utilities and Services**. Tenant shall be responsible for all power. Lessor shall be responsible for providing water and garbage services for the Real Property.

10. **Assignment and Subletting.** Tenant shall be allowed to assign this Lease or sublet any portion of the Real Property with prior written consent of the Lessor.

11. **Entry and Inspection**. Tenant shall permit Lessor or Lessor's agents (and/or Lessor's lenders and/or their agents and representatives) to enter upon the Real Property at reasonable times and upon 48 hour notice, for the purpose of inspecting the same, and will permit Lessor at any time within ninety (90) days prior to the expiration of this Lease, to place upon the Real Property any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the Real Property thereafter.

12. **Arbitration**. Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgement granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

13. **Indemnification of Lessor**. Lessor shall not be liable for any damage or injury to Tenant, or any other person, or to any property, occurring on the Real Property or any part thereof, and Tenant agrees to indemnify and hold Lessor harmless from any claims for damages, no matter how caused, except for those caused by the sole negligence or sole unlawful conduct of Lessor.

14. **Destruction of Real Property.** In the event of a partial destruction of the Real Property during the term hereof, from any cause, Lessor shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations; but, such partial destruction shall not terminate this Lease, except that Tenant shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Tenant on the Real Property. If such repairs cannot be made within said sixty (60) days, Lessor, in Lessor's sole discretion and option, may make the repairs within a reasonable time, this Lease continuing in effect with the rent proportionately abated as provided in the preceding sentence, and in the event that Lessor shall not elect to make such repairs, which cannot be made within sixty (60) days, this Lease may be terminated at the option of either party. In the event that the building in which the Real Property may be situated is destroyed to an extent of not less than one-third of the replacement costs thereof, Lessor may elect to terminate this Lease whether the Real Property be injured or

not. A total destruction of the building in which the Real Property may be situated shall terminate this Lease.

15. **Lessor's Remedies on Default.** If the Tenant defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Tenant notice of such default and if Tenant does not cure any such default within *60 d*ays, after the giving of such notice or if such other default is of such nature that it cannot be completely cured within such period, if Tenant does not commence such curing within 60 days and thereafter proceed with reasonable diligence and good faith to cure such default, then Lessor may terminate this Lease and all rights of Lessee under this Lease by such written notice. If it so terminates on the date specified in such notice the term of this Lease shall terminate, and Tenant shall then quit and surrender the Real Property to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Real Property by any lawful means and remove Tenant or other occupants and their effects. No failure to enforce any term shall be deemed a waiver.

    No act of Lessor shall be construed as terminating this Lease except written notice given by Lessor to Tenant advising Tenant that Lessor elects to terminate the Lease. In the event Lessor elects to terminate this Lease, Lessor may recover from Tenant.

16. **Insurance**. The Lessor share maintain casualty insurance for the Real Property. The Tenant will maintain liability insurance in a total aggregate sum of at least $1,000,000.00.

17. **Waiver**. No failure of Lessor to enforce any term hereof shall be deemed to be a waiver.

18. **Heirs, Assigns, Successors.** This Lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest.

19. **Notices.** Any notice which either party may or is required to give, shall be given by personal delivery or mailing the same to Tenant at the Real Property (or at the address indicated below), or Lessor at the address specified below, or at such other places as may be designated by the parties from time to time.

20. **Time of Essence.** Time is of the essence in the performance of this Agreement.

21. **Entire Agreement**. The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

Signed this 12th day of January, 2017.

LESSOR:

By: _____

James Chumbley

(Print Name and Title)

Owner CGH Holdings LLC

TENANT:

By: _____

Brandon Gilbert

Arctic Greenery, LLC

(Print Name and Title)

By: _____

Sherry Gilbert - Tenant

(Print Name and Title)

Arctic Greenery, LLC

ASSIGNMENT AND CONVEYANCE OF MEMBERSHIP INTERESTS

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Richard L. Gingras, Martha Gingras, Robert Gingras, Richard A. Gingras and Russell Gingras hereby assign, transfer and convey all of their membership interests in CGH Holdings LLC, an Alaska limited liability company, to James Chumbley.

IN WITNESS WHEREOF the parties have executed this agreement to be valid and effective on September 9, 2016.

Richard L. Gingras

Martha Gingras

Robert Gingras

Richard A. Gingras

Russell Gingras

Prepurchase Agreement 31 May 2016

This is an addendum to the purchase agreement dated 18 May 2016 between CGH Holdings LLC, sellers, and Sherry Gilbert and Brandon Gilbert, buyers, for the property located at 1725 Richardson Highway, legal description Lot 1 Midway Industrial Park TL 2732 out of Section 27 T1S-R1E. A monthly payment of $3600 beginning on June 1, 2016 shall be due and collected on the first of the month thereafter until closing. Of this, $2400 shall be applied to principal and shall reduce the original loan amount of $360,000 accordingly at closing. The $3600 shall come out of the $20,000 earnest money already deposited by the Gilbert family, but shall not be part of the $90,000 down payment. If the sellers default on the purchase agreement for any reason, the Gilbert family shall be refunded all monies paid to date in full. Since these monies shall be reducing the amount of the loan paid solely to James Chumbley, member CGH Holdings LLC, only his signature shall be required on this document.

James Chumbley

31 May 2016

Sherry Gilbert

8-18-16

Brandon Gilbert

8-18-16