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:	SIMPLE HOUSE, LLC	**License Number:**	13864		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	SIMPLE HOUSE, LLC				
Physical Address:	6511 Hemlock Dr				
City:	Wasilla	**State:**	AK	**Zip Code:**	99654
Designated Licensee:	Mark Oppegaard				
Email Address:	houseopllc34@gmail.com				

Section 2 – Attached Items

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

Attached Items:	Legally binding lease agreement

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

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LEASE AGREEMENT

This Lease is executed on. Date: 4/1/2017

Between:

Lessee Simple House, LLC

Lessor Tom Ferguson

Description of Premises. Lessor leases to Lessee the premises located at and described more particularly as follows:

6511 Hemlock Dr., Wasilla, AK 99654

Term. The term of this Lease is:
April 1, 2017 – April 1, 2022 (5 years)

Rent. Lessee shall pay Lessor during the term of this lease a minimum monthly rental in the following sums:

$1,500.00 /month Due on the 10th of each month for term of this lease

Lessee covenants and agrees to pay on or before the tenth day of each month of the term of this Lease, monthly rent in the sum outlined above.

Payments shall be made to Lessor at the address set forth on the last page of this Lease. Lessee agrees that on default in the payment of any installment of rent due hereunder, Lessee shall pay Lessor as additional rent a late charge of 10% of any outstanding remaining balance on any installment not made on or before the seven (7) days after the day of the month when it is due.

Protective Covenants. Lessee as a condition precedent to, and as a condition of its occupancy of the above described premises, hereby acknowledges having reviewed the protective covenants pertaining to said premises and by entering into the agreement contained herein, hereby agrees to abide by the same.

Use of Premises. Lessee shall have the right to use the property for marijuana cultivation and all reasonable and legal related business activities, subject to only the constraint that such activities are consistent with the intended use and quality of the property, and with the provisions and requirements of the Matanuska Susitna Borough Zoning Laws and any specific limitations that may be set forth and incorporated herein.

Utilities and Services. Lessee shall pay for electrical, gas, water and sewer, and refuse associated with its use of the leased premises. Lessor shall not be liable for any loss or damage caused by or resulting from any variation, interruption, or failure of said utilities or services, arising from any cause, condition, or event; and no variation, interruption, or failure of such utilities and services incident to the making of repairs, alterations, or improvements, or arising from any accident, strike, condition, cause, or event in whole or in part beyond the reasonable control of Lessor shall be deemed an eviction of Lessee or relieve Lessee from any obligation hereunder. Lessee shall arrange and pay for all services furnished to the leased premises for the term of this Lease, including any telephone and internet service and snow removal service. Lessee shall provide, at its option, janitorial service for its leased premises.

Acceptance of the Premises. By execution of this agreement, Lessee acknowledges that it has

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examined the leased premises and accepts the same as being in the condition called for by this Lease.

Alterations and Mechanics Liens. Alterations to the leased premises may not be made without the prior written consent of the Lessor. Lessee shall return the leased premises upon the termination of this Lease in the same condition as when rented to Lessee, reasonable wear and tear, and approved improvements excepted. Lessee shall keep the leased premises, the building and the property in which the leased premises are situated free from any liens arising out of any work performed for, mate1ial furnished to or obligations incurred by Lessee. At Lessor' s option, Lessee shall at its own expense when surrendering the leased premises remove there from all partitions, counters, and other improvements installed by Lessee.

Repairs. Lessee shall at its sole expense keep and maintain the leased premises, appurtenances and every part thereof, including boiler, windows, interior walls, doors and hardware of the leased premises. Lessor agrees to repair exterior walls and roofs when necessary. Lessee agrees to keep its leased premises in good and sanitary order, condition and repair. Lessee shall at its sole expense keep and maintain all utilities, fixtures and mechanical equipment used by Lessee in good order, condition and repair. Lessee expressly waives all right to make repairs at the expense of Lessor, absent the written consent of Lessor. Lessor warrants that all lighting, the HVAC, electrical, water and sewer systems at the initiation of this lease are all in good working order.

