



August 23, 2017

Kenai Peninsula Borough
Attn: John Blankenship
VIA Email: jblankenship@kpb.us
CC: micheleturner@kpb.us; kring@kpb.us

License Number:	11350
License Type:	Limited Marijuana Cultivation Facility
Licensee:	NATHAN D PENROD; PRESTON S PENROD
Doing Business As:	HARDWORKING HIPPIES
Physical Address:	49755 Sterling Highway Soldotna, AK 99669
Designated Licensee:	NATHAN D PENROD
Phone Number:	907-252-2707
Email Address:	alaska.penrods@gmail.com

New Application **Transfer of Ownership Application** **Onsite Consumption Endorsement**

AMCO has received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

To protest the approval of this application(s) pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our July 12-14, 2017 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

HARDWORKING HIPPIES

24607 CONSTELLATION RD KASILOF AK 99610

owned by

NATHAN D PENROD; PRESTON S PENROD

is licensed by the department to conduct business for the period

August 10, 2017 through December 31, 2017
for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting
42 - Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Chris Hladick

PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT (the "Agreement") made and entered into this 17th day of August, 2017 (the "Execution Date"),

BETWEEN:

Nathan Daniel Penrod of 49755 Sterling Hwy, Soldotna, Alaska, 99669, and
Preston Samual Penrod of 49755 Sterling Hwy, Soldotna, Alaska, 99669
(individually the "Partner" and collectively the "Partners").

BACKGROUND:

- A. The Partners wish to associate themselves as partners in business.
- B. This Agreement sets out the terms and conditions that govern the Partners within the Partnership.

IN CONSIDERATION OF and as a condition of the Partners entering into this Agreement and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the parties to this Agreement agree as follows:

Formation

- 1. By this Agreement the Partners enter into a general partnership (the "Partnership") in accordance with the laws of The State of Alaska. The rights and obligations of the Partners will be as stated in the applicable legislation of The State of Alaska (the 'Act') except as otherwise provided in this Agreement.

Name

- 2. The firm name of the Partnership will be: Hardworking Hippies.

Purpose

- 3. The purpose of the Partnership will be: fair & equitable shares in business

Term

- 4. The Partnership will begin on August 17th, 2017 and will continue until terminated as provided in this Agreement.



Place of Business

- 5. The principal office of the business of the Partnership will be located at 49755 Sterling Hwy, Soldotna, Alaska, 99669 or such other place as the Partners may from time to time designate.

Capital Contributions

- 6. Each of the Partners has contributed to the capital of the Partnership, in cash or property in agreed upon value, as follows (the "Capital Contribution"):

Partner	Contribution Description	Agreed Value
Nathan Daniel Penrod		\$0.00 USD
Preston Samual Penrod		\$0.00 USD

- 7. All Partners will contribute their respective Capital Contributions fully and on time.

Withdrawal of Capital

- 8. No Partner will withdraw any portion of their Capital Contribution without the express written consent of the remaining Partners.

Additional Capital

- 9. Capital Contributions may be amended from time to time, according to the requirements of the Partnership provided that the interests of the Partners are not affected, except with the unanimous consent of the Partners. No Partner will be required to make Additional Capital Contributions. Whenever additional capital is determined to be required and an individual Partner is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by Partnership business obligations, remaining Partners may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of profits or losses among all the Partners will be adjusted to reflect the aggregate change in Capital Contributions by the Partners.
- 10. Any advance of money to the Partnership by any Partner in excess of the amounts provided for in this Agreement or subsequently agreed to as Additional Capital Contribution will be deemed a debt owed by the Partnership and not an increase in Capital Contribution of the Partner. This liability will be repaid with interest at rates and times to be determined by a majority of the



Partners within the limits of what is required or permitted in the Act. This liability will not entitle the lending Partner to any increased share of the Partnership's profits nor to a greater voting power. Such debts may have preference or priority over any other payments to Partners as may be determined by a majority of the Partners.

Capital Accounts

11. An individual capital account (the "Capital Accounts") will be maintained for each Partner and their Initial Capital Contribution will be credited to this account. Any Additional Capital Contributions made by any Partner will be credited to that Partner's individual Capital Account.

Interest on Capital

12. No borrowing charge or loan interest will be due or payable to any Partner on their agreed Capital Contribution inclusive of any agreed Additional Capital Contributions.

Financial Decisions

13. Decisions regarding the distribution of profits, allocation of losses, and the requirement for Additional Capital Contributions as well as all other financial matters will be decided by a unanimous vote of the Partners.

Profit and Loss

14. Subject to any other provisions of this Agreement, the net profits and losses of the Partnership, for both accounting and tax purposes, will accrue to and be borne by the Partners in equal proportions (the "Profit and Loss Distribution").

Books of Account

15. Accurate and complete books of account of the transactions of the Partnership will be kept in accordance with generally accepted accounting principles (GAAP) and at all reasonable times will be available and open to inspection and examination by any Partner. The books and records of the Partnership will reflect all the Partnership's transactions and will be appropriate and adequate for the business conducted by the Partnership.

Annual Report

16. As soon as practicable after the close of each fiscal year, the Partnership will furnish to each Partner an annual report showing a full and complete account of the condition of the Partnership. This report will consist of at least the following documents:



- a. a statement of all information as will be necessary for the preparation of each Partner's income or other tax returns;
- b. a copy of the Partnership's federal income tax returns for that fiscal year; and
- c. any additional information that the Partners may require.

Banking and Partnership Funds

17. The funds of the Partnership will be placed in such investments and banking accounts as will be designated by the Partners. All withdrawals from these bank accounts will be made by the duly authorized agent or agents of the Partners as agreed by unanimous consent of the Partners. Partnership funds will be held in the name of the Partnership and will not be commingled with those of any other person or entity.

Fiscal Year

18. The fiscal year will end on the 31st day of December of each year.

Audit

19. Any of the Partners will have the right to request an audit of the Partnership books. The cost of the audit will be borne by the Partnership. The audit will be performed by an accounting firm acceptable to all the Partners. Not more than one (1) audit will be required by any or all of the Partners for any fiscal year.

Management

20. Except as all of the Partners may otherwise agree in writing, all actions and decisions respecting the management, operation and control of the Partnership and its business will be decided by a unanimous vote of the Partners.

Contract Binding Authority

21. Each Partner will have authority to bind the Partnership in contract.

Tax Matters Partner

22. The tax matters partner will be Preston Penrod (the "Tax Matters Partner"). The Tax Matters Partner will prepare, or cause to be prepared, all tax returns and reports for the Partnership and make any related elections that the Partners deem advisable.



23. A Tax Matters Partner can voluntarily withdraw from the position of Tax Matters Partner or can be appointed or replaced by a majority vote of the other Partners. In the event of a withdrawal of the Tax Matters Partner from the Partnership, the remaining Partners will appoint a successor as soon as practicable.

Meetings

24. Regular meetings of the Partners will be held monthly.
25. Any Partner can call a special meeting to resolve issues that require a vote, as indicated by this Agreement, by providing all Partners with reasonable notice. In the case of a special vote, the meeting will be restricted to the specific purpose for which the meeting was held.
26. All meetings will be held at a time and in a location that is reasonable, convenient and practical considering the situation of all Partners.

Admitting a New Partner

27. No new Partners may be admitted into the Partnership.

Voluntary Withdrawal of a Partner

28. Any Partner will have the right to voluntarily withdraw from the Partnership at any time. Written notice of intention to withdraw must be served upon the remaining Partners at least three (3) months prior to the withdrawal date.
29. The voluntary withdrawal of a Partner will result in the dissolution of the Partnership.
30. A Dissociated Partner will only exercise the right to withdraw in good faith and will act to minimize any present or future harm done to the remaining Partners as a result of the withdrawal.

