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:	AK Aurora Blooms LLC	**License Number:**	12328		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AK AURORA BLOOMS LLC				
Physical Address:	2693 Arla Street				
City:	Fairbanks	**State:**	AK	**Zip Code:**	99709
Designated Licensee:	Branden Roybal				
Email Address:	brandenroybal@yahoo.com				

Section 2 – Attached Items

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

Attached Items:	Lease

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

LEASE OF SPACE

THIS LEASE, made this 10 day of May 2017, between

Double G Investments
P.O Box 10690
Fairbanks, AK 99710

hereinafter referred to as the Lessor, and

AK Aurora Blooms LLC

hereinafter referred to as the Lessee,

WITNESSETH:

In consideration of the mutual covenants of the parties hereto, it is agreed as follows:

1. Demise of the Premises.

The Lessor hereby leases to the Lessee the real property described as: 16,000 Sq Ft of the building located at 2693 Arla Street Fairbanks AK 99709 (EXHIBIT A).

That real property and those improvements are referred to in this agreement as "the premises."

2. Term.

The term of this agreement shall be for Three Million Eight Hundred Forty Thousand (120) months, commencing May 1, 2017, and ending at midnight 1 May 2027 .

Lessee shall be permitted to assume occupancy on completion of premises.

3. Rent.

a.) The Lessee shall pay to the Lessor as rent for the premises the sum of $3,840,000(Three Million Eight Hundred Forty Thousand) dollars together with such other sums as may be assessed by the Lessor under other provisions of this lease.

b.) The Lessee shall pay to the Lessor the rent described in the preceding paragraph in monthly installments each and every month of the lease term, in advance without prior demand, with each monthly installment of rent payable in the amount, according to the following schedule:

120 (one hundred twenty) months at $ 32,000 per month.

The Lessor agrees to defer the first six month's rent totaling $192,000 This amount will be divided by 12, equaling $16,000 – this amount is to be added to the lease payments November 2017 through April 2018. Therefore, the monthly lease payments through April 2018 will total $48,000

c.) The Lessee shall pay a 1% escalator on the rent on a yearly basis.

d.) Absent written agreement to the contrary, rent shall be due from the time the Lessee first enters into possession, and in no event later than the first day of the term and the first day of each succeeding month. Rent shall be paid by the Lessee to the Lessor at **188 Bentley Trust Road Fairbanks AK 99701.** Rent not received at that address within ten (10) days of the date upon which it was due shall be in default and shall bear a five-percent (5.00%) late fee. Unpaid late fee shall be treated as rent for all purposes under this lease.

e.) To secure the full faithful performance of the terms and provisions of this lease, the Lessee agrees to pay to the Lessor at the date this lease is signed, and in any event, absent written consent of the Lessor, before assuming occupancy, a security deposit in the amount of $32,000 dollars. The security deposit shall be held by the Lessor, without interest, until the termination of the lease. Within fifteen (15) days of termination of the lease, the Lessor shall pay to the Lessee, without interest, the balance of the security deposit, less any damage recoverable under paragraph 19. The Lessor's signature upon the Receipt of Security Deposit at the end of this lease shall be an acknowledgment of receipt of that security deposit; the Lessor's execution of this lease shall not be an acknowledgment that the security deposit has been paid.

4. Additional Charges.

In addition to the rent provided for hereunder, and commencing at the same time as any rental commences under this lease, Tenant shall pay to Landlord the following items herein called Additional Charges:

(a) Real Estate Taxes and Insurance Premiums.
Real estate taxes shall include a pro-rated share of real estate taxes and assessments, which are levied on rents and properties.

(b) Utilities.
Utilities shall include (a) electrical service to the premises and parking lot headbolts, (b) water and wastewater service to the premises, (c) heat and air conditioning to the premises.

(c) Trash Removal.
Lessee shall pay for the removal of their own trash from the premises in a timely and sanitary manner.

5. Real Estate Services.

Parties acknowledge that no real estate fees are owed.

6. Option.

Provided Lessee is not in default of the provisions of this lease, Lessee shall have the option to extend the term of the lease on the same terms and conditions of the original lease except for monthly rent and additional charges for an additional **five (5)** year term. Lessee shall provide Lessor written notice of intent to exercise this option at least **ninety (90)** days before the expiration of initial term.

(a) Option Rent.
Option term shall be at a monthly rental rate of the monthly rental amount paid during the fifth year of the original term plus a 1% increase per annum.