Signs and Landscaping. Lessor shall have the right to control landscaping and approve the placing of signs and the size and quality of same with such approval not unreasonably withheld. Lessee shall make no alterations or additions to the leased premises, building or landscaping, and shall place no exterior signs on the leased premises without the prior written consent of Lessor. Lessee shall remove signs, displays, advertisements, or decorations it has placed on the premises that, in the opinion of Lessor, are offensive and otherwise objectionable. If Lessee fails to remove such signs, displays, advertisements or decorations within ten (10) days after receiving written notice from Lessor to remove them, Lessor reserves the right to enter the premises and remove them at the expense of Lessee.

Entrv by Lessor. Lessee shall permit Lessor and Lessor's agents to enter the leased premises at all reasonable times for inspecting the premises, or for maintaining the building, or for the purpose of making repairs, alterations or additions to any portion of the building including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, or for the purpose of placing upon the building any usual or ordinary "For Sale" or "For Rent" signs, without any abatement of rent and without any liability to the Lessee for any loss of occupation and client enjoyment of the leased premises thereby occasioned. Lessee shall permit Lessor at any time within thirty (30) days prior to the expiration of this Lease to place upon the premises any usual or ordinary "For Rent" signs. Lessee shall give Lessor notice in writing five (5) days prior to employing any laborer or contractor to perform work resulting in alteration to the leased premises so that Lessor may post such notices as are necessary in Lessor' s discretion.

Abandonment. Lessee shall not vacate nor abandon the leased premises at any time during the lease term nor permit the leased premises to remain unoccupied for a period longer than ten (10) consecutive days during the lease term. If Lessee shall abandon, vacate, or surrender the leased premises or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the leased premises shall at the action of the Lessor be deemed abandoned. Absence from the premises for longer than ten (10) days while an installment of rent is due, and owing shall be deemed abandonment, unless prior written approval is obtained from Lessor.

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Destruction of the Premises. In the event of either a partial destruction of the leased premises or the building during the leased term which requires repairs either to the leased premises or the building, or in the event that the leased premises or the building are declared unfit for occupancy by any authorized public authority for any reason other than the Lessee's acts, omission to act, use or occupancy, which declaration requires repairs either to the leased premises or the building, Lessor agrees that to the extent that cost thereof is covered by fire or extended coverage insurance to forthwith repair same. This Lease shall remain in full force and effect except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made based on the extent to which the making of such repairs shall interfere with the business carried on by Lessee on the leased premises.

In the event the leased premises are damaged or require repairs, or the building requires repairs, as above referenced, and the same are not covered by fire or extended coverage insurance, then Lessor, at its option, may either undertake such repairs and restoration with this Lease continuing in full force and effect with the rental to be proportionately reduced as hereinabove provided, or Lessor may give notice to Lessee at any time within thirty (30) days after such event and such notice shall, at the option of the Lessor, terminate this Lease as of the date specified in such notice, which termination shall not be less than thirty (30) days nor more than sixty (60) days after the giving of such notice. In the event that giving such notice, this Lease shall expire and all interest of Lessee in the leased premises shall terminate on the date so specified in such notice and the rental shall be reduced by any proportionate reduction based on the extent, if any, to which such damage interferes with the business carried on by Lessee in the leased premises provided that Lessee's rent shall be current at the date of such termination.

Condemnation. Eminent domain proceedings resulting in the condemnation of a part of the premises leased herein but leaving the remaining premises usable by Lessee for the purpose of its business, will not terminate this Lease unless Lessor, at its option, terminates the Lease by giving thirty (30) days written Notice of Termination to Lessee. The effect of any condemnation, where the option to terminate is not exercised, will be to terminate the Lease as to the portion of the premises condemned, and the Lease of the remainder of the leased premises shall remain intact.

The rental for the remainder of the leased term shall be reduced by the amount that the usefulness of the premises has been reduced for the business purposes of the Lessee. Lessee hereby assigns and transfers to Lessor any claim it may have to compensation for damages as a result of any condemnation.

Assignment, Sublease, or License. Lessee shall not assign or sublease premises, or any right or privilege connected therewith, or allow any other person except agents and employees of Lessee to occupy the premises or any part thereof without first obtaining the written consent of Lessor.
Consent of by Lessor shall not be consent to a subsequent assignment, sublease, or occupation by other persons. An unauthorized assignment, sublease, or license to occupy by Lessee shall be void and shall terminate the Lease at the option of Lessor. Termination under this article shall be made in further accordance with Article 22. The interest of Lessee in this Lease is not assignable by operation of law without written consent of Lessor.

