



March 13, 2017

Kenai Peninsula Borough  
Attn: Johni Blankenship, Michele Turner  
VIA Email: [jblankenship@kpb.us](mailto:jblankenship@kpb.us) , [micheleturner@kpb.us](mailto:micheleturner@kpb.us)

<b>License Number:</b>	11519
<b>License Type:</b>	Limited Marijuana Cultivation Facility
<b>Licensee:</b>	CHASE R GRIFFITH
<b>Doing Business As:</b>	PERMAFROST DISTRIBUTORS
<b>Physical Address:</b>	32630 June Dr. Sterling, AK 99672
<b>Designated Licensee:</b>	CHASE R GRIFFITH
<b>Phone Number:</b>	907-980-7584
<b>Email Address:</b>	Chase.Griffith@AKPermafrost.com

- New Application**       **Transfer of Ownership Application**       **Renewal 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 **April 5, 2017** meeting.

Sincerely,

Sara Chambers, Interim Director  
[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)



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:	Chase Griffith	License Number:	11519		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Permafrost Distributors				
Premises Address:	32630 June Dr.				
City:	Sterling	State:	AK	ZIP:	99672

### Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Chase Griffith
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?

10147: Limited Cultivation Facility  
11509: Retail Marijuana Store



**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.

C.G.

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

C.G.

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

C.G.

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.

C.G.

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.

C.G.

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.

C.G.

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).

C.G.

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

C.G.

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.

C.G.

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.

C.G.

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

C.G.

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.

C.G.



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto: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.

Signature of licensee

**Chase Griffith**

Printed name

Subscribed and sworn to before me this 3<sup>rd</sup> day of January, 2017.



Katie Ring  
Notary Public in and for the State of Alaska.

My commission expires: 9-20-19



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:	Chase Griffith	License Number:	11519		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Permafrost Distributors				
Premises Address:	32630 June Dr.				
City:	Sterling	State:	ALASKA	ZIP:	99672

Mailing Address:	54200 Leonard Dr				
City:	Kenai	State:	ALASKA	ZIP:	99611

Primary Contact:	Chase Griffith				
Main Phone:	907-980-7584	Cell Phone:	907-980-7584		
Email:	Chase.Griffith@AKPermafrost.com				



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:

Locked door, Limited Access. Posted Signs "Authorized Personnel Only".

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

There is a sign indicating "Visitor must sign in prior to gaining access" and a "Sign-In" log. Visitor Badges will be worn while on premises, and will be escorted by a licensed individual on the property.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

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

A Log Book of "visitors" who come in and out of restricted areas will be available and required visitors to sign. At the end of every month, this log book will be scanned and placed on a hard drive to be kept in a secure location.

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**

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**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:**

Exterior lighting is equipped on the building above every door, making light available to the cameras to monitor people coming and going.

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

The alarm consists of "Glass Break" sensors, door sensors, motion sensors as well as "Panic Buttons" which will be made available to personnel. The alarm system is managed by Communications Alaska and if something is triggered I will receive a phone call. If The call is missed, the troopers are notified.

**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:**

Upon leaving the store, the manager will alarm the system to "Away", which will provide monitoring of all windows, doors and motion on the premises.

Upon activation in "Away" mode, owner will be notified and the troopers will be notified as well.





**Alaska Marijuana Control Board**

**Form MJ-01: Marijuana Establishment Operating Plan**

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

Our Point of Sale system will have the capability to monitor inventory sold. At the end of each work day, each employee who was assigned a register will do the appropriate paperwork which will match up cash in drawer and the amount of product gone.

There will also be video coverage of the entire premises.

Theft is a termination, and troopers will be contacted.

**Describe your policies and procedures for preventing loitering:**

Signs will be hung to emphasize no loitering, If someone does extend their welcome on the property (20 minutes+) an employee will ask if there is something that we could do for them. If nothing, the person loitering will be asked to leave. Beyond that, troopers will be notified.

**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:**

Panic buttons will be within arms reach of employees in the event of a robbery. The button will activate a call to the troopers silently. Employees will comply with the robber, and stay calm.



**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:

If an unauthorized person(s) enters a restricted area, they will be asked to leave, if refusal the panic button will be depressed, and employees will remain calm and comply with the unauthorized person. Other doors will be locked to prevent anyone else coming in and guests will be asked to leave to protect their safety.

**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**      

**Both the interior and exterior of each entrance to the facility**      

**Each point of sale area**      

Each video surveillance recording: Yes      No

**Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing**      

**Clearly and accurately displays the time and date**      

**Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated**



**Alaska Marijuana Control Board**

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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:

There are 21 I.P. 2 mega-pixel cameras thoughtfully placed throughout the retail and cultivation facility. These cameras are equipped with night vision. Cameras are placed inside and out. There are 2 locked Network Video Recorder (NVR) which records activity of each camera for a minimum of 40 days. These cameras are accessible remotely via a smart phone or tablet, so activity of the premises can be monitored away from the property as well.

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:

The Network Video Recorder (NVR)s are placed in a locked box and mounted to the wall in a restricted area.

**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**

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**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

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

The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises

Records related to advertising and marketing

A current diagram of the licensed premises including each restricted access area

A log recording the name, and date and time of entry of each visitor permitted into a restricted access area

All records normally retained for tax purposes

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

Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)



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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:

Sales, inventory and purchasing is placed on a server that is located in a restricted area. At the end of each day, a manager will "Close out" the day and all the activity that happened that day will be backed up on our Point Of Sale system (BiotrackTHC) and those records are kept forever.



**Alaska Marijuana Control Board**

**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.

<b>Marijuana Tracking and Weighing:</b>	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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All marijuana delivered to a marijuana establishment will be weighed on a scale certified in compliance with 3 AAC 306.745	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**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:**

We will be using 2 ways to track:

Metrc, which will track inventory, sales and waste.

as well as BiotrackTHC which will generate daily reports for our inventory, harvests, sales, disbursements and disposals. These records are kept forever.