(b) Option Additional Charges.
The additional charges described in section (4) of this lease agreement shall be the pro-rated amount for the premises.

7. Use of Premises.

(a) Use of the property shall be limited to all lawful activities including but not limited to all activities associated with a State of Alaska licensed/legal cannabis cultivating company.

(b) The Lessee shall at all times keep the premises in a neat, clean, attractive and orderly condition and in good repair, and shall permit the Lessor or its authorized agent to enter onto and inspect the use and condition of the property during regular business hours.

(c) The Lessee shall comply with and abide by all requirements of the codes and ordinances of the Fairbanks North Star Borough and any applicable laws of the State of Alaska or the United States of America.

(d) The Lessee shall not construct or install fixtures, partitions, or other improvements for the Lessee's use, or make structural alterations and changes thereto without the prior written consent of the Lessor, and only in accordance with the plans and specifications previously submitted to and approved by the Lessor and any governmental unit or regulatory agency having authority to review the plans and specifications.

(e) The Lessee shall at termination of this lease, whether a voluntary or involuntary termination, vacate and surrender the premises to the Lessor or its designee in good repair and in as clean a state or condition as the premises are in at the date this lease commences, normal wear and tear excepted.

(f) Lessee shall make all major repairs or necessary replacements to the structure, foundation, roof and exterior of the premises and the building and the electrical, plumbing, and HVAC systems. Lessee will be responsible for normal maintenance to the electrical, plumbing, and HVAC system.

8. Assignment and Subletting.

(a) The Lessee shall not assign, transfer or encumber this agreement or the property described in this agreement or permit occupancy of the property by any other person without prior written consent of the Lessor. The Lessor shall have the absolute right to refuse any proposed assignment or sublease if the proposed assignee or purposed sublessee intends to change the character of the use of the premises, or if the financial condition of the proposed assignee or purposed lessee is not as good or better than the financial condition of the Lessee at the commencement of this lease.

(b) Nothing contained in this lease shall be interpreted to impair or affect in any way the right of the Lessor to assign, sublet, encumber or impair its rights under this lease to any person as security, to obtain financing, or for any other commercial purpose, provided only that the assignment does not materially impair the Lessor's covenant of quiet enjoyment to the Lessee under paragraph 16.

9. Discharge of Liens by Lessee.

Tenant shall pay and settle all expenses and liabilities arising out of or in any way connected with any and all construction, repairs, alterations, or maintenance of the premises, and all liens of a similar character, arising out of or growing out of the construction, repair, alteration or maintenance of the premises.

10. Damages and Indemnity.

(a) The Lessee shall indemnify harmless and defend the Lessor and its agents from any and all liability to any person or person for damages, claims, suites, liabilities, costs and expenses arising directly or indirectly from the Lessee's occupancy and use of the property, or arising from acts by the Lessee, its agents, servants, employees, customers, sub-lessees and contractors.

(b) All property of every kind which may be on the property during the term of this agreement, including, without limitation, inventory and equipment of the Lessee upon the premises, shall be at the sole risk of the Lessee or those claiming under it, and the Lessor shall not be liable to the Lessee, its agents, employees, tenants, subtenants or any other persons whatsoever for injury or death to any person or injury to or loss of any property in or upon the property which may arise or be alleged to arise by reason of or in connection with the Lessee's use and occupancy of the property during the term of this lease. The Lessee hereby covenants and agrees to assume any and all liability and expense thereof, excluding damage caused by Lessor, and to save the Lessor harmless therefrom.

11. Risk of Loss.

The Lessee shall bear all risk of loss as to all personal property of the Lessee stored, placed or remaining on or near the premises, including, without limitation, inventory, equipment, fixtures and employee persona effects, and the Lessee agrees to indemnify, hold harmless and defend the Lessor from any and all liability, of any kind whatsoever, arising from any allegations of loss, destruction theft or damages to all such property, except where the claim alleges that the losses arose from the negligent or willful acts of the Lessor.

12. Insurance.

The Lessor shall obtain and keep in force during the term of this agreement property damage insurance to cover the structure.

However, the contents of the premises are not insured by the terms of the Lessor's policy and the Lessee expressly assumes the risk of loss as to all personal property stored therein. All insurance policies obtained by Lessee as required by the paragraph shall contain and express waiver of any right of subrogation by said insurance company against the Lessor.