Involuntary Withdrawal of a Partner

31. Events resulting in the involuntary withdrawal of a Partner from the Partnership will include but not be limited to: death of a Partner; Partner mental incapacity; Partner disability preventing reasonable participation in the Partnership; Partner incompetence; breach of fiduciary duties by a Partner; criminal conviction of a Partner; Expulsion of a Partner; Operation of Law against a Partner; or any act or omission of a Partner that can reasonably be expected to bring the business or societal reputation of the Partnership into disrepute.



32. The involuntary withdrawal of a Partner will result in the dissolution of the Partnership.
33. A trustee in bankruptcy or similar third party who may acquire that Dissociated Partner's interest in the Partnership will only acquire that Partner's economic rights and interests and will not acquire any other rights of that Partner or be admitted as a Partner of the Partnership or have the right to exercise any management or voting interests.

Dissociation of a Partner

34. Where the dissociation of a Partner for any reason results in the dissolution of the Partnership then the Partnership will proceed in a reasonable and timely manner to dissolve the Partnership, with all debts being paid first, prior to any distribution of the remaining funds. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
35. The remaining Partners retain the right to seek damages from a Dissociated Partner where the dissociation resulted from a malicious or criminal act by the Dissociated Partner or where the Dissociated Partner had breached their fiduciary duty to the Partnership or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Partnership or to the reputation of the Partnership.

Dissolution

36. Except as otherwise provided in this Agreement, the Partnership may be dissolved only with the unanimous consent of all Partners.

Distribution of Property on Dissolution of Partnership

37. In the event of the dissolution of the Partnership, each Partner will share equally (the "Dissolution Distribution") in any remaining assets or liabilities of the Partnership.
38. Upon Dissolution of the Partnership and liquidation of Partnership Property, and after payment of all selling costs and expenses, the liquidator will distribute the Partnership assets to the following groups according to the following order of priority:
 - a. in satisfaction of liabilities to creditors except Partnership obligations to current Partners;
 - b. in satisfaction of Partnership debt obligations to current Partners; and then



c. to the Partners according to the Dissolution Distribution described above.

39. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Partnership assets after liabilities or any insufficiency in Partnership assets in resolving liabilities under this section will be shared by the Partners according to the Dissolution Distribution described above.

Valuation of Interest

40. In the absence of a written agreement setting a value, the value of the Partnership will be based on the fair market value appraisal of all Partnership assets (less liabilities) determined in accordance with generally accepted accounting principles (GAAP). This appraisal will be conducted by an independent accounting firm agreed to by all Partners. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Partners. A withdrawing Partner's interest will be based on that Partner's proportion of the Dissolution Distribution described above, less any outstanding liabilities the withdrawing Partner may have to the Partnership. The intent of this section is to ensure the survival of the Partnership despite the withdrawal of any individual Partner.
41. No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Partnership books immediately prior to valuation.

Goodwill

42. The goodwill of the Partnership business will be assessed at an amount to be determined by appraisal using generally accepted accounting principles (GAAP).

Title to Partnership Property

43. Title to all Partnership Property will remain in the name of the Partnership. No Partner or group of Partners will have any ownership interest in such Partnership Property in whole or in part.

Voting

44. Any vote required by the Partnership will be assessed where each Partner receives one vote carrying equal weight.



Force Majeure

45. A Partner will be free of liability to the Partnership where the Partner is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, such as earthquake, typhoon, flood, fire, and war or any other unforeseen and uncontrollable event where the Partner has communicated the circumstance of said event to any and all other Partners and taken any and all appropriate action to mitigate said event.

Duty of Loyalty

46. No Partner will engage in any business, venture or transaction, whether directly or indirectly, that might be competitive with the business of the Partnership or that would be in direct conflict of interest to the Partnership without the unanimous written consent of the remaining Partners. Any and all businesses, ventures or transactions with any appearance of conflict of interest must be fully disclosed to all other Partners. Failure to comply with any of the terms of this clause will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

Duty of Accountability for Private Profits

47. Each Partner must account to the Partnership for any benefit derived by that Partner without the consent of the other Partners from any transaction concerning the Partnership or any use by that Partner of the Partnership property, name or business connection. This duty continues to apply to any transactions undertaken after the Partnership has been dissolved but before the affairs of the Partnership have been completely wound up by the surviving Partner or Partners or their agent or agents.

Duty to Devote Time

48. Each Partner will devote such time and attention to the business of the Partnership as the majority of the Partners will from time to time reasonably determine for the conduct of the Partnership business.

Actions Requiring Unanimous Consent of the Partners

49. The following list of actions will require the unanimous consent of all Partners:
- a. assigning check signing authority;
 - b. selling or encumbering of any Partnership asset whose fair market value exceeds \$ 1 USD;



- c. hiring any employee whose total compensation package exceeds \$ 1 USD per annum; and
 - d. firing of any employee except in the case of gross misconduct that exposes the Partnership to possible liability.
50. Any losses incurred as a result of a violation of this section will be charged to and collected from the individual Partner that acted without unanimous consent and caused the loss.

Forbidden Acts

- 51. No Partner may do any act in contravention of this Agreement.
- 52. No Partner may permit, intentionally or unintentionally, the assignment of express, implied or apparent authority to a third party that is not a Partner in the Partnership.
- 53. No Partner may do any act that would make it impossible to carry on the ordinary business of the Partnership.
- 54. No Partner may confess a judgment against the Partnership.
- 55. No Partner will have the right or authority to bind or obligate the Partnership to any extent with regard to any matter outside the intended purpose of the Partnership.
- 56. Any violation of the above Forbidden Acts will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

Indemnification

- 57. All Partners will be indemnified and held harmless by the Partnership from and against any and all claims of any nature, whatsoever, arising out of a Partner's participation in Partnership affairs. A Partner will not be entitled to indemnification under this section for liability arising out of gross negligence or willful misconduct of the Partner or the breach by the Partner of any provisions of this Agreement.



Liability

58. A Partner will not be liable to the Partnership, or to any other Partner, for any mistake or error in judgment or for any act or omission done in good faith and believed to be within the scope of authority conferred or implied by this Agreement or the Partnership.

Liability Insurance

59. The Partnership may acquire insurance on behalf of any Partner, employee, agent or other person engaged in the business interest of the Partnership against any liability asserted against them or incurred by them while acting in good faith on behalf of the Partnership.

Life Insurance

60. The Partnership will have the right to acquire life insurance on the lives of any or all of the Partners, whenever it is deemed necessary by the Partnership. Each Partner will cooperate fully with the Partnership in obtaining any such policies of life insurance.

Amendments

61. This Agreement may not be amended in whole or in part without the unanimous written consent of all Partners.

Governing Law

62. This Agreement will be governed by and construed in accordance with the laws of The State of Alaska.

Definitions

63. For the purpose of this Agreement, the following terms are defined as follows:
- a. "Additional Capital Contributions" means Capital Contributions, other than Initial Capital Contributions, made by Partners to the Partnership.
 - b. "Capital Contribution" means the total amount of cash or Property contributed to the Partnership by any one Partner.
 - c. "Dissociated Partner" means any Partner who is removed from the Partnership through a voluntary or involuntary withdrawal as provided in this Agreement.



- d. "Expulsion of a Partner" can occur on application by the Partnership or another Partner, where it has been determined that the Partner:
 - i. has engaged in wrongful conduct that adversely and materially affected the Partnership's business;
 - ii. has willfully or persistently committed a material breach of this Agreement or of a duty owed to the Partnership or to the other Partners; or
 - iii. has engaged in conduct relating to the Partnership's business that makes it not reasonably practicable to carry on the business with the Partner.
- e. "Initial Capital Contribution" means Capital Contributions made by any Partner to acquire an interest in the Partnership.
- f. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.

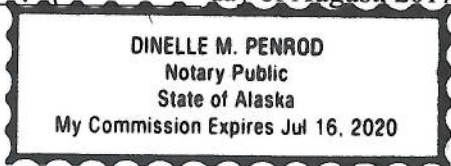
Miscellaneous

- 64. Time is of the essence in this Agreement.
- 65. This Agreement may be executed in counterpart.
- 66. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.
- 67. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.