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**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:**

Be 21 or over;  
have an interest in the industry;  
Be an American citizen or legal US resident. Or have the appropriate paperwork to work legally in the U.S. and in this industry;  
have a Alaska Marijuana Handler's Card and keep it current;  
Be nice!  
Training will consist of applying knowledge to the employee regarding the task they will do. We will have Standard Operating Procedures and safety programs which will be provided to employees and made available to them. Orientation will consist of the Alaska State Law regarding cannabis. As well as how we operate as a company. As policies become updated, the managers will be responsible to update the employees on any changes.



**Alaska Marijuana Control Board**

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**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:**

Waste will be quarantined and labeled in the storage room which will be restricted access area. Disposal of non marijuana waste will consist of a locked dumpster that will have video surveillance monitoring it. It will be emptied by a local trash company.

Disposal of marijuana waste will consist of mixing it with a minimum of 50% organic material and 50% marijuana waste and fed to livestock.

We will not have any amounts of wastewater that won't evaporate off the floor. There will be no wastewater. If there is for any reason wastewater, it will be stored until it can be disposed of outside allowing nature to filter the wastewater. The store is not located near any bodies of water.

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

All the unwanted marijuana material will be ground up, mixed with a minimum of 50% of other organic material, such as hay, and fed to livestock.





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## Form MJ-01: Marijuana Establishment Operating Plan

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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:

All the unwanted marijuana material will be ground up, mixed with a minimum of 50% of other organic material, and fed to livestock.



**Alaska Marijuana Control Board**

**Form MJ-01: Marijuana Establishment Operating Plan**

**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

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

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

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

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

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

The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest



## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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

The marijuana retail store shall package its marijuana bud and flower for sale to a retail marijuana store, either in a package not exceeding one ounce for resale to consumers without additional handling by the retail marijuana store except to add the retail marijuana store's own identifying name or logo; and license number; or in a wholesale package not exceeding five pounds for repackaging by the retail marijuana store; or to a marijuana product manufacturing facility in a wholesale package not exceeding five pounds; consisting of a single strain or a mixture of strains as identified on the label. When the marijuana cultivation facility packages marijuana for a retail marijuana store to sell to a consumer without repackaging, the packaging may not have any printed images, including cartoon characters, that specifically target persons under 21 years of age. In addition, the packaging must protect the product from contamination and may not impart any toxic or damaging substance to the marijuana. Each package prepared in compliance with this section will be identified by a tracking label generated for tracking by the marijuana cultivation facility's marijuana inventory tracking system. A marijuana cultivation facility shall prepare marijuana for transport or transfer to another marijuana establishment by placing marijuana packaged in compliance with this section within a sealed, tamper-evident shipping container; affixing a label in compliance with 3 AAC 306.475 to the shipping container; and generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system; the transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment.

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

the product will be equipped with tamper proof devices that will be evident if it has been tampered with prior to reaching it's destination. That will be in a locked compartment which is not accessible by anyone other than the authorized person transporting the marijuana.



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:

Signs will consist of the permafrost snowflake logo, fan leaves and the name. One will be on the roof, one will be in the front yard area, next to the road and a 3rd one will be placed on the property at a destination not decided yet.

**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 306.360):**

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Promotes excessive consumption	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Represents that the use of marijuana has curative or therapeutic effects	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Depicts a person under the age of 21 consuming marijuana	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>



**Alaska Marijuana Control Board**

**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

### 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:

Any visitors will be required to show identification to gain access to the facility and will follow all appropriate procedures while visiting. Doors will be locked 24 Hours a day. No one under the age of 21 will be allowed access.

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

Chase Griffith

Printed name

Subscribed and sworn to before me this 3<sup>rd</sup> day of January, 2017.



Katie Ring  
Notary Public in and for the State of Alaska.

My commission expires: 9-20-19



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

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(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:	Chase Griffith	License Number:	11519		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Permafrost Distributors				
Premises Address:	32630 June Dr.				
City:	Sterling	State:	AK	ZIP:	99672





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.

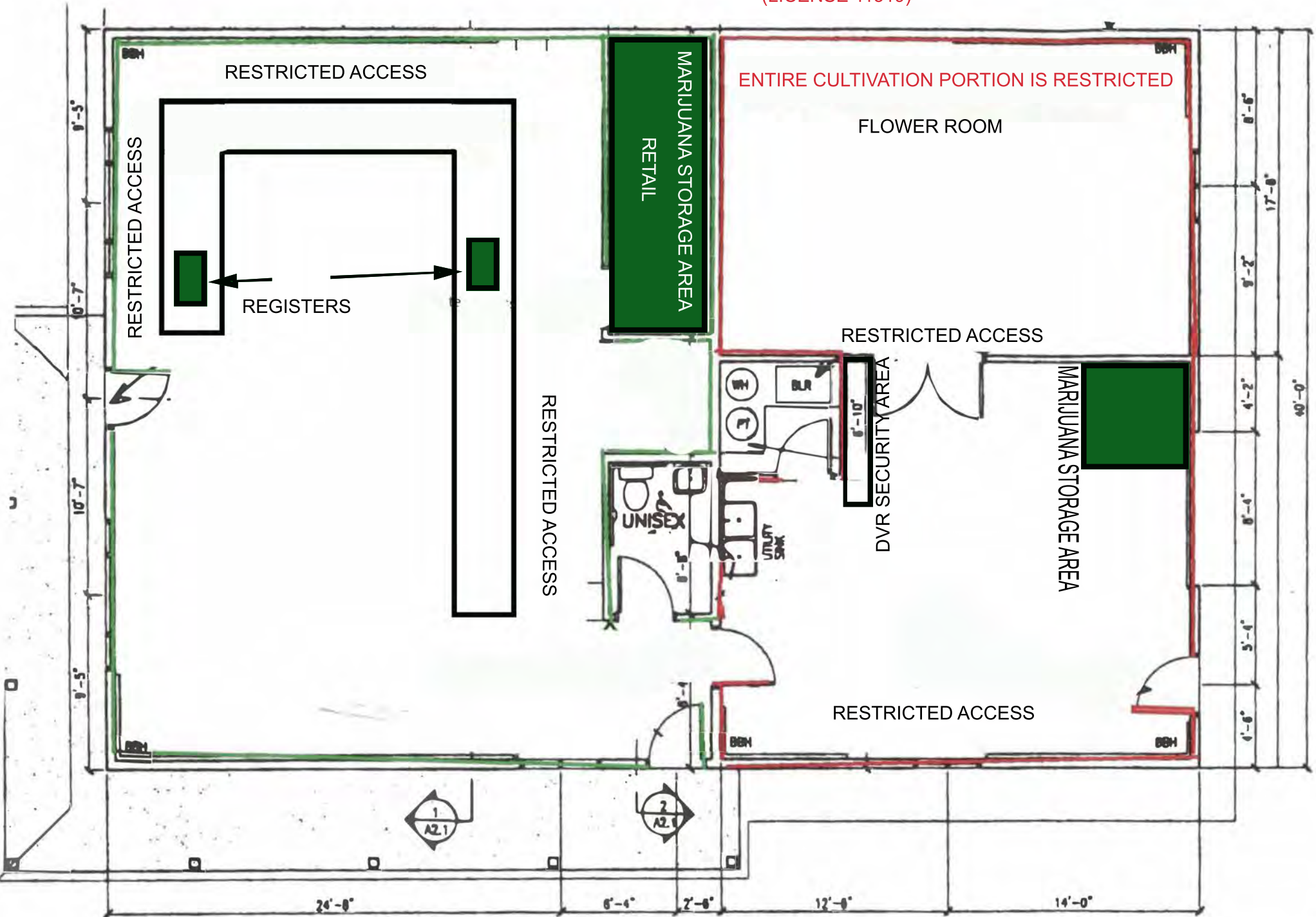
Please see attached. You'll notice the "red portion" of the diagram is the Cultivation side of our operation. The "Green" side is the retail side.