13. Reimbursement for Funds Expended by Lessor.

After such notice, if any, as the Lessee by the terms of this lease may be entitled to receive, and in the event the Lessor shall pay or be compelled to pay any sum of money or do any act that shall require the expenditure or payment of any sum of money by reason of the failure by the Lessee to perform any one or more of the terms, covenants, conditions and agreements contained in this lease, the Lessee immediately shall repay the same to the Lessor upon demand, and if the Lessee shall fail to do so immediately repay those monies, then the sum or sums so paid by the Lessor, together with interest, costs and damages, shall be added as additional rent to the next installment of rent becoming due on the next rent day, or on any subsequent rent day fixed by this lease, and shall for all purposes whatsoever be deemed to be rent due and payable on such rent day, or in any subsequent rent day, as the Lessor at the Lessor's option, may elect, and shall be payable

as such. However, it is expressly covenanted and agreed that payment by the Lessor of any such sum or sums of money or the doing of any such act or acts shall not be deemed to waive or release the default in performance of those acts or the default in payment of those sums or the right of the Lessor to recover possession, at the Lessor's election, of the premises by reason of the Lessee's default with respect to any such payment or act.

14. Prevention of Waste and Maintenance of Property.

The Lessee shall not cause or permit any waste, damage or injury to the premises, and, at its own expense, shall keep the premises in the same or better order or repair as they are at the commencement of this lease, normal wear and tear excepted. The Lessee shall not allow or permit Lessee's customer and clients to leave litter, debris or garbage either inside or outside of the premises.

15. Termination and Condemnation.

If at any time during the term of this lease, the premises shall be taken for any public or quasi-public use, under any statue, or by right of eminent domain, then, in that event, when possession shall have been taken thereunder of the premises by the condemning authority, the term granted under this lease and all right of the Lessee under this lease shall immediately cease and terminate, and the rent shall be apportioned and paid to the date of that event. Nothing contained in this paragraph shall be a waiver, express or implied, of the Lessor and the Lessee of their rights to assert claims for damages for condemnation by any such condemning authority.

16. Destruction of Premises.

Partial destruction of the premises shall not render this lease void or voidable, and shall not terminate it except as is provided in this paragraph. If the premises are partially destroyed during the term of the lease, the Lessor shall repair them when those repairs can be made in conformity with government laws and regulations, and within one hundred twenty (120) days of the partial destruction. Written notice of the Lessor's intention to repair the premises shall be given to the Lessee within fifteen (15) days after any partial destruction. Rent shall be reduced proportionately to the extent to which the partial destruction of the premises and the repair operations interfere with the business conducted on the premises by the Lessee. If the repairs cannot be made within the time specified above, Parties may agree to make them within a reasonable time and continue this lease in effect with proportional rent rebate to the Lessee as provided above. If the repairs cannot be made within one hundred (120) days, and if the parties do not elect to make them within a reasonable time, either the Lessor or the Lessee shall have the option to terminate this lease forthwith, each without further obligation or liability to the other.

17. Quiet Enjoyment.

The Lessor covenants and agrees that the Lessee, upon the Lessee's paying the rent and observing all of the terms, covenants and conditions described in this lease, may peaceably and quietly enjoy the premises described in this lease for the term of this lease.

18. Removal of Improvements.

Any installation or improvement made to or upon the property by the Lessee under Paragraph 6 (d) of this agreement shall, at the option of the Lessor, exercised at the termination of this agreement (a) becomes the property of the Lessor and remain upon the property at the termination of the agreement; or (b) be removed by the Lessee at the termination of this agreement, and the property restored to its former condition by the Lessee, at its expense. Equipment and trade fixtures will cap and make safe.

19. Default.

Any of the following acts or omissions shall be a default by the Lessee and a material breach of this lease:

(a) the failure by the Lessee to pay the rent described in paragraph 3;

(b) the failure by the Lessee to pay any additions to rent payable under paragraph 4;

(c) the failure by the Lessee to do, keep, observe and perform any of the other terms, provisions, covenants and conditions of this lease required to be kept, observed and performed by the Lessee;

(d) where the default remains uncured ten (10) days following written notice of the default by the Lessor to the Lessee.

(e) Where the default is for breach of this lease other than a payment of rent, and the default cannot be practicably cured within ten (10) days, the Lessee may propose to the Lessor, within ten (10) days of notice of the default, a plan by which the default will be cured within sixty (60) days and, if the proposed plan is feasible, does not detract from the adjoining premises, and is proposed in good faith, the proposed plan for cure of the fault will be accepted by the Lessor. The default in performance of a plan approved by the Lessor cannot be cured by a new proposed plan.