- 68. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made by any party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the parties.
- 69. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Partner's successors, assigns, executors, administrators, beneficiaries, and representatives.
- 70. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the parties at the addresses contained in this Agreement or as the parties may later designate in writing.
- 71. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

IN WITNESS WHEREOF the Partners have duly affixed their signatures under hand and seal on this 17th day of August, 2017.



Dinelle M. Penrod
WITNESS: 8-17-17

Nathan Daniel Penrod
Nathan Daniel Penrod

WITNESS: _____

Preston Samuel Penrod
Preston Samuel Penrod





Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	Nathan D. Penrod	License Number:	11350
License Type:	Limited Marijuana Cultivation Facility		
Doing Business As:	Hardworking Hippies		
Premises Address:	49755 Sterling Hwy		
City:	Soldotna	State:	AK
		ZIP:	99669

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Nathan D. Penrod
Title:	Owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses: Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?





Alaska Marijuana Control Board
Form MJ-00: Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

NDP

I certify that I am not currently on felony probation or felony parole.

NDP

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

NDP

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

NDP

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

NDP

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

NDP

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

NDP

I certify that my proposed premises is not located in a liquor licensed premises.

NDP

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

NDP

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application.

NDP

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

NDP

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.

NDP





Alcohol and 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
Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

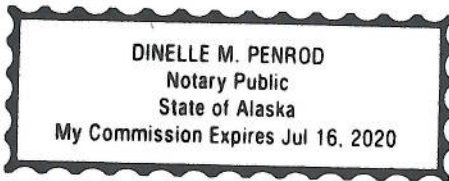
Nathan Penrod
 Signature of licensee

Nathan Penrod
 Printed name

Subscribed and sworn to before me this 17 day of August, 2017.

Dinelle M. Penrod
 Notary Public in and for the State of Alaska.

My commission expires: 7-16-2020





Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	Preston S. Penrod	License Number:	11350
License Type:	limited marijuana Cultivation Facility		
Doing Business As:	Hardworking Hippies		
Premises Address:	49755 Sterling Hwy		
City:	Soldotna	State:	AK
		ZIP:	99669

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Preston S. Penrod
Title:	Owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?





Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

I certify that I am not currently on felony probation or felony parole.

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

I certify that my proposed premises is not located in a liquor licensed premises.

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application.

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.

Handwritten initials in boxes for each certification statement.





Alcohol and 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
Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of only the applicable statement: Initials

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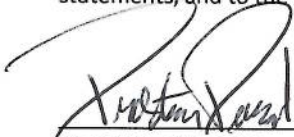
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I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

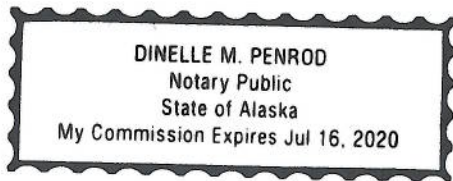
All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

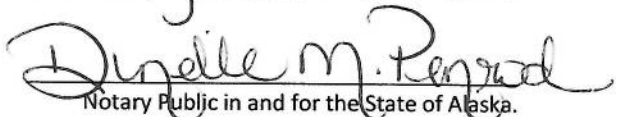


 Signature of licensee
 Preston Penrod

 Printed name



Subscribed and sworn to before me this 17 day of August, 2017.



 Notary Public in and for the State of Alaska.

My commission expires: 7-16-2020





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38 of Alaska Statutes** and **Chapter 306 of the Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Security
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Waste disposal
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising
- Control plan for persons under the age of 21

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06**) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment Information

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

Licensee:	Nathan D. Penrod, Preston S. Penrod	License Number:	11350		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Hardworking Hippies				
Premises Address:	49755 Sterling Highway				
City:	Soldotna	State:	ALASKA	ZIP:	99669

Mailing Address:	49755 Sterling Highway				
City:	Soldotna	State:	ALASKA	ZIP:	99669

Primary Contact:	Nathan D. Penrod				
Main Phone:	907-252-2707	Cell Phone:	907-252-2707		
Email:	alaska.penrods@gmail.com				





Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana_licensing@alaska.gov
<https://www.commerce.alaska.gov/web/ampco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Security

Review the requirements under 3 AAC 306.710 – 3 AAC 306.720 and 3 AAC 306.755, and identify how the proposed premises will meet the listed requirements.

Describe how the proposed premises will comply with each of the following:

Restricted Access Areas (3 AAC 306.710):

Describe how you will prevent unescorted members of the public from entering restricted access areas:

The licensee or agents of the marijuana establishment will have the only keys to the building and all restricted access areas. Premises will be locked at all times. Any trespassers or unauthorized visitors can be monitored via security cameras, and escorted off the property.

Describe your processes for admitting visitors into and escorting them through restricted access areas:

Upon arriving at the premises, visitors shall be required to provide proof of legal age before receiving a visitors identification badge. Visitors will be escorted at all times through restricted access areas by a licensee, employee or agent of the marijuana establishment.





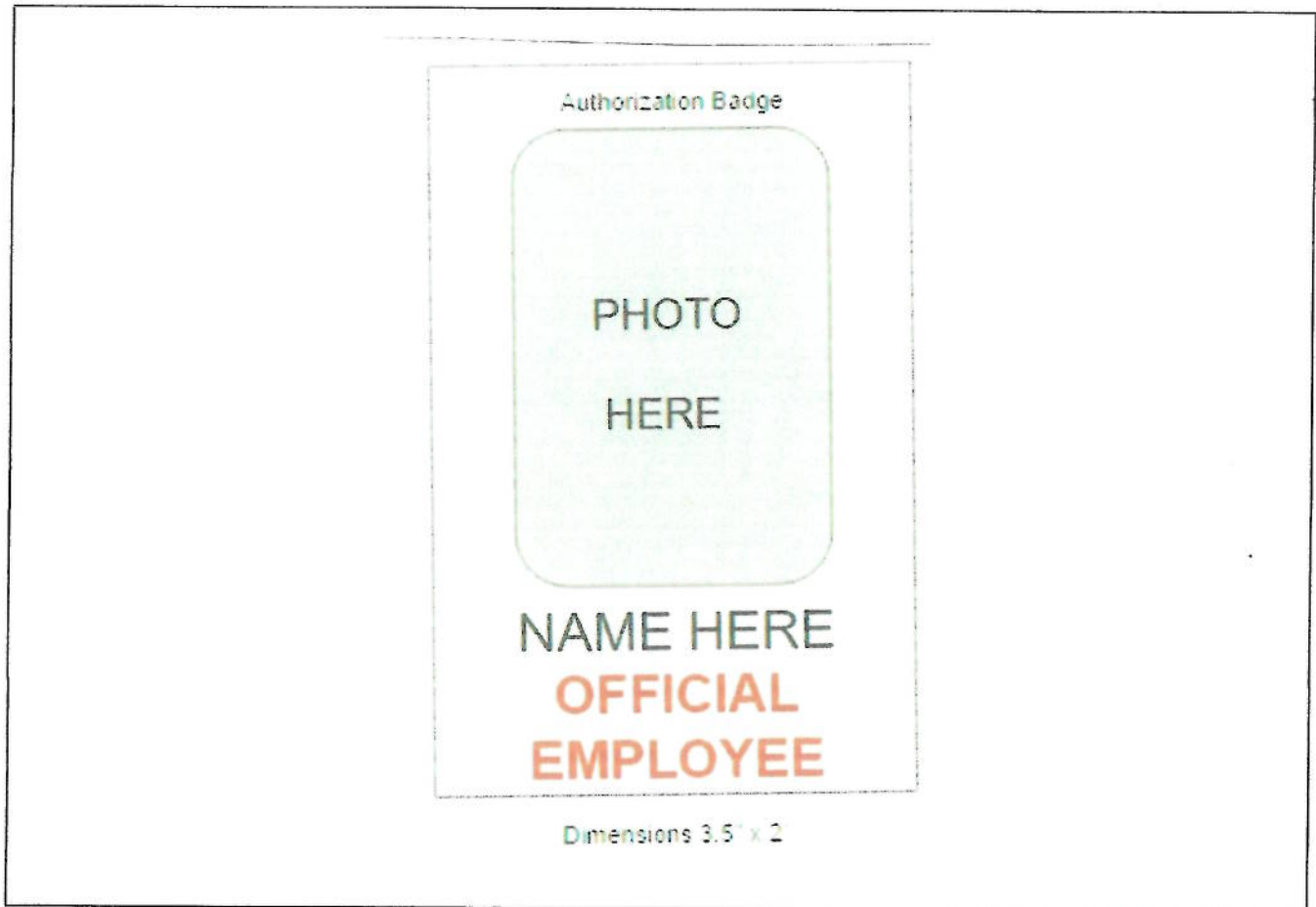
Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your recordkeeping of visitors who are escorted into restricted access areas:

