Connor and Valorie Nelson
Box 2094
Sitka, Ak
6/22/18

Michael Scarcelli
Planning Director
City of Sitka
Sitka, Ak

Re: Violations of Restriction
CUP 16-31
Your May 24th Letter

Dear Michael,

Green leaf's Marijuana Retail has a number of violations on both the City level and State level (AMCO). I have a hard time keeping track of two papers at once, so I'll just address one issue, Parking.

I hope the following will explain how we came to your board asking for a CUP, assuring the board we had a plan for parking and now, I'm asking that CUP be revoked.

To control parking requires the control of the premises, part or all. I believe the application for CUP was filed in Nov. 2016. I attached letters A, B and C. The significant of these letters is that they all show intent on Green Leafs part to purchase Units B&C on lot 4614 H.P.R. Up to 10 months before we made application for CUP. Purchasing the unit would give Greenleaf control of another 5-6 parking spaces.

Also attached is letter D. Aaron and his side kick were going to rent unit B, next to the dispensary. Given control of unit B, gives 30' of parking, unit A dispensary has 23' and 10' to ROW, for a total of 63' or 7 parking spots. I'd need one for top floor, leaving Green Leaf with a total of say 12 spaces combined.

Using 1 space per 300 S.F. Green Leaf would need 7 spaces plus 1 for loading. Green Leafs area 1st and 2nd floor is at 2100S.F.

Letter E is copy of the lease. The original lease had the landlord providing all required parking, etc. With only 23' of frontage at a 3 story building we realized we needed to come up with a holistic parking plan, at least I did and had the parking language changed to read "separate written agreement".

After all my efforts to make things work, Aaron told us in mid March of this year Greenleaf wasn't going to purchase the units 4614 B&C. He told me also he was not going to pay me the $150,000 he owes me.

Giving up the parking at unit B&C and not renting unit B at 4612, I can't see any parking plan coming up that I could agree to, he's not given me one to even consider. I attached letter F, that clearly states, in item 7 this CUP is abandon for not following SGC. Regarding parking requirements.

Thanks
Connor

Subject: Re: 4614 Unit 2 HPR

From: Aaron (aaronbean28@gmail.com)

To: keystone99835@yahoo.com;

Date: Saturday, January 23, 2016 7:32 PM

A

Thanks for the clarification Boss! I appreciate - and recognize- the time and risk you are taking in working with me. I won't let you down. I'll work on a buying these units from you this year. While we're on the subject, would you be apposed to selling the entire building? I would honor any lease you'd like me to keep for as long as you'd like me to keep it. This would give me the write off and you the ease of responsibility- just a thought.

Thanks

THESE UNITS ARE 4614 B&C

-AB

Sent from my iPhone

On Jan 22, 2016, at 12:20 PM, Connor Nelson <keystone99835@yahoo.com> wrote:

> Morning Aaron - I'm putting out a few things that need to happen, then just some things I think should happen along with some ideas.
>
> Starting Feb. 1st I'd like $ 800 per month for the unit plus $40 for taxes. You can mail to Box 2094 if you like.
>
> At a point your starting to raise products I'd like $950 per month plus tax. (this is standard rate).Hopefully at that time or before we'll have things in order to allow sale of unit to you if you chose.
>
> The terms of the sale will be $180,000 - 10% - 20% down 15 - 20 years @ 6% simple interest. I'd like a clause, no early payoff prior to 2 yrs.
>
> You'll be in vesting a good amount of monies in the building. I'm not big on leases, however you need some self protection. I feel my words always good, but if I die (hope it doesn't hurt too much) the next in line my want you gone in short order. So maybe a renewable lease based on spelled out conditions.
> And again we should be able to give the option to purchase in the net few month if you'd chose to do so.
>
> We can do lease anytime and clause it with light penalty, for early termination, if in fact after your best effort you can't get the business off the ground.
>
> All improvement to the unit become property of the owner. In this case, I'll pay you for 70% of your cost for improvements up to the time you begin to make products. The improvements will address the structure only.
>
> If you're looking at 70 degrees then we should retrofit with better insulation. I think about 1500 SF of insulation and wallboard at say $4-$6 a SF. I'm certain it'll repay itself in less than 2 years.