The second diagram shows the position of the security cameras.

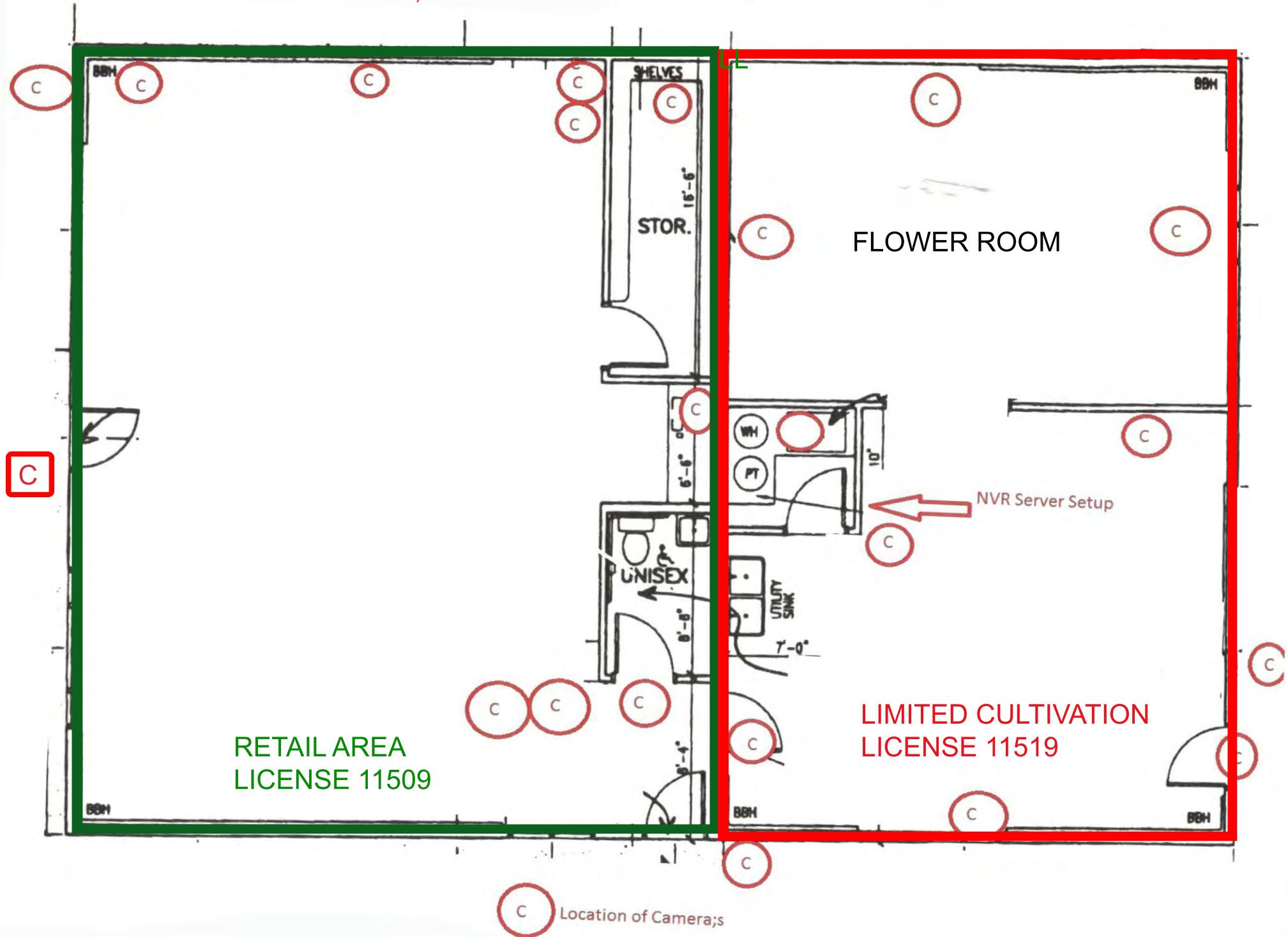
Thank you!