A logbook will be kept on the premises. Visitors will be required to sign in and date prior to entering any restricted access areas.

Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises:





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Security Alarm Systems and Lock Standards (3 AAC 306.715):

Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

Lighting will be on all sides of the building in order to provide proper illumination for surveillance cameras. As an extra precaution motion sensor lighting will be mounted on all four sides of the building also.

An alarm system is required for all license types. Describe the security alarm system for the proposed premises:

The main entrance will be equipped with an alarm system that will ring in the facility and at our home residence, and can notify licensee via smart phone.

The alarm system must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe how the security alarm system meets this requirement:

The alarm system will be activated any time the doors are locked. The licensee or agent of the marijuana facility will activate the system upon leaving the premises.





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures for preventing diversion of marijuana or marijuana product:

RFID tags on all products and plants. A marijuana inventory tracking system designed by TraceWeed tracking systems, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used. Products will be stored in a safe for the entire durations while awaiting sale. Signed manifest by the buyer of the goods will be kept for on-site record. Sound alarms will be installed. Security systems will alert intruders of security measures. Lighting both indoors and exterior will allow for product to be monitored sufficiently via video surveillance. Products will be locked in a fire resistant safe. Access to safe will be limited only to owners and limited staff. Signed inventory declarations of products being stored will be accounted for and updated on a daily basis. Marijuana product will be prepared, packaged and secured for delivery in child resistant, opaque bags. Bags will have a manifest with tracking and testing information attached at all times. Locked containers from purchaser will be required prior to product leaving facility.

Describe your policies and procedures for preventing loitering:

Our policy is that there will be no trespassing onto the property. Our location is not a public area, we do not anticipate anyone to be loitering. "No Trespassing" signs will be placed on property. Due to the fact we are not located within city limits, appropriate signage should be sufficient.

Describe your policies and procedures regarding the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of the proposed premises:

Our additional security devices include an intercom at the only entrance to the building to verbally screen visitors. The facility will also be equipped with motion detecting exterior lights on all sides of the building.





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security:

Our policy in the event of any unauthorized breach of security in which local law enforcement is alerted is to standby until local law enforcement has secured the facility and the incident has been safely resolved.

Video Surveillance (3 AAC 306.720):

All licensed marijuana establishments must meet minimum standards for surveillance equipment. Applicants should be able to answer "Yes" to all items below.

Video surveillance and camera recording system covers the following areas of the premises:	Yes	No
Each restricted access area and each entrance to a restricted access area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Both the interior and exterior of each entrance to the facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Each point of sale area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Each video surveillance recording:	Yes	No
Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Clearly and accurately displays the time and date	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated	<input checked="" type="checkbox"/>	<input type="checkbox"/>





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

The cameras will be placed above the doors, will be angled in order to catch the best image of an individual's face as they come within 20 feet of the entrance. The camera will be protected by the roof eave. Upon entering the facility the camera will be aimed at the door entrance to capture the best possible image of those entering and remaining in the facility.

Describe the locked and secure area where video surveillance recording equipment and records will be housed and stored and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the board:

Surveillance recording equipment and video surveillance records will be housed in the designated, locked, and secured safe room area. (see layout diagram)

The secured safe room will have a sign stating "this room is accessible to authorized personnel, law enforcement and agents of the board only". Records will be retained for 60 days. Video will have 24 hour battery in case of power outages.

Video recordings may also be accessed online at any time upon request by designated authorities.

Location of Surveillance Equipment and Video Surveillance Records:

Yes No

Surveillance room or area is clearly defined on the premises diagram

Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area

Surveillance recording equipment access is limited to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board

Video surveillance records are stored off-site





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Business Records (3 AAC 306.755):

All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records. Applicants should be able to answer "Yes" to all items below.

Business Records Maintained and Kept on the Licensed Premises:

	Yes	No
All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Records related to advertising and marketing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A current diagram of the licensed premises including each restricted access area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A log recording the name, and date and time of entry of each visitor permitted into a restricted access area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All records normally retained for tax purposes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)	<input checked="" type="checkbox"/>	<input type="checkbox"/>





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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

All books and records necessary to fully account for each business transaction shall be stored in a locked safe at the facility. Duplicate records will be stored in an off-site location. Electronic records will be backed up to an external hard drive and also stored off-site.

Only the licensee shall have access to the records on-site or off-site.





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Form MJ-01: Marijuana Establishment Operating Plan

Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730, and identify how the proposed establishment will meet the listed requirements.

All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

Applicants should be able to answer “Yes” to all items below.

Marijuana Tracking and Weighing:

Yes No

A marijuana inventory tracking system, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used

All marijuana delivered to a marijuana establishment will be weighed on a scale certified in compliance with 3 AAC 306.745

Describe the marijuana tracking system that you plan to use and how you will ensure that it is capable of sharing information with the system the board implements:

Our cultivation facility will implement and utilize the METRC tracking system contracted by the State of Alaska.





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700, and identify how the proposed establishment will meet the listed requirements.

A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

Applicants should be able to answer "Yes" to all items below.

Marijuana Handler Permit:

Yes No

Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment

Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

Describe how your establishment will meet the requirements for employee qualifications and training:

Employees will be required to complete an authorized marijuana handler's course, complete the written test and obtain the certificate and card.
Each employee shall have a copy of their card maintained in the records at the facility.
Each employee shall renew their card every three years.





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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to the statement below.

Marijuana Waste Disposal:

Yes No

The marijuana establishment shall give the board at least 3 days notice in the marijuana inventory tracking system required under 3 AAC 306.730 before making the waste unusable and disposing of it

Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations:

Our facility will collect marijuana plant waste including roots, stalks, leaves and stems that have not been processed with solvent, grind and place in a holding crate to be mixed with compostable materials. Wastewater will be utilized to water local vegetation on the property.

Describe what material or materials you will mix with the ground marijuana waste to make it unusable:

We will mix with compostable materials such as food waste, yard waste, and vegetable based grease or oils. Unusable waste will then be placed on property as fill.





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Form MJ-01: Marijuana Establishment Operating Plan

Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves the marijuana establishment. Describe the process or processes that you will use to make the marijuana plant waste unusable:

Our facility will give the board three days notice in the marijuana inventory tracking system before making the waste unusable and disposing of it.

Our facility will grind or shred all marijuana waste including roots, stalks, leaves, and stems that have not been processed solvent. We will then add compostable materials such as local timothy hay, food waste, yard waste such as grass trimmings and/or vegetable based grease or oils. The mixture will be no less than 50% ground marijuana waste and compostable materials.

We will then utilize the unusable marijuana waste as fill on our property or as feed for our goats if it is approved by the board.





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Form MJ-01: Marijuana Establishment Operating Plan

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Section 6 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to all items below.