Subject: Re: 4612 HPR

From: Connor Nelson (keystone99835@yahoo.com)

To: aaronbean28@gmail.com;

Date: Saturday, February 27, 2016 8:01 AM

B

Aaron Is there any merit to looking at a temporary stand, something like the coffee stands.
C

From: Aaron <aaronbean28@gmail.com>
To: keystone99835@yahoo.com
Cc: Eric Vanveen <ericvanveenfvzip@gmail.com>; cathievanveen@gmail.com
Sent: Wednesday, February 24, 2016 6:02 PM
Subject: 4612 HPR

Conner,

After our chat today I thought of a few things. What would you think about applying for a conventional loan for the building -we'd come up with the down payment- as long as we could have part in the design and have a way to recover the money if things go bad. This would keep you from having to pull any equity loans, and hopefully save you interest money.

If this works out, Green Leaf would buy the building and lot under similar terms as the grow so you can make money off the interest and we can have a write off.

Let me know what you think!

-Aaron

THE GROW
4614 B&C

Sent from my iPhone

Connor Nelson
PO Box 2094
Sitka, AK 99835
Keystone Associates, Inc.

From: "aaron.bean@greenleafalaska. com" <aaron.bean@greenleafalaska. com>
To: Connor Nelson <keystone99835@yahoo.com>
Sent: Tuesday, April 25, 2017 1:32 PM
Subject: Green Leaf- valuation

Connor,

I'm working on collecting and creating the documents requested by TruVim - see attached- and I need to know what I should record as debt owed to you on Green Leaf's interim financial statement.

Do you want me to go with the $148,000 and not list bay 2 and 3 as fixed assets? Or list, $110,000 owed to you/Keystone for building material and labor?

Hopefully this list won't take me too long to complete. I already have a lot of this stuff written and some doesn't apply to us.

Cheers,

Aaron
--
Sent with Genius Scan for iOS.

BAY 2 & 3
? LIST AS FIXED ASSETS
OF GREENLEAF

Sent from my iPhone

LETTER "D"

Bizapedia

Home > U.S. > Alaska > Sitka

Write Review Upgrade Claim

S.E.A.K. HYDRO AND GARDEN SUPPLY LLC

Alaska Department Of Commerce, Community, And Economic Development Business Registration · Updated 5/2/2018

S.E.A.K. Hydro And Garden Supply LLC is an Alaska Limited-Liability Company filed on October 15, 2017 . The company's filing status is listed as Good Standing and its File Number is 10069944.

The Registered Agent on file for this company is John Hemminger and is located at 205 Cedar Beach Rd, Sitka, AK 99835. The ~~company's principal address is 4612 Halibut Point Road Unit B, Sitka, AK 99835 and its mailing address is~~ 4612 Halibut Point Road Unit B, Sitka, AK 99835.

The company has 1 principal on record. The principal is John Hemminger.

Like 28K G+ Tweet

Company Information

Company Name:	S.E.A.K. HYDRO AND GARDEN SUPPLY LLC
File Number:	10069944
Filing State:	Alaska (AK)
Filing Status:	Good Standing
Filing Date:	October 15, 2017
Company Age:	8 Months
Registered Agent:	John Hemminger 205 Cedar Beach Rd Sitka, AK 99835
Principal Address:	~~4612 Halibut Point Road Unit B~~ Sitka, AK 99835
Mailing Address:	4612 Halibut Point Road Unit B Sitka, AK 99835
Report Due Date:	January 2, 2019

Company Contacts

JOHN HEMMINGER
Organizer
View Nationwide Phone Book Listings For John Hemminger

Reviews

Write Review

There are no reviews yet for this company.

NEW ARTICLES THAT MAY INTEREST YOU

E

Agreement to Lease
4612 Halibut Point Road Sitka, Alaska 9985

AGREEMENT TO LEASE 4612 Halibut Point Road Sitka, Alaska 99835 made this day 4th of October 2016, between: Connor Nelson (hereafter referred to as "Landlord") and Green Leaf, Inc., an Alaskan Corporation (hereafter referred to as "Tenant."). Tenant and Landlord collectively referred to as the "Parties." This Agreement to Lease is referred to throughout the Agreement to Lease as "Lease" and/or "Agreement."