GREEN OUTLINE; RETAIL AREA (LICENSE 11509)

RED OUTLINE: LIMITED CULTIVATION (LICENSE 11519)



# SECURITY PLAN, LOCATIONS OF CAMERA AND SERVER AREA





Sterling Hwy

Sadler's Home  
Furnishings

Moosequitos Bar

Bing Brown's

Alaska Redfish Lodge

Sterling Hwy

Sterling Hwy

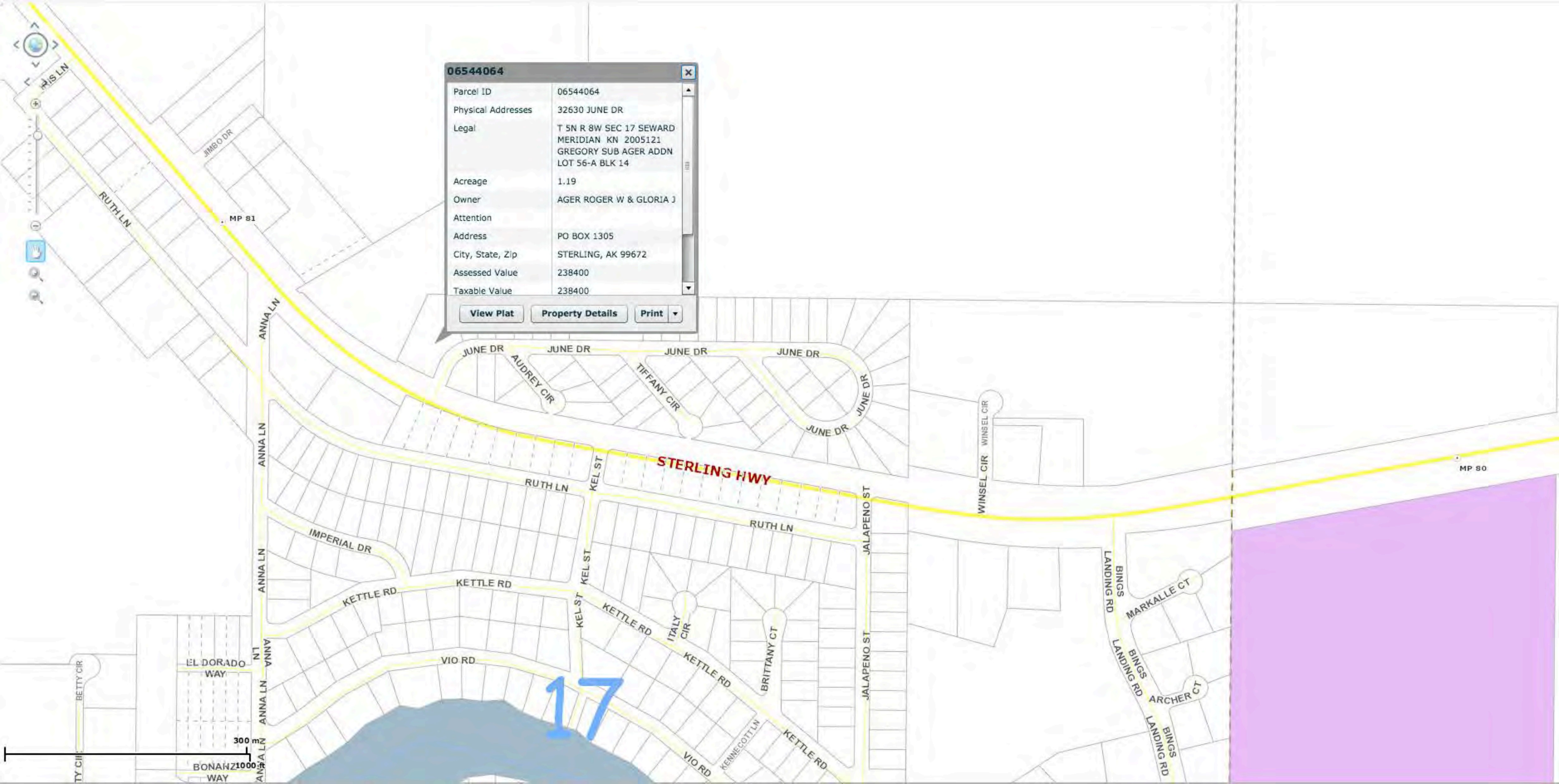
1

1

**06544064**

Parcel ID	06544064
Physical Addresses	32630 JUNE DR
Legal	T 5N R 8W SEC 17 SEWARD MERIDIAN KN 2005121 GREGORY SUB AGER ADDN LOT 56-A BLK 14
Acreage	1.19
Owner	AGER ROGER W & GLORIA J
Attention	
Address	PO BOX 1305
City, State, Zip	STERLING, AK 99672
Assessed Value	238400
Taxable Value	238400

[View Plat](#)
[Property Details](#)
[Print](#)



17

300 m  
1000 ft



MP 81

MP 80



**Alaska Marijuana Control Board**

# Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

### 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.

<b>Licensee:</b>	Chase Griffith	<b>License Number:</b>	11519		
<b>License Type:</b>	Limited Marijuana Cultivation Facility				
<b>Doing Business As:</b>	Permafrost Distributos				
<b>Premises Address:</b>	32630 June Dr.				
<b>City:</b>	Sterling	<b>State:</b>	ALASKA	<b>ZIP:</b>	99672



**Alaska Marijuana Control Board**

**Operating Plan Supplemental  
Form MJ-04: Marijuana Cultivation Facility**

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:**

Facility is located off of the Kenai Spur Highway in Sterling at address 32630 June St. The flower room is located in the back of the facility, separated by a wall. On the other side is where the mothers and the vegetative plants will be located. The main and only entrance will be located at the back of the building, entering into the veg room.

Flower Room: Total Canopy will total 320 sq. ft.

Vegetative Area: Canopy will total 170 sq. ft.

Total amount under cultivation will be 490 sq. ft.

Please note diminutions on the diagram provided in the "additional space as needed section."

The retail store is connected with to the cultivation facility but will be completely separate. Retail License number 11509.



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

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

Purchased bagged soil from a gardening retail store.