Default or Breach. Each of the following events shall constitute a default or breach of this Lease by Lessee:

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a.) If Lessee, or any successor assignee of Lessee while in possession shall file a Petition of Bankruptcy or insolvency or for reorganization under any Bankruptcy Act; or shall voluntarily take advantage of such act by answer, or otherwise, or shall make an assignment for the benefit of creditors.

b.) If voluntary proceedings under any Bankruptcy Law or Insolvency Act shall be instituted against Lessee, or the receiver or Trustee shall be appointed for all or substantially all of the property of Lessee, and such proceeding shall not be dismissed, or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment.

c.) If Lessee shall fail to pay Lessor any rent or additional rent when the rent shall become due and shall not make the payment within ten (10), days after written notice thereof by Lessor to Lessee.

d.) If Lessee fails to perform or comply with any of the conditions of this Lease and if the non-performance shall continue for a period of (30) days after written notice thereof by Lessor to Lessee, or if the performance cannot be reasonably had within the thirty (30) day period, or if Lessee shall not in good faith have commenced performance within the thirty (30) day period and shall not diligently proceed to completion of performance.

e.) If Lessee shall vacate or abandon the premises.

f.) If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.

g.) If Lessee fails to take possession of the leased premises on the term commencement date or within fifteen (15) days after notice that the leased premises are available for occupancy, if the term commencement date is not fixed herein or shall be deferred as herein provided.

Remedies. In the event of any such material default or breach by Lessee, Lessor shall have the following rights and remedies, all in addition to any rights and remedies the Lessor may have by statute, ordinance, law or otherwise, which rights and remedies Lessor may exercise at any time thereafter, without notice or demand, as follows:

a.) Lessor shall have the right to cancel and terminate this Lease, as well as all the right, title and interest of Lessee hereunder by giving to Lessee not less than fifteen (15) days written notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the Notice of Cancellation and Termination were the end of the term herein originally determined.

b.) Distrain for rent due.

c.) Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required to be performed by Lessee, and Lessor shall have the right to enter the leased premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by Lessor shall not be

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deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.

d.) Lessor may re-enter the premises immediately and remove the property and personnel of Lessee and store the property in a public warehouse or at a place selected by Lessor, at the expense of Lessee. Lessor will not remove any marijuana or marijuana products and AMCO (Alcohol Marijuana Control Office) will have been contacted. After re-entry, Lessor may terminate the Lease on giving fifteen (15) days written notice of termination to Lessee. Without the notice, re-entry will not terminate the Lease. On termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the balance of this Lease over the reasonable rental value of the premises for the remainder of the lease term, which sums shall be immediately due Lessor from Lessee.

e.) After re-entry, Lessor may relet the premises or any part thereof for any term without terminating the Lease, at the rent and on the terms as Lessor may choose. Lessor may make alterations and repairs to the premises. The duties and liabilities of the parties if the premises are relet as provided herein shall be as follows:

(1) In addition to Lessee's liability to Lessor for breach of the Lease, Lessee shall be liable for all expenses of the reletting, for the alterations and repairs made, and for the difference between the rent received by Lessor under the new Lease Agreement and the rent installments that are due for the same period under this Lease.

(2) Lessor shall have the right, but shall not be required, to apply the rent received from the reletting (1) to reduce the indebtedness of Lessee to Lessor under this Lease, not including indebtedness for rent, (2) to expenses of the reletting and alterations and repairs made, (3) to past rent due under this Lease, or (4) to payment of future rent under this Lease as it becomes due.