In consideration of acts performed and to be performed, mutual promises made and exchange, monies paid and other good and valuable considerations, receipt of which is hereby acknowledged, and parties agree as follows:

Section 1. LEASED PREMISES.

Landlord hereby leases to Tenant, and Tenant leases from Landlord, on a NNN basis, approximately 1060 square feet of ground floor retail space, and 1060 feet of onsite consumption on second floor space; at the premises situated in the Sitka Recording District, Third Judicial District, State of Alaska, more particularly described as: 4612 Halibut Point Road Sitka, Alaska 99835. Parking will be addressed by separate written understanding.

Section 2. OCCUPANCY DATE

Occupancy date shall be November 1st, 2016.

RECIEVED 10/4/16

Section 3. RATE

For the time period of November 1, 2016 to April, 1st 2022, the rental rate of the premises shall be totaling a monthly payment of $2,400 plus tax paid by Tenants to Landlord no later than the 5th day of each month. Thereafter, commencing on April 1st_, 2017. If no prior arrangement is made late fees shall be $50.00 dollars per day after a grace period of 3 business days.

Section 4. LENGTH OF TERM.

The length of the term of this Lease shall be for 5 years from the date of Commencement of Term unless sooner terminated or extended as herein provided.

Section 5. TENANT'S OPTION TO RENEW LEASE.

Tenant, at Tenant's option, shall have the option to renew Lease for an additional three (3) year term to be negotiated between landlord and tenant.

Section 6. OPTION TO PURCHASE

Tenant's shall have the Option to Purchase the leased space described herein at any time during

Conditions of Approval:[2]

Standard Regulations. Dimensions, and Setbacks

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.

2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.

3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.

4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.

5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard and required accounting practices.

6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish an associated municipal license or conditional use permit.

7. All approved conditional use permits shall comply with all Sitka General Code requirements or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit.

[2] § 22.24.026(C).

Notice to Quit

Connor Nelson
H.P.R. Storage
Box 2094
Sitka, Ak. 99835

ITEM 1

Aaron Bean
Green Leaf Inc.
103 Toivo Circle
Sitka, Ak. 99835

Aaron:

This is your notice that under terms of your lease for 4612 1A & 1B, signed in October 2016, this lease is being terminated per Section 24 of the lease " Default" . It was always the understanding Green Leaf would have to purchase part of the property to give flexibility in parking arrangements.' As you should recall I would not do the lease with the standard Parking clause that make me responsible for your parking, normally in section 14 of lease. In Section 1 Lease Premises we added "Parking will be addressed by separate written understanding."

Back as far as February 24th 2016 you committed to purchase of property. As late as December 27, 2017, you stated that" we solidify a note (for the money you owe me)and contracts for the bays as we discussed"

In our meeting of March 17th you told Val and I you weren't going to sign the promissory note and that you were not going to purchase the two bays. The selling of property to Green Leaf is now a dead issue, without Green Leaf having something to add to the parking plan, there is not and will not be a written understanding per section 1 of lease.

Per Section 24: This is a violation of a covenant and agreement. As the non-defaulting party this section gives me the right to terminate the lease.

You have until end of business day April 26th to remove your things from our property.

The Management

C Nelson
4/16/18

Item 2

As for the merits of the purported breach and invocation of the provisions of Section 24, it is unsupported factually and legally. First of all, you base the breach of one agreement on the failure to reach a collateral agreement. This would only be possible if the original agreement (in this case the Lease Agreement) contained specific terms stating that reaching terms as to the collateral agreement was an obligation or condition of the Lease Agreement. Such language is simply missing from the Lease Agreement. Further, although the Lease Agreement mentions the existence of a collateral agreement, there is no language suggesting that the terms of the collateral parking agreement be incorporated into the Lease Agreement. Clear language incorporating the collateral agreement is required under Alaska law.[1]

Second, you seem to reference antecedent or outside negotiations as providing additional terms, conditions, or obligations outside those expressly contained in the Lease Agreement. Any such antecedent or outside agreement are specifically exempted from the Lease Agreement pursuant to the merger clause contained in Section 30.