Marijuana Transportation:	Yes	No
The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>
During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest	<input checked="" type="checkbox"/>	<input type="checkbox"/>





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment:

Marijuana product will be prepared, packaged, and secured for delivery in child resistant, opaque bags. Bags will have a manifest with tracking and testing information attached at all times. Locked containers from purchaser will be required prior to product leaving facility.

Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijuana or marijuana product:

Durable containers will be used for transportation. Containers will have locks on them and will remain locked throughout the duration of transport. Authorized handler will be responsible for each container while in transit.





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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 7 – Signage and Advertising

Describe any signs that you intend to post on your establishment with your business name, including quantity and dimensions:

Our facility will not be posting any signs on the exterior of our premises with our business name.

If you are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, including Page 17.

Restriction on advertising of marijuana and marijuana products (3 AAC 306.350):

All licensed retail marijuana stores must meet minimum standards for signage and advertising.

Applicants should be able to answer "Agree" to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:

Agree Disagree

Is false or misleading

Promotes excessive consumption

Represents that the use of marijuana has curative or therapeutic effects

Depicts a person under the age of 21 consuming marijuana

Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana





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Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

Within one thousand feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21

On or in a public transit vehicle or public transit shelter

On or in a publicly owned or operated property

Within 1000 feet of a substance abuse or treatment facility

On a campus for post-secondary education

Signage and Promotional Materials:

Agree Disagree

I understand and agree to follow the limitations for signs under 3 AAC 306.360(a)

The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products

All advertising for marijuana or any marijuana product will contain the warnings required under 3 AAC 306.360(e)





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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Section 8 – Control Plan for Persons Under the Age of 21

Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

Our building and all restricted access areas will be locked and monitored at all times
All persons entering the premises will be asked for identification as proof of age
Product will only be sold to licensed retail establishments.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

[Signature]
Signature of licensee

Kristen Perrod Nathan Perrod
Printed name

Subscribed and sworn to before me this 10th day of April, 2017.



[Signature]
Notary Public in and for the State of Alaska.

My commission expires: 09-18-18





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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):





Alaska Marijuana Control Board Form MJ-02: Premises Diagram

What is this form?

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex. For those applying for a limited marijuana cultivation license, the proposed area(s) for cultivation must be clearly delineated.

The **second page of this form is not required**. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

Section 1 – Establishment Information

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

Licensee:	Nathan D. Penrod, Preston S. Penrod	License Number:	11350		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Hardworking Hippies				
Premises Address:	49755 Sterling Highway				
City:	Soldotna	State:	AK	ZIP:	99669





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Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

Section 2 – Detailed Premises Diagram

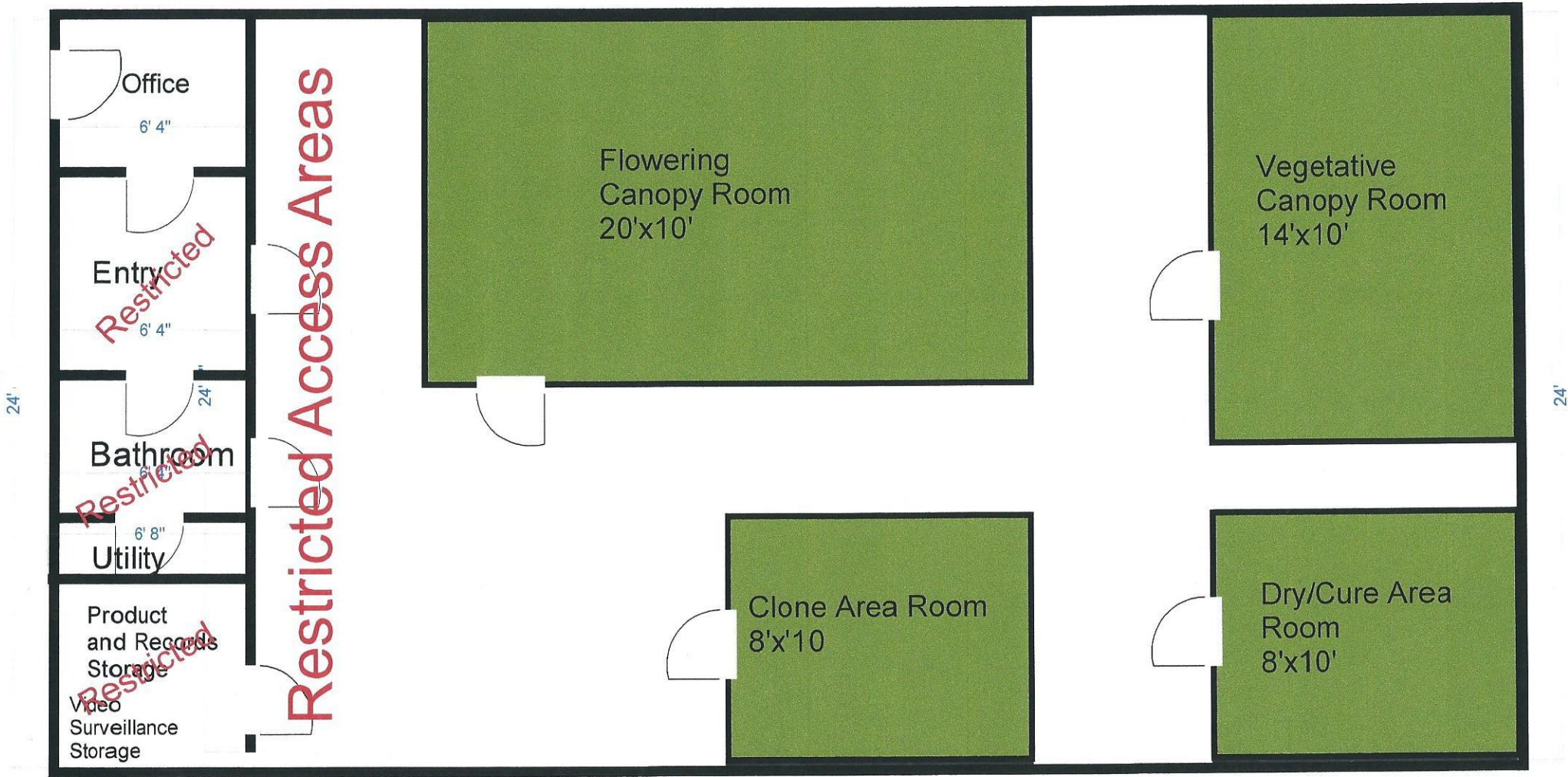
Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances, walls, partitions, counters, windows, areas of ingress and egress, restricted access areas, and storage areas. Include dimensions in your drawing. Use additional copies of this form or attached additional documents as needed.

See attached.



Area Under Cultivation = 500 Square Feet

48' 0"



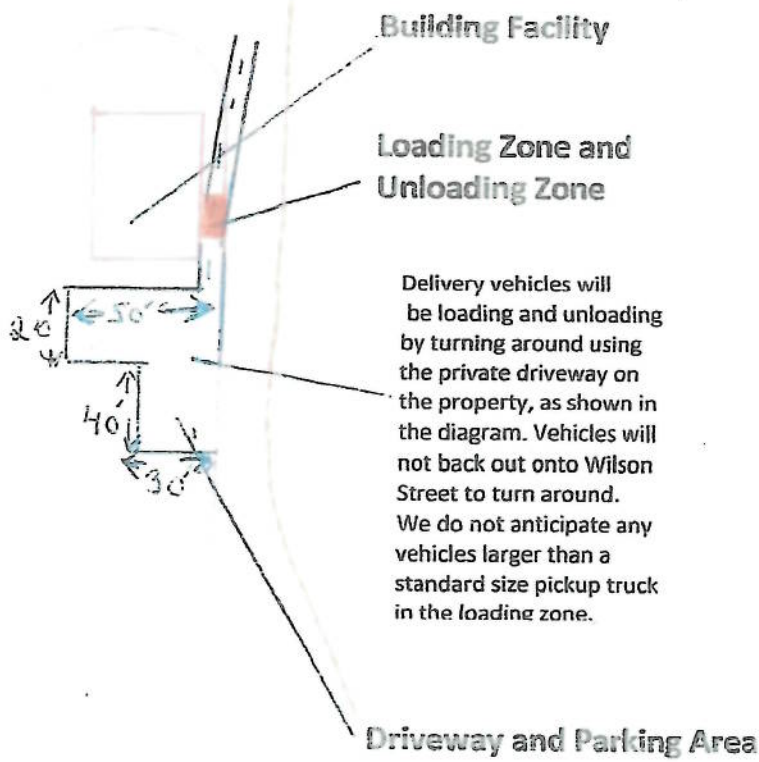
Overall Building Square Footage = 24'x 48' (1,152 Square feet)