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

Fertilizer and Chemicals being used are Advanced Nutrient line.  
Gases: Natural gas CO<sub>2</sub> Generator controlled by an automated monitor  
Nutrients will be hand delivered into the water.

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

Irrigation system will be a water pump automated by a timer distributed to plants via hoses.  
If any waste water is present, it will be stored until we can dispose of it outside allowing nature to filter the wastewater. The facility is not located near any bodies of water.





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

Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)

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

Phone: 907.269.0350

**Describe the marijuana cultivation facility's waste disposal arrangements:**

All the unwanted marijuana material will be ground up, mixed with a minimum of 50% of other organic material, and fed to livestock.

#### 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:**

Odor will be mitigated by a carbon filtration system



**Alaska Marijuana Control Board**  
**Operating Plan Supplemental**  
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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:**

As a marijuana cultivation facility we shall provide a sample of each harvest batch of marijuana produced at the facility to a marijuana testing facility and will not sell or transport any marijuana until all laboratory testing results under 3 AAC 306.645 has been completed. To comply with this, we will collect a random, homogeneous sample for testing by segregating harvested marijuana into batches of individual strains of bud and flower, then select a random sample from each batch in an amount required by the marijuana testing facility; We will designate an individual responsible for collecting each sample; that individual shall:

- (A) prepare a signed statement showing that each sample has been randomly selected for testing;
- (B) provide the signed statement to the marijuana testing facility; and
- (C) maintain a copy as a business record under 3 AAC 306.755; and
- (3) transport the sample to the marijuana testing facility’s licensed premises in compliance with 3 AAC 306.750.

we will segregate the entire batch from which the testing sample was selected until the marijuana testing facility reports the results from its tests. During this period of segregation, the sample we provided shall maintain the batch in a secure, cool, and dry location to prevent the marijuana from becoming contaminated or losing its efficacy. Our facility that provided the sample will not sell or transport any marijuana from the segregated batch until the marijuana testing facility has completed its testing and provided those results, in writing, to the marijuana cultivation facility that provided the sample. We will maintain the testing results as part of its business books and records.



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

Alcohol and Marijuana Control Office  
 550 W 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)

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

Phone: 907.269.0350

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:



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
Phone: 907.269.0350


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

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:

The windows are covered up and isolated, and door is secure. The facility is completely isolated from public viewing.

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.

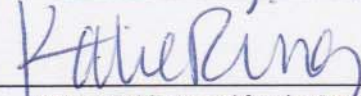
I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

  
\_\_\_\_\_  
Signature of licensee

Chase Griffith  
\_\_\_\_\_  
Printed name

Subscribed and sworn to before me this 3<sup>rd</sup> day of January, 2017.



  
\_\_\_\_\_  
Notary Public in and for the State of Alaska.

My commission expires: 9-20-19



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

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(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:	Chase Griffith	License Number:	11519		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Permafrost Distributors				
Premises Address:	32630 June Dr.				
City:	Sterling	State:	AK	ZIP:	99672

**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: 11/21/2016 End Date: 12/1/2016

Other conspicuous location: Sterling Post Office

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

Chase Griffith

Printed name of licensee



Katie Ring

Notary Public in and for the State of Alaska

My commission expires: 9-20-19

Subscribed and sworn to before me this 3<sup>rd</sup> day of January, 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.

Licensee:	Chase Griffith	License Number:	11519
License Type:	Limited Marijuana Cultivation Facility		
Doing Business As:	Permafrost Distributors		
Premises Address:	32630 June Dr.		
City:	Sterling	State:	AK
		ZIP:	99672

**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: 01/01/2017

Community Council: \_\_\_\_\_ Date Submitted: \_\_\_\_\_  
 (Municipality of Anchorage and Matanuska-Susitna Borough only)

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: *Chase Griffith*  
 Printed name of licensee: **Chase Griffith**

Signature of Notary Public: *Katie Ring*  
 Notary Public in and for the State of Alaska  
 My commission expires: 9-20-19



Subscribed and sworn to before me this 3<sup>rd</sup> day of January, 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:	Chase Griffith	License Number:	11519		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Permafrost Distributors				
Premises Address:	35630 June Dr.				
City:	Sterling	State:	AK	ZIP:	99672

## Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Chase Griffith
Title:	Owner
SSN:	[REDACTED]





Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/amco>  
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.

Signature of licensee/affiliate

Chase Griffith

Printed name

Subscribed and sworn to before me this

3<sup>rd</sup> day of January, 2017.



Katie Ring  
Notary Public in and for the State of Alaska.

My commission expires: 9-20-19

# Alcohol & Marijuana Control Office

**License Number:** 11519

**License Status:** New

**License Type:** Limited Marijuana Cultivation Facility

**Doing Business As:** PERMAFROST DISTRIBUTORS

**Business License Number:** 1033200

**Designated Licensee:** CHASE R GRIFFITH

**Email Address:** Chase.Griffith@AKPermafrost.com

**Local Government:** Kenai Peninsula Borough

**Community Council:**

**Latitude, Longitude:** 60.526806, -150.725088

**Physical Address:** 32630 June Dr.  
Sterling, AK 99672  
UNITED STATES

## Licensee #1

*Note: No affiliates entered for this license.*

**Licensee Type:** Individual

**Name:** CHASE R GRIFFITH

**SSN:** [REDACTED]

**Date of Birth:** 01/17/1984

**Phone Number:** 907-980-7584

**Email Address:** Chase.Griffith@AKPermafrost.com

**Mailing Address:** 54200 Leonard Dr.  
Kenai, AK 99611  
UNITED STATES

**ALASKA COMMERCIAL SUBLEASE**  
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### ALASKA COMMERCIAL SUBLEASE

THIS SUBLEASE (“Sublease”) dated as of Dec. 9 2016 made between AKTHC LLC, an Alaska incorporated organization with the registered address of 110 North Willow, Suite 137, Kenai, AK 99611 (“Sublandlord”), and **Chase Griffith**, registered address of 54200 Leonard Dr., Kenai, AK 99611 (“Subtenant”).