20. Remedies on Default.

In the event of any default by the Lessee, and at any time thereafter, the Lessor may serve written notice to quit upon the Lessee. The notice to quit shall provide that the Lessor elects to terminate the lease upon a specified date not less than ten (10) days after the date

upon which the notice to quit is served upon the Lessee. The lease shall then terminate upon the date set out in the notice to quit, unless the Lessor, in its discretion, and with no obligation that it do so, permits the Lessee to cure the default and recover the Lessee's rights under this lease. Termination of the lease by service of a notice to quit shall not relieve the Lessee of the obligation to pay rent, except as is expressly set out in this lease. No default or failure to perform a proposed plan for cure of a default shall be deemed waiver by the Lessor unless (a) the default is cured under Paragraph 18 or (b) a written waiver is signed by the Lessor, reciting the circumstances of the default and expressly waiving the default.

Lessee agrees that in the event of default any and all equipment, and tools will be forfeited to the Lessor/Landlord.

The Landlord/Lessor agrees in the event of a default no marijuana will be removed from the premises and AMCO will be contacted.

21. Right to Re-Enter and Re-Let.

(a) In the event that this lease shall be terminated as provided in paragraph 18, or by summary proceeding or otherwise, or that the event the premises or any part thereof shall be abandoned by the Lessee, the Lessor, or its agents, servants or representatives, may immediately or at any time thereafter re-enter and resume possession of the premises or any part thereof and remove all persons and property therefrom, either by summary proceeding for forcible entry and detainer or by any other suitable action or proceeding at law or equity.

(b) In the event that this lease is terminated as provided in paragraph 18, or terminated by summary proceedings or otherwise, or if the premises, or any part thereof shall be abandoned by the Lessee, the Lessor, in its own name or as an agent for the Lessee if the lease is not terminated, may re-let the whole or any portion of the premises, for any period equal to or greater than or less than the remainder of the current term of this lease, for any sums which it may deem reasonable, to any new use or purpose which it may deem appropriate or helpful in effecting such a lease. However, in no event shall the Lessor be under any obligation to re-let the premises for any purpose, which the Lessor may regard as injurious to the premises or to adjoining premises or to any Lessee which the Lessor, in the exercise of reasonable discretion, shall deem to be objectionable. The Lessor shall not in any event be required to pay the Lessee any surplus of any sums received by the Lessor on such a re-letting of the premises that may be received in excess of the rent reserved in this lease.

22. Damages on Default.

In the event that this lease is terminated under paragraph 18, or terminated by summary proceedings, or if the premises have been abandon, and whether or not the premises are re-let under paragraph 20, the Lessor shall be entitled to recover from the Lessee, and the Lessee shall pay to the Lessor:

(a) An amount equal to all expenses, if any including reasonable attorney's fees, incurred by the lessor in recovering possession of the premises;

(b) An amount equal to the amount of all rent which the Lessee agreed to pay to the Lessor under this lease, including additional rent, if any, less that amount of rent, if any, collected by the Lessor from the Lessee.

23. Relief Under Title of the U.S. Code: Judicial Sale.

The Lessee agrees that in the event that the Lessee files a petition under Title 11 of the United State Code, seeking relief under the bankruptcy laws of the United States, or in the event the Lessee is the subject of an involuntary petition under those laws:

(a) If the Lessee, debtor in possession, or trustee fails to expressly assume this lease within sixty (60) days of the date of voluntary petition is filed or the date an order for relief is entered, this lease shall be deemed to have been rejected and the Lessee, debtor in possession or trustee shall be deemed to have no further rights under this agreement.

(b) If the Lessee, debtor in possession or trustee exercises any right it may have to assume this lease, the Lessee, debtor in possession or trustee, as a condition precedent to that assumption, shall (i) cure all defaults in performance of this lease; (ii) deposit with the Lessor an additional security deposit in a amount equal to the deposit provided in Paragraph 3 (c); and (iii) provide to the Lessor adequate assurance of future performance and demonstration of the ability of the Lessee, debtor in possession or trustee to perform the terms and conditions of this lease in the future.

(c) Any assignment or attempt by the Lessee, debtor in possession or trustee to assign the lease shall be subject to the provisions of Paragraph 7 and shall require adequate assurance of future performance from the proposed assignee.