Cameras =  Border of Licensed Premises = 

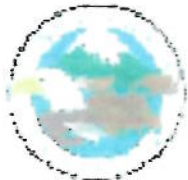
48' 0"



Overall Building Square Footage = 24'x 48' (1,152 Square feet)



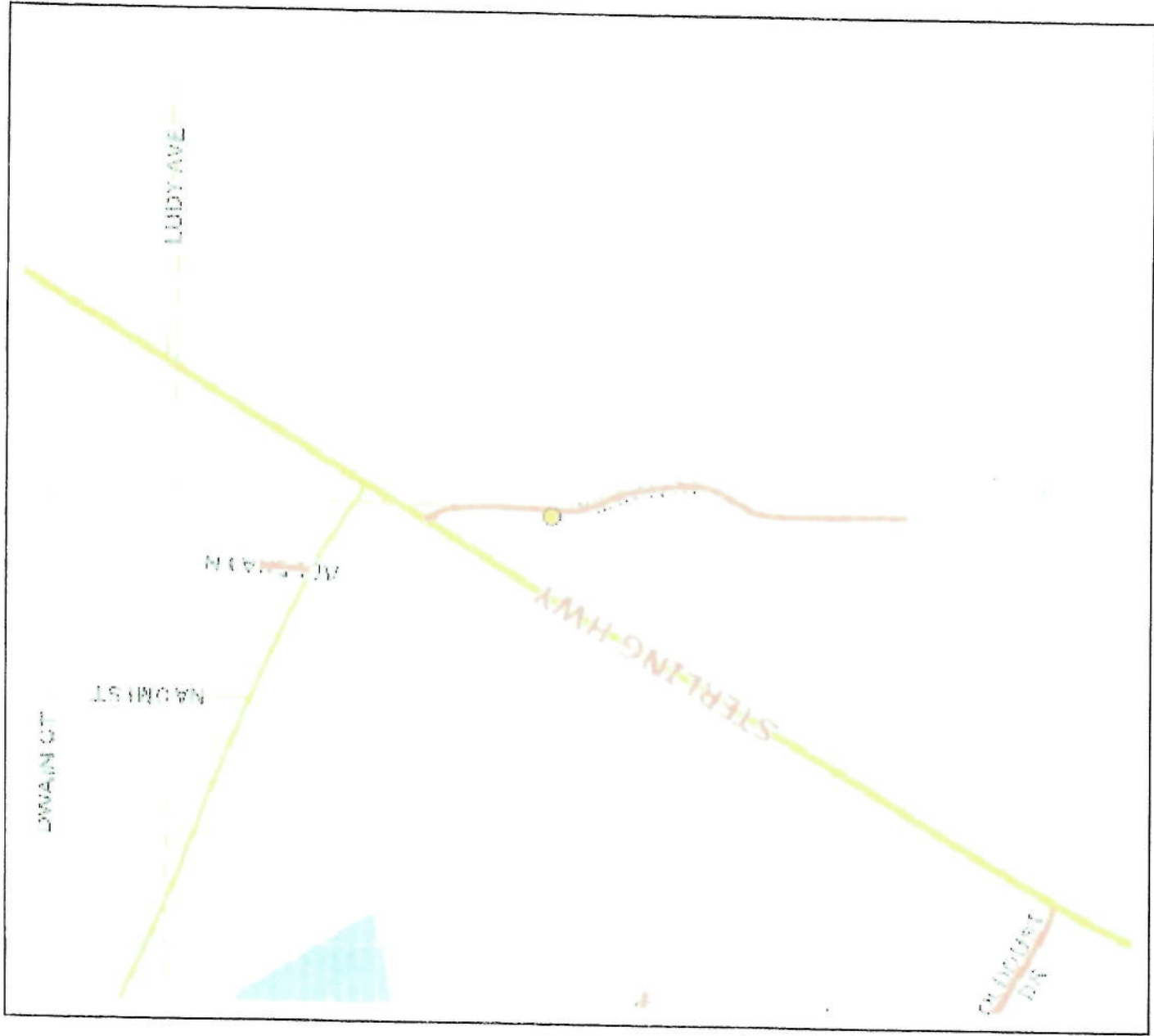
KPB Parcel Viewer



Printed: Jul 24 2016



RECEIVED
AUG 21 2017
ALCOHOL MARSHANA CONTROL OFFICE
STATE OF ALASKA



KPB Parcel Viewer



Printed: Jul 24 2016



Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

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<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany the **Marijuana Establishment Operating Plan (Form MJ-01)**, per 3 AAC 306.020(b)(11). Applicants should review **Chapter 306: Article 4** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.420(2).

What additional information is required for cultivation facilities?

Applicants must identify how the proposed establishment will comply with applicable regulations regarding the following:

- Prohibitions
- Cultivation plan
- Odor control
- Testing procedure and protocols
- Security

This form must be submitted to AMCO's main office before any marijuana cultivation facility license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	Nathan D. Penrod, Preston S. Penrod	License Number:	11350		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Hardworking Hippies				
Premises Address:	49755 Sterling Highway				
City:	Soldotna	State:	ALASKA	ZIP:	99669





Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

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Section 2 – Prohibitions

Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer “Agree” to all items below.

The marijuana cultivation facility will not:

Agree Disagree

Sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation

Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its licenses premises or within 20 feet of the exterior of any building or outdoor cultivation facility

Treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana

Section 3 – Cultivation Plan

Review the requirements under 3 AAC 306.420, and identify how the proposed premises will meet the listed requirements.

Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dimensions and overall square footage. Provide your calculations below:

We are planning on using 500 square feet for cultivation as per AAC 306.410(1).
Clone room is 8'x10' (80 square feet), Vegetation Canopy is 14'x10' (140 square feet),
Flowering Canopy is 20'x10' (200 square feet), Dry/Cure Area is 8'x10' (80 square feet).
Overall facility interior dimensions is approximately 24'x48' (1152 square feet).



Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

Alcohol and 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

Describe the marijuana cultivation facility's growing medium(s) to be used:

Soil will be used for the growing medium. No hydroponic methods will be used.

Describe the marijuana cultivation facility's fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used:

Plants will be fertilized with fertilizers such as Vegamatrix and other food grade materials. We plan on using microbial nutrients that come in the form of living soil as a way to fertilize the crop.

CO2 will not be utilized.

Describe the marijuana cultivation facility's irrigation and waste water systems to be used:

Most of the water will be absorbed through the soil, however, in the event of a spill, water will be cleaned up and placed into a composting medium to allow for proper disposal of the water.

Plants will be hand watered by trained staff and should never be over-watered to the point of excessive spilling



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Describe the marijuana cultivation facility's waste disposal arrangements:

Our facility will collect marijuana plant waste including roots, stalks, leaves and stems that have not been processed with solvent, grind and place in a holding crate to be mixed with compostable materials. Wastewater will be utilized to water local vegetation on the property.

Section 4 – Odor Control

Review the requirements under 3 AAC 306.430, and identify how the proposed premises will meet the listed requirement.

Describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

3X RC-48 48" Carbon Filters will be placed in the facility to mitigate odor from leaving the facility. The site is designed to have a negative air pressure so that all air will not be able to leave the premises without passing through the filters first.

Filter will draw air from a power inline fan that forces air to pass through the cylindrical filter.

We have selected filters that are commercial grade and designed for a much higher volume of air than what we are using to ensure additional odors do not escape.

There will be a filter in the grow room, flower room, and cure room.





Alaska Marijuana Control Board

Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

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regulations@amco.alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Section 5 – Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the item below.

I understand and agree that:

Agree Disagree

The board will or the director shall from time to time require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks

Describe the testing procedure and protocols the marijuana cultivation facility will follow:

Our facility will collect random samples for testing per 3AAC 306.455 by separating harvested marijuana into batches, then selecting random samples.

A designated individual will be responsible for collecting samples, preparing a signed statement, and providing the signed statement to the marijuana testing facility as well as filing a copy for our business records. He/she will also transport the sample to the testing facility.

The batch/es being tested will be segregated until testing is complete in a restricted access area and results are provided in writing by the marijuana testing facility.





Alaska Marijuana Control Board
Operating Plan Supplemental
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Section 6 – Security

Review the requirements under 3 AAC 306.430 and 3 AAC 306.470 – 3 AAC 306.475, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer “Agree” to the two items below.

The marijuana cultivation facility applicant has:

Agree Disagree

Read and understands and agrees to the packaging of marijuana requirements under 3 AAC 306.470

Read and understands and agrees to the labeling of marijuana requirements under 3 AAC 306.475

Restricted Access Area (3 AAC 306.430):

Yes No

Will the marijuana cultivation facility include outdoor production?

If “Yes”, describe the outdoor structure(s) or the expanse of open or clear ground fully enclosed by a physical barrier:





Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

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Phone: 907.269.0350

Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility cannot be observed by the public from outside the facility:

Our facility has only one entrance. Operations cannot be observed from the outside.

I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Nathan Penrod

Signature of licensee

Nathan Penrod

Printed name

DINELLE M. PENROD
Notary Public
State of Alaska
My Commission Expires Jul 16, 2020

Subscribed and sworn to before me this 17 day of August, 2017.

Dinelle M. Penrod
Notary Public in and for the State of Alaska.

My commission expires: 7-16-2020





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550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<http://www.alaskamarijuanacontrolboard.com>
Phone: 907.269.0350

Alaska Marijuana Control Board
Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

(Additional Space as Needed):





Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit

What is this form?

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by posting a copy of the application (produced by the board's application website) for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	Nathan D. Penrod, Preston S. Penrod	License Number:	11350		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Hardworking Hippies				
Premises Address:	49755 Sterling Highway				
City:	Soldotna	State:	AK	ZIP:	99669

Section 2 – Certification

I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

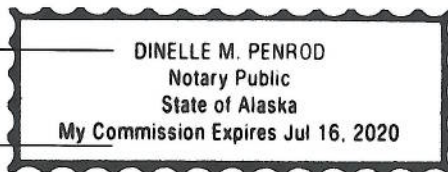
Start Date: 11-7-16 End Date: 11-17-16

Other conspicuous location: TJ Seggys, City Hall, Kenai Peninsula Borough Bldg.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Nathan Penrod
Signature of licensee

Nathan Penrod
Printed name of licensee



Dinelle Penrod
Notary Public in and for the State of Alaska

My commission expires: 7-16-2020

Subscribed and sworn to before me this 17 day of August, 2017.





Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit

What is this form?

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application to the local government and any community council in the area of the proposed licensed premises. For purposes of this notification, the document that must be submitted is the application document produced by the online application system titled "Public Notice".

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Section 1 - Establishment Information

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

Table with license details: Licensee (Nathan D. Penrod, Preston S. Penrod), License Number (11350), License Type (Limited Marijuana Cultivation Facility), Doing Business As (Hardworking Hippies), Premises Address (49755 Sterling Highway), City (Soldotna), State (AK), ZIP (99669).

Section 2 - Certification

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government official and community council (if applicable):

Local Government: Kenai Peninsula Borough, Name of Official: Johni Blankenship, Title of Official: Borough Clerk, Date Submitted: 5-19-16.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee: Nathan Penrod

Printed name of licensee: Nathan Penrod



Signature of Notary Public, commission expires: March 1, 2018

Subscribed and sworn to before me this 18th day of August, 2017.





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office **by each proposed licensee or affiliate** before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	Preston S. Penrod	License Number:	11350
License Type:	Limited Marijuana Cultivation Facility		
Doing Business As:	Hardworking Pippies		
Premises Address:	49755 Sterling Hwy		
City:	Soldotna	State:	AK
		ZIP:	99669

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Preston S. Penrod
Title:	Owner
SSN:	[REDACTED]



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Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.


Signature of licensee/affiliate

Subscribed and sworn to before me this 10th day of April, 2017.




Notary Public in and for the State of Alaska.

My commission expires: 09-18-18





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee or affiliate before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	Nathan D. Penrod	License Number:	11350
License Type:	Limited Marijuana Cultivation Facility		
Doing Business As:	Hardworking Hippies		
Premises Address:	49755 Sterling Hwy		
City:	Soldotna	State:	AK
		ZIP:	99669

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Nathan D. Penrod
Title:	Owner
SSN:	[REDACTED]





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 Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Nathan Penrod
 Signature of licensee/affiliate

Nathan Penrod
 Printed name

DINELLE M. PENROD
 Notary Public
 State of Alaska
 My Commission Expires Jul 16, 2020

Subscribed and sworn to before me this 17 day of August, 2017.

DINELLE M. PENROD
 Notary Public
 State of Alaska
 Commission Expires

Dinelle M. Penrod
 Notary Public in and for the State of Alaska.
 My commission expires: 7-16-2020



Alcohol & Marijuana Control Office

License Number: 11350

License Status: New

License Type: Limited Marijuana Cultivation Facility

Doing Business As: HARDWORKING HIPPIES

Business License Number: 1036690

Designated Licensee: NATHAN D PENROD

Email Address: alaska.penrods@gmail.com

Local Government: Kenai Peninsula Borough

Community Council:

Latitude, Longitude: 60.412280, -151.156136

Physical Address: 49755 Sterling Highway
Soldotna, AK 99669
UNITED STATES

Licensee #1

Licensee Type: Individual

Name: NATHAN D PENROD
[REDACTED]

Date of Birth: 12/02/1993

Phone Number: 907-252-2707

Email Address: alaska.penrods@gmail.com

Mailing Address: 49755 Sterling Highway
Soldotna, AK 99669
UNITED STATES

Licensee #2

Licensee Type: Individual

Name: PRESTON S PENROD
[REDACTED]

Date of Birth: 03/23/1995

Phone Number: 907-953-9798

Email Address: alaska.penrods@gmail.com

Mailing Address: 49755 Sterling Highway
Soldotna, AK 99669
UNITED STATES

Affiliate #1

Licensee Type: Individual

Name: Grant Heath
[REDACTED]

Date of Birth: 10/25/1989

Phone Number: 907-953-4606

Email Address: alaska.penrods@gmail.com

Mailing Address: 49755 Sterling Highway
Soldotna, AK 99669
UNITED STATES

COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease") dated this 3 day of Aug, 2017

BETWEEN:

Michael Penrod of 49755 Sterling Highway, Soldotna, Alaska, 99669

Telephone: (907) 252-5644

OF THE FIRST PART

- AND -

Nathan D. Penrod and Preston S. Penrod DBA

AND

Hardworking Hippies of 24607 Constellation Road, Kasilof, AK 99610

Telephone: (907) 252-2707

(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 49755 Sterling Highway, Soldotna, AK, 99669, 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 building at 49755 Sterling Highway, Soldotna, AK, 99669.
- f. "Rent" means the total of Base Rent and Additional Rent.