(3) If the new Lessee does not pay a rent installment promptly to Lessor, and the rent installment has been credited in advance of payment to the indebtedness of Lessee other than rent, or if rentals to the new Lessee have been otherwise applied by Lessor as provided for herein and during any rent installment period are less than the rent payable for the corresponding installment period under this Lease, Lessee shall pay Lessor the deficiency separately for each installment deficiency, and before the end of that period. Lessor may at any time after reletting terminate the Lease for the breach on which Lessor had based the re-entry and subsequently relet the premises.

f.) After re-entry, Lessor may procure the appointment of a receiver to take possession and collect rents and profits of the business of Lessee, if necessary to collect the rents and profits. The receiver may carry on the business of Lessee and take possession of the personal property used in the business of the Lessee, including inventory, trade fixtures, and furnishings, and use them in the business without compensating Lessee. Proceedings for appointment of a receiver by Lessor, or the appointment of receiver and the conduct of the business of Lessee by receiver, shall not terminate and forfeit this Lease unless Lessor has given written notice of termination to Lessee as provided herein. Lessor will not remove any marijuana or marijuana products and AMCO (Alcohol Marijuana Control Office) will have been contacted and given first opportunity to remove all marijuana and marijuana products.

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Notice. All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth hereinafter, or at such other address as either party may from time to time designate in writing.

To Lessee. addressed to:
Simple House, LLC
2861 W Int'l Airport Rd
Unit E304
Anchorage, AK 99502

To Lessor. addressed to:
Tom Ferguson
4200 Viscount Cir
Anchorage, AK 99502

Every notice shall be deemed to have been given at the time it shall be deposited in the United States mails in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.

Effect of Holding Over. If Lessee holds over after the expiration or earlier termination of the term hereof without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at a rental rate equal to one hundred fifty percent (150%) of the rent in effect upon the date of such expiration (prorated daily), and otherwise subject to the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Landlord of rent after such expiration or earlier termination shall not result in a renewal of this Lease nor affect Landlord's right of reentry or any rights of Landlord hereunder or otherwise provided by law.

If Tenant fails to surrender the premises upon the expiration of this Lease despite demand to do so by Landlord, Tenant shall indemnify and hold Landlord harmless from all loss or liability, including without limitation, any claim made by any succeeding Tenant founded on or resulting from such failure to surrender and together with interest, attorney's fees and costs.

Waiver. The waiver by Lessor of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease other than the failure of Lessee to pay the particular rental amount so accepted, regardless of Lessor's knowledge of such preceding breach at the time of the acceptance of such rent.

Attorney's Fees. If it becomes necessary for Lessor to employ legal counsel, or to obtain legal assistance, to enforce any of the provisions herein contained, Lessee agrees to pay as additional rent all attorneys' fees and court costs reasonably incurred thereby. In the event of any legal action or proceeding involving the parties hereto, reasonable attorney's fees and the expenses of the prevailing party incurred in any such action or proceeding may be added to the judgement rendered therein.

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Lessor's Lien and Security Interest. Lessor shall have a lien on, and Lessee hereby grants Lessor a security interest in all goods, inventory, equipment, pictures and other personal property, which is or may be put on the premises, to secure the payment of the rent and additional rent reserved under this Lease. If Lessee shall default in the payment of such rent, Lessor may, at its option, without notice or demand, take possession of and sell such property in accordance with the Uniform Commercial Code of Alaska. Lessor shall apply the proceeds of such sale as follows:

> First, to the expenses of sale including all costs, fees, and expenses of Lessor and Lessor' s reasonable attorneys' fees in connection with such sales; Second, to the payment of such rent; and Third, the surplus, if any, to Lessee.

Estoppel Certificates. Lessee shall at any time upon not less than (10) days prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing:

a.) Certifying that this Lease is unmodified and in full force and effect, or, if modified, state the nature of such modification and certifying that this Lease as so modified is in full force and effect, and the date to which the rent and other charges are paid in advance, if any;

b.) Acknowledging that there are not to Lessee's knowledge any unsecured defaults on the part of Lessor hereunder or specifying such defaults, if any are claimed. Any such statement may be conclusively relied upon by any perspective purchaser or encumbrance of the premises.

In the event of any sale or conveyance by Lessor of the building containing the leased premises, the sale or conveyance shall operate to release Lessor from any future liability upon any of the covenants or conditions express or implied herein contained in favor of
Lessee and in such event, Lessee agrees to look solely to the successor in interest of Lessor in and to this Lease to carry out the responsibilities of the Lessor hereunder. It is further agreed that the Lease may, at the option of the Lessor and any lender, be made subordinate to any ground or underlying leases, mortgages, or deeds of trust which may at present or hereafter affect the real property of which the leased premises form a part. Lessee or its successors in interest will execute and deliver upon demand of Lessor all instruments desired by Lessor subordinating in the manner requested by Lessor this Lease to such lease, mortgage or deed of trust.