(d) For the purposes of this paragraph, "adequate assurance of future performance" includes, but is not limited to, adequate assurance of timely payment of rent-, performance of the other terms and conditions of this lease, existence and preservation of adequate financial resources in the proposed assignee, compliance with other contracts and obligations of the Lessor, and preservation of tenant mix and balance at the shopping center.

(e) If at any time during the term of this agreement the Lessee or any of its assets located in Alaska is the subject of any judicial sale or execution sale, this agreement, at the option of -the Lessor, and with no implication of waiver should it fail to exercise that right, shall terminate immediately.

24. Repossession: Holding Over.

(a) The Lessee, upon the expiration or termination of this lease, will peaceably and quietly deliver up to the Lessor, its successors or assigns, the premises described in this lease.

(b) In the event the Lessee, with the consent of the Lessor, shall holdover in possession the premises after the expiration of this lease and without a written renewal of this lease, or written extension of the term of this lease, or a new lease entered into by the parties, the Lessee shall be deemed to be a tenant from month-to-month at the monthly lease payment last prevailing under Paragraph 3(b) of this lease, terminable by either party at the close of the first day of a calendar month on at least thirty (30) days written notice to the other party.

25. Lease Subordination.

This lease, whether or not recorded, is subordinate to any and all deeds of trust given by the Lessor that encumber or may encumber the premises.

26. Right to Show Premises: Confidentiality.

The Lessee agrees that, upon reasonable notice and not less than twenty-four (24) hours, from the Lessor or the Lessor's agent, the Lessee will permit the Lessor or the Lessor's agent to show the premises to any party which the Lessor may deem appropriate. The Lessor and Lessee waive any right of confidentiality they might have with respect to releasing information regarding the terms of this lease to any other prospector Lessee, whether or not for the purposes of leasing these premises.

27. Inspection of the Property: Consultation with Attorney.

(a) The Lessee has inspected and examined the property and the condition of the property and accepts it as is, warrants that it is in full compliance with the terms and conditions of this agreement, and acknowledges that no promises, warranties or representations have been made to the Lessee except as are expressly set out in this agreement.

(b) All of the parties to this lease acknowledge that they have had the right to review this lease and all other documents relating to this lease with their own attorney. Each party electing to have this lease reviewed by an attorney shall bear the costs and expenses so incurred.

28. Notices.

All notices required by this agreement shall be sent by the party required to give notice to the address first set out above, or to such other address as the party may have subsequently designated in writing. Except as provided in this lease, notice shall be complete when delivered or when placed in the United States mails, property addressed, with postage prepaid.

29. Succession of Interest.

The agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest as fully and to the same extent as the original parties hereto.

30. Severability.

If any clause or term of this agreement shall be deemed invalid by any court of law, the enforceability of the remaining clauses and terms of the agreement shall be unaffected.

31. Costs and Attorney's Fees: Venue.

If, by reason of any default or breach of any term or condition of this agreement, a civil action is filed, the losing party agrees to pay the actual costs and attorneys' fees incurred by the prevailing party. Venue in any such action shall be in the Superior Court for the State of Alaska, Fourth Judicial District.

32. Joint and Several Liability.

Each person signing this agreement as Lessee agrees and admits that he or she is jointly and severally liable to the Lessor for the full and complete performance of the term and conditions of this agreement.

33. Complete Agreement.

This agreement sets out the entire agreement between the parties, and no modifications may be made to it except in writing signed by both the Lessor and the Lessee.

IN WITNESS WHEREOF, the parties have executed and delivered this lease as of the date first above written.

10 May 17
Date:

Paul
Lessor:
Double G Investments

STATE OF ALASKA

) ss.

FOURTH JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this 10 day of May, 2017, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Paul Gitsche to me known and known to me to be the person who executed the foregoing instrument, and he/she acknowledges to me that he/she signed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first in this certificate written.

D Burkett
Notary Public in and for the State of Alaska
My commission expires: 1 Feb 21

STATE OF ALASKA
NOTARY PUBLIC
D. Burkett
My Commission Expires February 1, 2021

Brittany Gitschel

May 10, 2017
Date:

Lessee:
AK Aurora Blooms LLC

STATE OF ALASKA

) ss.

FOURTH JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this 10 day of May, 2017, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Brittany Gitschel to me known and known to me to be the person who executed the foregoing instrument, and he/she acknowledges to me that he/she signed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first in this certificate written.

D. Burkett
Notary Public in and for the State of Alaska
My commission expires: 1 Feb 21

STATE OF ALASKA
NOTARY PUBLIC
D. Burkett
My Commission Expires February 1, 2021