Intent of Lease

- 2. It is the intent of this Lease and agreed to by the Parties to this Lease that rent for this Lease will be on a gross rent basis meaning the Tenant will pay the Base Rent and any Additional Rent and the Landlord will be responsible for all other service charges related to the Premises and the operation of the Building save as specifically provided in this Lease to the contrary.

Leased Premises



3. The Landlord agrees to rent to the Tenant the building municipally described as 49755 Sterling Highway, Soldotna, AK, 99669, (the "Premises"). The Premises will be used for only the following permitted use (the "Permitted Use"):

The Landlord agrees to rent the property to the Tenant for the use of operating a limited marijuana cultivation facility.

Neither the Premises nor any part of the Premises will be used at any time during the Term by Tenant for any purpose other than the Permitted Use.

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 August 3, 2017 and continuing on a year-to-year basis until the Landlord or the Tenant terminates the tenancy (the "Term").

Rent

6. Subject to the provisions of this Lease, the Tenant will pay a base rent of \$2,000.00, payable per month, for the Premises (the "Base Rent").

7. The Tenant will pay the Base Rent on or before the First of each and every month of the Term to the Landlord.

8. 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

9. 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 Hardworking Hippies and will not change such name without the prior written consent of the Landlord, such consent not to be unreasonably withheld. The Tenant will open the whole of the Premises for business to the public fully fixtured, stocked and staffed on the date of commencement of the term and throughout the term, will continuously occupy and utilize the entire Premises in the 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 Landlord.

10. 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, provincial, municipal or other competent authority and will not do anything on or in the Premises in contravention of any of them.

Quiet Enjoyment

11. 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.

Distress

12. If and whenever the Tenant is in default in payment of any money, whether hereby expressly reserved or deemed as rent, or any part of the rent, the Landlord may not seize or take possession of marijuana on the property and must notify the AMCO office in the event of a seizure.
13. If the Tenant continues to occupy the Premises without the written consent of the Landlord at the expiration or other termination of the term, then the Tenant will be a tenant at will and will pay to the Landlord, as liquidated damages and not as rent, an amount equal to twice the Base Rent plus any Additional Rent during the period of such occupancy, accruing from day to day and adjusted pro rata accordingly, and subject always to all the other provisions of this Lease insofar as they are applicable to a tenancy at will and a tenancy from month to month or from year to year will not be created by implication of law; provided that nothing in this clause contained will preclude the Landlord from taking action for recovery of possession of the Premises.

Insurance

14. 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.

Abandonment

15. If at any time during the Term, 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 may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

Governing Law

16. 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

17. 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.

Assignment and Subletting

18. The Tenant will not assign this Lease, or sublet or grant any concession or license to use the Premises or any part of the Premises. An assignment, subletting, concession, or license, whether



by operation of law or otherwise, will be void and will, at Landlord's option, terminate this Lease.

Bulk Sale

19. 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.

Additional Provisions

20. The Tenant, Hardworking Hippies, has permission of the Landlord, Michael Penrod, to operate a limited marijuana cultivation facility at the rental property.

Care and Use of Premises

21. 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.
22. 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.
23. 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.
24. The Tenant will not engage in any illegal trade or activity on or about the Premises.
25. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

Surrender of Premises

26. 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

27. 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

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

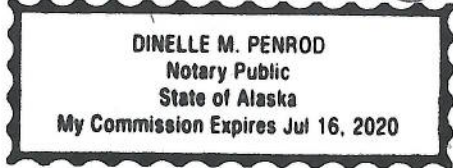
General Provisions

29. 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.
30. 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.
31. 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 recoverable by the Landlord as rental arrears.
32. 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.
33. Time is of the essence in this Lease.
34. This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party to this Lease except to the extent incorporated in this Lease. In particular, no warranties of the Landlord not expressed in this Lease are to be implied.



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 17th day of Aug, 2017.

Dinelle M. Penrod



Michael Penrod
Michael Penrod (Landlord)

Nathan Penrod
Nathan D. Penrod (Tenant)

Preston S. Penrod
Preston S. Penrod (Tenant)





Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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

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:	NATHAN D PENROD; PRESTON S PENROD	License Number:	11350		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	HARDWORKING HIPPIES				
Physical Address:	49755 Sterling Highway				
City:	Soldotna	State:	AK	Zip Code:	99669
Designated Licensee:	NATHAN D PENROD				
Email Address:	alaska.penrods@gmail.com				

Section 2 – Attached Items

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

Attached Items:	<i>• Publishers Affidavit</i>
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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11350

PENINSULA CLARION



INVOICE

Invoice Number
T7979572-0217

Advertiser
HARDWORKING HIPPIES

Billed Account Name and Address

HARDWORKING HIPPIES
24607 CONSTELLATION ROAD
KASILOF AK 99610

Amount Due: \$ 161.92

REMITTANCE ADDRESS
Make Check Payable to: Morris Communications Co., LLC
PO Box 1486
Augusta, GA 30903-1486

Payment Method: Check # Enclosed
Exp. Date: VISA
Account #: _____ Signature _____

Page#	Invoice Date	ScanID	Billed Account Number	Advertiser/Client Number
1	02/28/2017	03	1000719218	1000719218

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR REMITTANCE

Billing Inquiries (866) 875-7917

Amount

Publication: KEN PENINSULA CLARION
 Caption: MarijuanaNotice
 Ad Size: 2.00CO X 2.430IN - BLACK & WHITE
 Position:
 Purchase Order#:
 Date(s): 02/05/2017 - 02/19/2017

161.92

+ Tax 9.72
771.64
PAID CE #8289
Thank you!

Gross: 161.92
 Balance Due: 161.92

Please review your invoice and notify the credit department promptly if you have any disputes or reasons that would delay your payment. All invoice charges are considered valid and due in full unless notified within 30 days of the statement date. A fee of \$20.00 will be charged on all NSF checks.

Invoice Number	Invoice Date	Billed Account	Advertiser Account	Advertiser Name
T7979572-0217	02/20/2017	1000719218	1000719218	HARDWORKING HIPPIES

Terms of Payment: PAYABLE Sales Agent: _____ Tear Sheets: _____

CLARION

PENINSULA



PO Box 3009, Kenai, AK 99611 - (907) 283-7551 - Fax (907) 283-3299

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA, }
STATE OF ALASKA } SS:

Elizabeth A. Ulricksen being first duly sworn, on oath deposes and says:

That I am and was at all times here in this affidavit mentions, Supervisor of Legals of the Morris Publishing Group/Peninsula Clarion, a newspaper of general circulation and published at Kenai, Alaska, that the

a printed copy of which is hereto annexed was published in said paper once each and every week for 3 successive and consecutive weeks in the issues on the following dates:

Account No. 1000719218

HARDWORKING HIPPIES
24607 CONSTELLATION ROAD KASILOF AK 99610 US

Ad # 7979572

Pub Date	Edition	Section	Page
02/05/2017	KEN PENINSULA CLARION	LEGAL NOTICES	C 4
02/12/2017	KEN PENINSULA CLARION	LEGAL NOTICES	C 4
02/19/2017	KEN PENINSULA CLARION	LEGAL NOTICES	C 4

X Elizabeth A. Ulricksen
SUBSCRIBED AND SWORN to me before
this 20 day of February, 2017.

J. Hamlin
NOTARY PUBLIC in favor for the State of Alaska.

My commission expires May 6, 2019.

LIMITED MARIJUANA CULTIVATION FACILITY

NATHAN D PENROD, PRESTON S PENROD are applying under 3 AAC 306.400(a)(2) for a new Limited Marijuana Cultivation Facility License, license #11350, doing business as HARDWORKING HIPPIES, located at 49755 Sterling Highway, Soldotna, AK 99669, UNITED STATES.

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W. 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

Pub: 2/5,12 & 19/2017

7979572/719218

Notary Public
J. HAMLIN
State of Alaska
My Commission Expires May 6, 2019