#### **RECITALS**

- Sublandlord is the tenant under the Alaska Commercial Lease Agreement with Option to Purchase dated August 10, 2016 (the “Master Lease”), pursuant to which Gloria Ager (“Master Landlord) leased to Sublandlord the real property located in the City of Sterling, State of Alaska, described as T 5N R 8W SEC 17 Seward Meridian KN 2005121 GREGORY AGER ADDN LOT 56-A, which is commonly known and numbered as 32630 June Drive, Sterling, AK 99672 (“Master Premises”).
- A copy of the Master Lease is attached and incorporated in this Sublease as Exhibit A.

#### **AGREEMENT**

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **Section 1. Sublease**

Sublandlord subleases to Subtenant on the terms and conditions in this Sublease the entire portion of the Master Premises (“Premises”), further described as: the real property located in the City of Sterling, Alaska, commonly known and numbered as 32630 June Drive, Sterling, Alaska 99672, the legal description being T 5N R 8W SEC 17 Seward Meridian KN 2005121 GREGORY AGER ADDN LOT 56-A.

### **Section 2. Warranty by Sublandlord**

Sublandlord warrants to Subtenant that the Master Lease has not been amended or modified except as expressly set forth in this Sublease. Under this Sublease, the Sublandlord transfers all conditions/duties/liabilities and warranties imposed on it, under the provisions of the Master Lease, to the Subtenant. Sublandlord, under this Agreement, affirms that he has no knowledge of any claim by Master Landlord that Sublandlord is in default or breach of any of the provisions of the Master Lease.

### **Section 3. Term**

The term of this Sublease (the “Term”) will commence on the date abovementioned (the “Commencement Date”), and will expire after (2) two years (“Expiry Date”), unless terminated sooner in accordance with the provisions of this Sublease, with an option to extend the lease by the subtenant. Sublandlord will deliver the Possession of the Premises (“Possession”) to Subtenant immediately following the Commencement Date. If for any reason Sublandlord does not deliver Possession to Subtenant on the Commencement of the Term for reasons beyond the Sublandlord’s control, Sublandlord will not be subject to any liability and the Expiry Date will not be extended due to the delay. Following the Commencement Date, if Possession does not occur then Rent will be abated until delivery of Possession.

Should the Sublandlord not deliver Possession to Subtenant within thirty (30) days after the Commencement Date, at any time after that and before delivery of Possession, Subtenant may give written notice to Sublandlord of Subtenant’s intention to cancel this Sublease. The notice will set forth an effective date for the cancellation, which will be at least ten (10) days after delivery of notice to Sublandlord. If Sublandlord delivers Possession to Subtenant on or before this effective date, this Sublease will remain. If Sublandlord fails to deliver Possession to Subtenant on or before this effective date, this Sublease will be canceled. Upon cancellation, all consideration previously paid by Subtenant to Sublandlord on account of this Sublease will be

returned to Subtenant, this Sublease will have no further force, and Sublandlord will have no further liability to Subtenant because of this delay or cancellation under this Sublease. If Sublandlord permits Subtenant to take Possession prior to the Commencement Date, the early Possession will be subject to the provisions of this Sublease, including, without limitation, the payment of rent.

If there is a local, state, or federal ban or prohibition regarding the operation of the marijuana-related business (including the revocation of License) to be operated at the Premises during the term of this Sublease, Or the marijuana licenses become inactive for any reason, Subtenant will be allowed out of the lease within (90) days of said ban or prohibition.

#### **Section 4. Rent**

Subtenant agrees to pay Master Landlord rental charges in the amount of \$2,500 monthly to be sent to PO Box 1305, Sterling, AK 99672 or deposited in her Alaska USA account without deduction, setoff, notice, or demand, the sum of per month as set forth in the Original Master Lease, in advance by the fifth day of each month of the Term.

In addition to all other provisions of this Sublease, Subtenant shall pay Additional Rental Charges of 13 percent (“Additional Rental Charges”) of gross revenues created/ generated/ collected from any commercial activity carried out on the premises or as a result of the Subtenant having Possession. Sublandlord will only qualify to receive the Additional Rental Charges after the Subtenant’s revenue reaches \$12,500 in gross sales per month i.e. if the Subtenant receives \$12,501 in gross sales in a month, Subtenant shall pay \$1,625.13 to the Sublandlord as Additional Rental Charge. As an incentive to Subtenant, Additional Rental Charges shall decrease to 10% per month once the gross revenue exceeds more than \$1,500,000 within a calendar year i.e. if in the month of October of any given calendar year, the gross revenue for the said year reaches \$1,500,000 then Subtenant shall pay Sublandlord a decreased rate of 10 percent of monthly gross sales for the remaining months of the year. Upon qualification to receive Additional Rental Charges, it will be paid to the Sublandlord by the Subtenant on or before the fifth day of the following month i.e. if gross sales for the month of January exceed \$12,500, the Additional Rental Charges (calculated on the above formula) will be paid on or before the fifth day of February. When calculating additional rental charges, sales taxes will not be included in gross revenues. Marijuana taxes will be allowed to be deducted from gross revenues when marijuana is produced at this premise. Any late payments of Additional Rental Charges will nullify this Sublease and grant the Sublandlord right to repossess the Premises.

Failure to pay rent on the fifth of every month by the Subtenant shall deem a material breach of this Sublease, and shall entitle Sublandlord or Master Landlord to repossess the premises without any delays.

Additional Rental Charges will be deposited in the Sublandlord's bank account or any other method requested by Sublandlord.

Subtenant is also required, as a material term of this Sublease, to lease equipment from Sublandlord. Subtenant must execute a Lease of Equipment Agreement and comply with its terms. A breach of the Lease of Equipment Agreement is deemed by the Subtenant and Sublandlord to be a material breach of this Sublease and shall allow Sublandlord to repossess the premises from subtenant.

