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:	Northern Dreams, LLC	**License Number:**	13752		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	NORTHERN DREAMS, LLC				
Physical Address:	11705 B N. Jonesville Mine Rd				
City:	Sutton	**State:**	AK	**Zip Code:**	99674 - 8030
Designated Licensee:	Andrew Wessel				
Email Address:	northerndreamsllc@gmail.com				

Section 2 – Attached Items

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

Attached Items:	Lease Agreement & Matanuska-Susitna Borough local government

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

COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease") dated this 1st day of August, 2017

BETWEEN:

Donald D. & Dixie L. Wessel of PO BOX 497, SUTTON, ALASKA 99674
Telephone: (907) 229-7820
(the "Landlord")

OF THE FIRST PART

- AND -

Northern Dreams, LLC of 11705B N. JONESVILLE MINE ROAD, SUTTON, ALASKA 99674
(the "Tenant")

OF THE SECOND PART

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties to this Lease (the "Parties") agree as follows:

Definitions

1. When used in this Lease, the following expressions will have the meanings indicated:
    a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;
    b. "Building" means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at , 11705B N. JONESVILLE MINE ROAD, SUTTON AK 99674, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
    c. "Common Areas and Facilities" mean:
        i. those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be leased to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and

ii. those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;

d. "Leasable Area" means with respect to any rentable premises, the area expressed in square feet of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the center line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;

e. "Premises" means the cultivation at 11705B N. JONESVILLE MINE ROAD, SUTTON AK 99674.

f. "Proportionate Share" means a fraction, the numerator of which is the Leasable Area of the Premises and the denominator of which is the aggregate of the Leasable Area of all rentable premises in the Building.

g. "Rent" means the total of Base Rent and Additional Rent.

Leased Premises

2. The Landlord agrees to rent to the Tenant the building described as 11705B N. JONESVILLE MINE ROAD, SUTTON AK 99674, (the "Premises"). The Premises will be used for only the following permitted use (the "Permitted Use"):
   Limited Cannabis Cultivation Facility.
   Neither the Premises nor any part of the Premises will be used at any time during the term of this Lease by Tenant for any purpose other than the Permitted Use.
3. While the Tenant, or an assignee or subtenant approved by the Landlord, is using and occupying the Premises for the Permitted Use and is not in default under the Lease, the Landlord agrees not to Lease space in the Building to any tenant who will be conducting in such premises as its principal business, the services of: Cannabis cultivation.
4. Subject to the provisions of this Lease, the Tenant is entitled to the use of parking (the 'Parking') on or about the Premises. Only properly insured motor vehicles may be parked in the Tenant's space.

Term

5. The term of the Lease is a periodic tenancy commencing at 12:00 noon on July 14th 2017 and continuing on a year-to-year basis until the Landlord or the Tenant terminates the tenancy.

Rent

6. Subject to the provisions of this Lease, the Tenant will pay a base rent of $1.00 which will be as follows: payable per month, for the Premises (the "Base Rent").

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7. For the first 6 month(s) of the term (the "Abatement Period"), the Tenant will not be obligated to pay the monthly installment of Base Rent due but will be liable to pay all other amounts payable under this Lease. The entire Base Rent otherwise due and payable for the Abatement Period will become immediately due and payable upon the occurrence of an event of default under this Lease.
8. The Tenant will pay the Base Rent on or before the First of each and every month of the term of this Lease to the Landlord.
9. The Tenant will be charged an additional amount of $1.00 for any late payment of Rent.

Operating Costs

10. In addition to the Base Rent, the Tenant is responsible for directly paying to the appropriate suppliers the following operating costs:
    a. cleaning and janitorial services; and
    b. security.
11. The Tenant will be responsible for paying the following operating costs:
    a. all utilities supplied to the Common Areas and Facilities;
    b. window cleaning;
    c. all insurance relating to the Building as placed by the Landlord from time to time, acting prudently;
    d. repairs and replacements to the Building and any component of the Building;
    e. accounting and auditing;
    f. provision, repair, replacement and maintenance of heating, cooling, ventilation and air conditioning equipment throughout the Building;
    g. all amounts paid to employees or third parties relating to work performed in relation to the Building including in the case of employees all usual benefits, including a management fee not to exceed 5% of gross receipts from the Building;
    h. supplies used in relation to operating and maintaining the Building;
    i. provision of a building superintendent and associated personnel employed for the Building including a reasonable rental value for office space used by those persons and related expenses including uniforms;
    j. all outdoor maintenance including landscaping and snow removal;
    k. operation and maintenance of parking areas; and
    l. preventive maintenance and inspection.

12. For any rent review negotiation, the basic rent will be calculated as being the higher of the Base Rent payable immediately before the date of review and the Open Market Rent on the date of review.

Use and Occupation

13. The Tenant will use and occupy the Premises only for the Permitted Use and for no other purpose whatsoever. The Tenant will carry on business under the name of Northern Dreams and will not change such name without the prior written consent of the Landlord, such consent not to be unreasonably withheld. The Tenant will continuously occupy and utilize the entire Premises in the

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active conduct of its business in a reputable manner on such days and during such hours of business as may be determined from time to time by the Tenant.

14. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with all statutes, bylaws, rules and regulations of any federal, municipal or other competent authority and will not do anything on or in the Premises in contravention of any of them.

Quiet Enjoyment

15. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

Tenant Improvements

16. The Tenant will obtain written permission from the Landlord before doing any of the following:
    a. applying adhesive materials, or inserting nails or hooks in walls or ceilings other than two small picture hooks per wall;
    b. painting, wallpapering, redecorating or in any way significantly altering the appearance of the Premises;
    c. removing or adding walls, or performing any structural alterations;
    d. installing a waterbed(s);
    e. changing the amount of heat or power normally used on the Premises as well as installing additional electrical wiring or heating units;
    f. placing or exposing or allowing to be placed or exposed anywhere inside or outside the Premises any placard, notice or sign for advertising or any other purpose; or
    g. affixing to or erecting upon or near the Premises any radio or TV antenna or tower.

Utilities and Other Costs

17. The Tenant is responsible for the payment of the following utilities and other charges in relation to the Premises: water and sewer.
18. The Tenant is responsible for the direct payment of the following utilities and other charges in relation to the Premises: telephone, Internet and cable.
19. The Tenant is responsible for paying to the Landlord the following utilities and other charges: electricity and natural gas.

Insurance

20. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a Tenant's Policy of Insurance.

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21. The Tenant is not responsible for insuring the Landlord's contents and furnishings in or about the Premises for either damage and loss, and the Tenant assumes no liability for any such loss.
22. The Tenant is responsible for insuring the Premises for damage or loss to the structure, mechanical or improvements to the Building on the Premises for the benefit of the Tenant and the Landlord. Such insurance should include such risks as fire, theft, vandalism, flood and disaster.
23. The Tenant is responsible for insuring the Premises for liability insurance, and the Tenant assumes liability for any such loss.
24. The Tenant will provide proof of such insurance to the Landlord upon the issuance or renewal of such insurance.

Abandonment

25. If at any time during the term of this Lease, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, relet the Premises, or any part of the Premises, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the reletting. If the Landlord's right of reentry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord will contact the Alcohol and Marijuana Control Office to advise of abandonment and to remove all marijuana from the premises. All such personal property in any manner the Landlord will deem payment for any left over rent and is relieved of all liability for doing so.

Governing Law

26. It is the intention of the Parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Alaska, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

27. If there is a conflict between any provision of this Lease and the applicable legislation of the State of Alaska (the 'Act'), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

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Assignment and Subletting

28. The Tenant will not assign this Lease in whole or in part, nor sublet all or any part of the Premises, nor grant any license or part with possession of the Premises or transfer to any other person in whole or in part or any other right or interest under this Lease (except to a parent, subsidiary or affiliate of the Tenant), without the prior written consent of the Landlord in each instance, which consent will not be unreasonably withheld so long as the proposed assignment or sublease complies with the provisions of this Lease.
29. Notwithstanding any assignment or sublease, the Tenant will remain fully liable on this Lease and will not be released from performing any of the terms, covenants and conditions of this Lease.
30. If the Lease is assigned or if the Premises or any part of the Premises are sublet or occupied by anyone other than the Tenant, the Landlord may collect rent directly from the assignee, subtenant or occupant, and apply the net amount collected, or the necessary portion of that amount, to the rent owing under this Lease.
31. The prohibition against assigning or subletting without the consent required by this Lease will be constructed to include a prohibition against any assignment or sublease by operation of law.

32. The consent by the Landlord to any assignment or sublease will not constitute a waiver of the necessity of such consent to any subsequent assignment or sublease.

Bulk Sale

33. No bulk sale of goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent will not be unreasonably withheld so long as the Tenant and the Purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations in this Lease will continue to be performed and respected, in the manner satisfactory to the Landlord, after completion of the said bulk sale.

Care and Use of Premises

34. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises.
35. Vehicles which the Landlord reasonably considers unsightly, noisy, dangerous, improperly insured, inoperable or unlicensed are not permitted in the Tenant's parking stall(s), and such vehicles may be towed away at the Tenant's expense. Parking facilities are provided at the Tenant's own risk. The Tenant is required to park in only the space allotted to them.
36. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.
37. The Tenant will not engage in any illegal trade or activity on or about the Premises.
38. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

Surrender of Premises

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39. At the expiration of the lease term, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

Hazardous Materials

40. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

Rules and Regulations

41. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot, laundry room and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

General Provisions

42. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or nonperformance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.
43. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
44. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recovered by the Landlord as rental arrears.
45. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.

IN WITNESS WHEREOF the Parties to this Lease have duly affixed their signatures under hand and seal, or by a duly authorized officer under seal, on this 14th day of July, 2017.

Donald Wessel

Signature

Donald and Dixie Wessel (Landlord)

Date: 2-25-17

Signature

NORTHERN DREAMS, LLC (Tenant)

Date: 2-25-17

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