Finally, pursuant to the express language of Section 24, which you cite as the basis for unilaterally attempting to terminate the Lease Agreement, only acts that "*materially* violate or breach or fail to perform any covenant, agreement, term or condition *of this lease*, warranty or representation [. . .]" (emphasis added) trigger the provisions of the Section. The alleged breach in your Notice to Quit is not a violation of a term or condition 'of the lease' and will also not be legally construed as being material.

As such, you have no right to terminate the lease as you have attempted to do in your Notice to Quit. In fact, your attempts to terminate the Lease Agreement without legal or factual basis is a material breach on your part. If you are to persist in this course of action, it will result in liability for damages that my client would suffer as a result of your breach.

I am assuming that your Notice to Quit was done with the intent of commencing a Complaint in Forcible Entry and Detainer after the 10-day window. If that is the course that you intend to pursue, please know that my client intends to vigorously defends itself in the proceeding. As discussed above, I am confident that

---

[1] *See Prichard v. Clay*, 780 P.2d 359, 361-2 (Alaska 1989) ("Parties do not undertake obligation contained in a separate document unless their contract clearly says so . . . [and a] reference in a contract to another document will incorporate the other document only to the extent indicated and for the specific purpose indicated.")

ITEM 3

RECEIVED
MAY 15 2018

Sitka's resources for best return on investment (renewable electricity), 2.2.1 economic base, 2.2.3 produce high quality goods, 2.2.5 protect health and welfare of community (through conditions), 2.2.10 respect social and community values (70% support recreational marijuana), 2.3.6 focus on waste water and watershed protection (though conditions and operating plan), 2.4.1 orderly use, 2.4.4 resolve conflicts of use through public process, and 2.6.2 commercial development without substantial negative impacts (through conditions and regulations). Overall, the conditional approval with appropriate conditions and default state regulations appears to offer the best economic development by providing jobs, tax revenue, utilizations of electricity that has extra supply, comports with existing community values, and creates harmony of use for the area.

Some of the positive impacts include increasing jobs directly and indirectly through on-site employees, contractors for building and business design, sale tax revenue, tourism incentives, and sale of electricity. Potential negative impacts are adequately mitigated through stringent state regulations incorporated into the municipal conditional use permit via security protocols. tracking system, diversion protocols, camera and security features, odor control, other means.

m. Other criteria that surface through public comments or planning commission review

1. Any impact or criteria that surfaces through public comment, planning staff review, or planning commission review.[3]

Safety: Building Safety is being reviewed by the Building Department and shall be governed by Conditions of Approval:

1. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.

2. All licensed commercial uses shall provide a fire safety plan, material handling plan, and comply with all applicable fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.

In addition, all public, health and safety has been adequately addressed with the operating plan and proposed conditions regarding parking compliance and odor control. Emergency access, security, and diversion programs have all addressed any other potential safety concerns.