### **Section 5. Security Deposit**

Subtenant will deposit with Sublandlord on execution of this Sublease the sum of **\$2,500.00** as security for Subtenant's faithful performance of Subtenant's obligations under this Sublease ("Security Deposit"). If Subtenant fails to pay Rent, as per Section 4 above, or other charges when due under this Sublease, or fails to perform any obligations under this Sublease, Sublandlord will use any or all portions of the Security Deposit for the payment of any Rent or other amount then due and/or unpaid, for the payment of any other sum for which Sublandlord may become obligated because of Subtenant's default or breach, or for any loss sustained by Sublandlord as a result of Subtenant's default or breach.

If Sublandlord uses any portion of the Security Deposit, Subtenant will, within ten (10) days restore the Security Deposit to the full amount originally deposited. Subtenant's failure to do so will constitute a default under this Sublease. Sublandlord will not be required to keep the Security Deposit separate from its general accounts, and will have no obligation or liability for payment of interest on the Security Deposit. If Sublandlord assigns its interest in this Sublease, Sublandlord will deliver to its assignee as much of the Security Deposit as Sublandlord then holds.

Within ten (10) days after the Term has expired or Subtenant has vacated the Premises or any final adjustment pursuant to Section 4 of this Sublease has been made, whichever occurs last, and provided that Subtenant is not then in default under this Sublease, the Security Deposit, or as much as remains that has not been applied by Sublandlord, will be returned to Subtenant or to the last assignee, if any, of Subtenant's interest under this Sublease.

### **Section 6. Late Charge and Interest**

The late payment of any Rent will cause Sublandlord to incur additional costs, including the cost to maintain in full force the Master Lease, administration and collection costs, and processing and accounting expenses. If Master Landlord has not received any installment of Rent within

five (5) days after that amount is due, Subtenant will pay five percent (5%) of the delinquent amount directly to the Master Landlord, which is agreed to represent a reasonable estimate of the cost incurred by Sublandlord.

### **Section 7. Use of Premises**

The Premises will be used and occupied as a marijuana retail store as well as for a cultivation and storage facility and any other marijuana related or incidental uses thereto to the extent the same are legally permissible, comply with applicable laws and zoning, and are otherwise consistent with the character of the Master Lease, as a first-class retail building project, and for no other use or purpose.

No harmful or environmentally toxic products shall be placed in, on or around the Premises. Harmful or environmentally toxic products include but are not limited to those that cause damage to the septic system. If Subtenant dumps any harmful fertilizers or other environmentally toxic products, it will be liable for the cost to repair the cleanup cost.

As stated in the Master Lease, Subtenant is responsible and shall comply with all local, state, and federal laws. Any and all damages caused by Subtenant through the use of the Premises will be Subtenant's sole responsibility to pay for and remedy; Subtenant shall indemnify and hold Sublandlord and Master Landlord harmless from and against liabilities, penalties, losses, damages, costs and reasonable expenses (including reasonable attorneys' fees), demands, causes of action, claims or judgments (collectively, "Claims") arising out of personal injury, death or property damage occurring in, on, or about the Sublease Premises or any part thereof or occasioned by any act or omission of Subtenant, its officers, employees, agents, licensees, contractors or invitees. The foregoing indemnity of Sublandlord by Subtenant shall also extend to Claims made by Master Landlord against Sublandlord as a result of any breach of this Sublease or the Master Lease by Subtenant.

### **Section 8. Assignment and Subletting**

Subtenant will not assign this Sublease or further sublet all or any part of the Premises without the prior written consent of both Sublandlord and Master Landlord. Such consent shall not be unreasonably withheld, provided that if the Master Landlord provides consent to any assignment or further sublet of the Premises, then the Sublandlord shall also provide such consent.

### **Section 9. Other Provisions of Sublease**



All applicable terms and conditions of the Master Lease are incorporated into and made a part of this Sublease (if not in conflict with this Sublease) as if Sublandlord were the landlord, Subtenant the tenant, and the Premises the Master Premises. Subtenant assumes and agrees to perform the tenant's obligations under the Master Lease during the Term to the extent that these obligations are applicable to the Premises. Sublandlord will exercise due diligence in attempting to cause Master Landlord to perform its obligations under the Master Lease for the benefit of Subtenant. If the Master Lease terminates, at the option of Master Landlord, this Sublease will terminate and the parties will be relieved of any further liability or obligation under this Sublease. However, if the Master Lease terminates as a result of a default or breach by Sublandlord or Subtenant under this Sublease or the Master Lease, the defaulting party will be liable to the non-defaulting party for the damage suffered as a result of the termination. Regardless, if the Master Lease gives Sublandlord any right to terminate the Master Lease in the event of the partial or total damage, destruction, or condemnation of the Master Premises or the building or project of which the Master Premises are a part, the exercise of this right by Sublandlord will not constitute a default or breach.

**Communications from Master Landlord.** Sublandlord agrees to forward and otherwise relay to subtenant any and all relevant communications, including but not limited to those related to the Master Lease made by Master Landlord to Sublandlord immediately (within three (3) business days) absent exigent circumstances.

**Insurance.** Subtenant is required to maintain insurance on the Premises as provided for in the Master Lease.

**Improvements to Property.** Any improvements made to the Premises by subtenant will remain with the Premises, not including personal property of subtenant, including any outside structures (such as greenhouses).

#### **Section 10. Termination**

Subtenant shall be in default of this Lease if Subtenant fails to fulfill any lease obligation or term by which Subtenant is bound. Subject to any governing provisions of law to the contrary, if Subtenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may elect to cure such default and the cost of such action shall be added to Subtenant's financial obligations under this Lease.

A Termination Date ("Termination Date") is the date on which this Sublease stands terminated, subject to any terms of this Sublease.

### **Section 11. Insurance**

At all times Subtenant, shall keep the Premises insured to the full cost of reinstatement under a policy complying with the terms of this Sublease.

### **Section 12. Option to Renew**

Subtenant, upon satisfactory performance of this Sublease shall have the option to renew this Sublease for the remaining term of the master lease, on the same terms, providing the Premises are: leased to Sublandlord on the same terms. This option to renew is subject to all the provision to this Sublease. This option to renew is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid option to extend this Sublease shall be "personal" to Subtenant as set forth above and that in no event will any assignee have any rights to exercise the aforesaid option to extend.