Collection of Less Than Monthly Rent. No payment by Lessee or receipt of by Lessor of an amount less than the monthly rent herein stipulated shall be deemed to be other than on account of the stipulated rent, nor shall any endorsement on any check or any accord and satisfaction, but Lessor may accept such rent payment without prejudice to its rights to collect the balance of such rent.

Collection of Rent from Others. If this Lease is assigned, or if the leased premises or any part thereof is underlet, sublet, or occupied by anyone other than Lessee, Lessor may collect rent from such assignee, under tenant, sub-lessee, or occupant and apply the net amount collected to the rent reserved herein, and no such collections shall be deemed a waiver of the covenant herein against assignment, underletting, or subletting or an acceptance of the assignee, under tenant, sub-lessee, or occupant as Lessee, and in every such case Lessee shall perform and continue to perform all of the covenants of this Lease on part of Lessee to be performed.

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Abandoned Property. If Lessee vacates or abandons the leased premises in violation of this Lease, any property that Lessee leaves on the premises shall be deemed to have been abandoned and may either be retained by Lessor as the property of Lessor or may be disposed of at public or private sale as Lessor sees fit. Any property of Lessee sold at public or private sale or retained by Lessor shall have the proceeds of any such sale, or the then current fair market value of such property as may be retained by the Lessor, applied by the Lessor against
(a) the expenses of Lessor for the removal, storage, or sale of the property,
(b) the arrears of rent or future rent payable under this Lease, and
(c) any other damages to which Lessor may be entitled hereunder. The balance or such amounts if any shall be given toLessee.

Nuisances. Lessee shall not, during the term hereof, maintain, commit, or permit the maintenance or permission of any nuisance on the leased premises. No smoking of any kind or use of any airborne substances will be allowed inside the building. Lessee agrees to mitigate and remediate any and all odors or contaminates that are created by Lessee's use and occupancy, as deemed necessary by Landlord.

Storage of Explosives and Flammables. Lessee shall not, without Lessor's written consent, keep for use on the leased premises any explosive or flammable substances, beyond those quantities necessary for day-to-day operations.

Lessee Business Signage. Lessee shall bear the cost of any business sign for leased premises and shall adhere to any, and all, necessary municipal codes and restrictions.

Miscellaneous Provisions. Whenever the singular number is used in this Lease and when required by context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders and vice versa, and the word "person" shall include corporations, firms or associations. If there be more than one Lessee, the obligations imposed
under this Lease upon Lessee shall be joint and several.

Agency/ Broker Disclosure. Except as set forth below, Lessee represents and warrants to Lessor that Lessee has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease and Lessee agrees to indemnify, defend and hold Lessor harmless from and against any loss, cost, liability, or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements made by or on behalf of Lessee.

Entire Agreement. This instrument contains all the agreements and conditions made and existing between the parties to this Lease and may not be modified orally or in any other manner than by an agreement in writing signed by all of the parties to this Lease.

Successors and Assigns. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Lessor and Lessee.

Severability. If any portion of this Lease is held to be invalid or unenforceable for any reason, such holding shall not affect the validity or enforceability of the remaining portions of this Lease.

Option Term. (Purposely not addressed in this Lease).

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Right of First Refusal. (Purposely not addressed in this Lease).

Tenant Can Terminate Lease with Proper Notice if No AMCO Licensure Obtained. Should the Tenant not obtain full licensure from city and state, Tenant shall be able to terminate lease with fifteen (15) days' notice to Lessor, and shall forfeit security deposit, prepaid rents, cash bonus payments and all interior and exterior improvements to Landlord.

This Lease is a legally binding contract.

Signed Lessee:

M.A. Oppegaard dba SimpleHouse LLC date: 4-1-17 Printed: Mark A Oppegaard dba SimpleHouse LLC

Signed Lessor:

Thom A. Ferguson date: 4-1-017 Printed: Tom A Ferguson

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