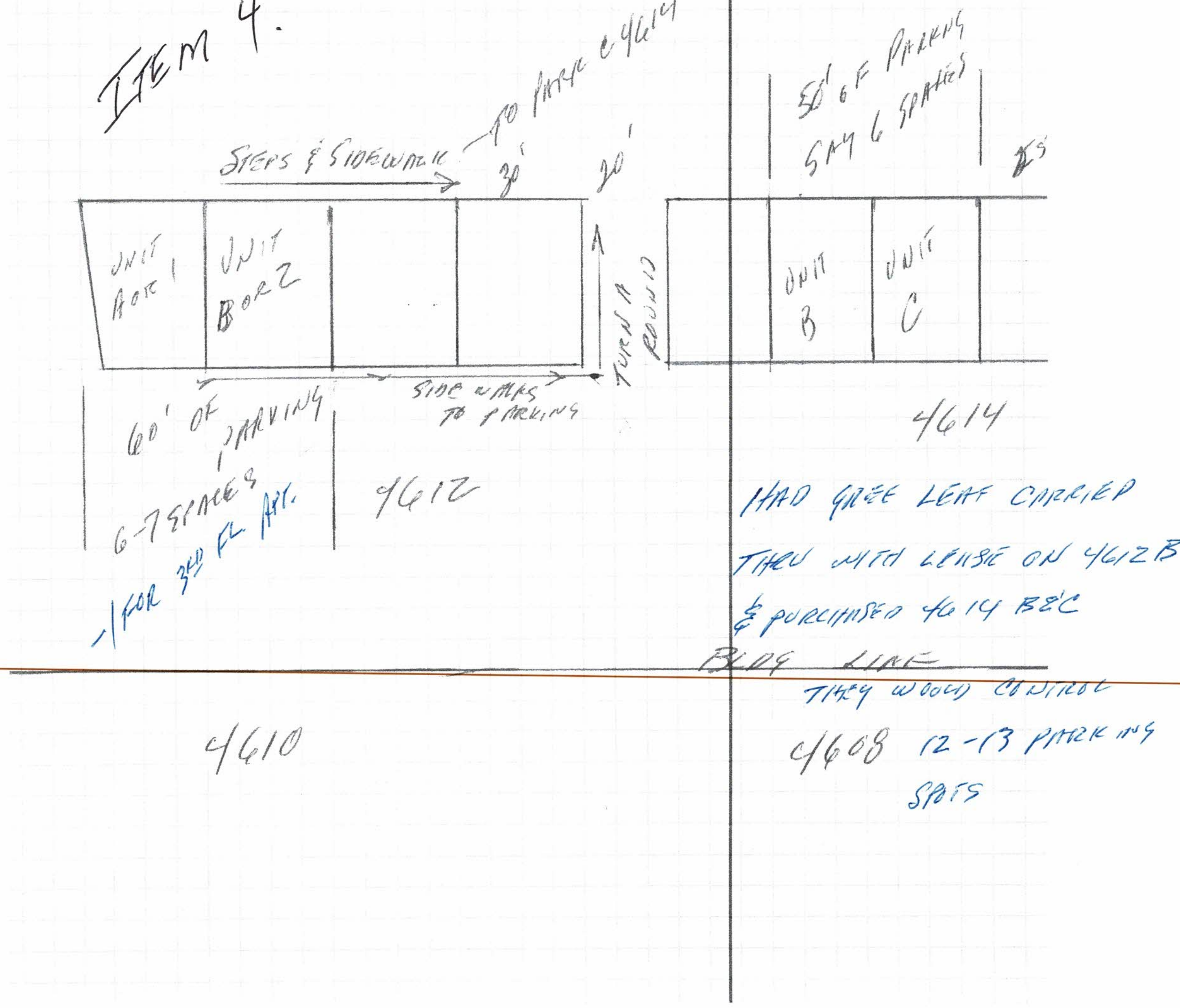
Parking: Per section 22.20.100 Off-street Parking, the applicant shall provide parking in compliance with this code. Staff would apply Section 22.20.100(G)(13) for industrial and manufacturing uses, (G)(1) for residential, and (G)(15)for the retail use[4], plus one loading space. All uses on the specific lot for the proposed use would need a holistic parking analysis. Even future permitted uses would need to comply and provide adequate parking per code to establish the use. This shall be a condition of approval to comply with SGC and existing parking requirements. Lack of parking details aside, staff does not see this being a major issue warranting extensive discussion.

Note: a foundation permit shows a potential 3,180 sq. foot structure with retail and residential use as well as a 3,600 metal building to be used for storage. All of these would need to comply with conditions of approval and SGC where applicable.

---

[3] §22.24.026(D)(2)
[4] Note: Retail requires 1 space per 300 g.s.f. per code section 22.20.100(G)(15).

ITEM 4.



TO PARK @ 4614
STEPS & SIDEWALK
30'
20'
UNIT A OR 1
UNIT B OR 2
TURN A ROUND
SIDE WALKS TO PARKING
60' OF PARKING
6-7 SPACES
1 FOR 3RD FL. APT.
4612
4610
50' OF PARKING SAY 6 SPACES
UNIT B
UNIT C
4614
HAD GREE LEAF CARRIED
THRU WITH LEASE ON 4612B
& PURCHASED 4614 B&C
BLDG LINE
THEY WOULD CONTROL
4608 12-13 PARKING SPOTS