### **Section 13. No Broker**

Sublandlord and Subtenant each warrant that they have not dealt with any real estate broker in connection with this transaction. Sublandlord and Subtenant each agree to indemnify, defend, and hold the other harmless against any damages incurred as a result of the breach of the warranty contained in this Sublease.

### **Section 14. Notices**

All notices and demands that may be required or permitted by either party to the other will be in writing. All notices and demands by the Sublandlord to Subtenant will be sent by United States Mail, postage prepaid, addressed to the Subtenant at the Premises, and to the address in this Sublease below, or to any other place that Subtenant may from time to time designate in a notice to the Sublandlord. All notices and demands by the Subtenant to Sublandlord will be sent by United States Mail, postage prepaid, addressed to the Sublandlord at the address in this Sublease, and to any other person or place that the Sublandlord may from time to time designate in a Notice to the Subtenant, or by E-mail.

To Sublandlord:

AKTHC LLC  
C/O Brad Henson  
201 Saddle Creek RD.

Cullowhee, NC 28723

To Subtenant:

**Chase Griffith**

54200 Leonard Drive

Kenai, AK 99611

DBA: Permafrost Distributors

### **Section 15. Successors and Assigns**

This Sublease will be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.

### **Section 16. Entry**

Sublandlord reserves the right to enter the Premises on reasonable notice to Subtenant to inspect the Premises or the performance by Subtenant of the terms and conditions of this Sublease and, during the last six (6) months of the Term, to show the Premises to prospective Subtenant. In an emergency, no notice will be required for entry.

### **Section 17. Property Taxes**

Subtenant shall be responsible for paying all real and personal property taxes with respect to the Premises as well as all sales taxes and taxes assessed against Subtenant in his line of business.

### **Section 18. Utilities**

Subtenant shall pay all charges for water, sewer, gas, electricity, internet, telephone and other services and utilities used by Subtenant on the Premises during the term of this Sublease unless otherwise expressly agreed in writing by Master Landlord or Sublandlord.

### **Section 19. Signs**

Following Master Landlord or Sublandlord's consent, Subtenant shall have the right to place on the Premises, at locations selected by Subtenant, any signs which are permitted by applicable zoning ordinances and/or private restrictions. Subtenant shall repair all damage to the Premises resulting from the removal of signs installed by Subtenant at the end of the Sublease.

## **Section 20. Parking**

During the term of this Sublease, Subtenant shall have the use of the parking areas, driveways, and footways. The driveway entrance from the Sterling Hwy to the parking area may have to be modified to comply with Kenai Peninsula Borough Code. Sublandlord or Master Landlord will consent to any modifications proposed by Subtenant.

## **Section 21. Building Rules**

Subtenant will comply with the rules of the building adopted and altered by Master Landlord from time to time and will cause all of its agents, employees, invitees and visitors to do the same; all changes to such rules will be sent by Sublandlord to Subtenant in writing.

## **Section 22. Quiet Possession**

Master Landlord, as well as Sublandlord, covenants and warrants that upon performance by Subtenant of its obligations hereunder Master Landlord will keep and maintain Subtenant in exclusive, quiet, peaceable and undistributed and uninterrupted possession and enjoyment of the Premises during the term of this Sublease.

## **Section 23. Condemnation**

If a legally, constituted authority condemns the building or such part thereof which shall make the Premises unsuitable for leasing, this Sublease shall cease.

## **Section 24. Entire Agreement**

This Sublease sets forth all the agreements between Sublandlord and Subtenant concerning the Premises, and there are no other agreements either oral or written other than as set forth in this Sublease. The exhibits to this Sublease are part of the agreement.

## **Section 25. Time of Essence**

Time is of the essence in this Sublease, however, the parties agree that they have been given the opportunity to have this Sublease reviewed by their respective legal representatives.

## **Section 26. Consent by Master Landlord**


This sublease will have no effect unless consented to by Master Landlord, with the same exhibited to this Sublease as Exhibit B.

**Section 27. Governing Law**

This Sublease will be governed by and construed in accordance with the state laws of Alaska.

**NOTARIZED SIGNATURES AND MASTER LANDLORD CONSENT BELOW**

FURTHER AFFIANT I SAYETH NAUGHT.



A duly representative of

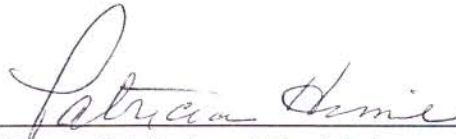
AKTHC, LLC

Name: *Bradley Henson*

Occupation: *owner*

Date: *12-9-16*

SUBSCRIBED AND SWORN to before me this 9 day of December 2016 by the authorized Sublandlord representative.



Notary Public in and for Alaska

My Commission Expires: July 15, 2017

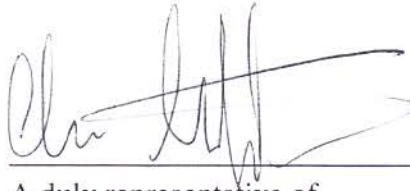
Name:

Registration Number:

Date:



FURTHER AFFIANT I SAYETH NAUGHT.



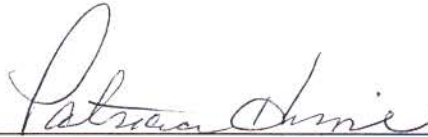
A duly representative of  
PERMAFROST DISTRIBUTORS

Name: Chase Griffith

Occupation: owner

Date: 12-9-16

SUBSCRIBED AND SWORN to before me this 9 day of December 2016 by the authorized Subtenant representative.



Notary Public in and for Alaska

My Commission Expires: July 15, 2017

Name:

Registration Number:

Date:



**EXHIBIT A**

Master LEASE

**EXHIBIT B**

**Master Landlord's Consent to Sublease**

The undersigned ("Master Landlord"), landlord under the Master Lease, consents to the Sublease without waiver of any restriction in the Master Lease concerning further assignment or subletting. Master Landlord certifies that, as of the date of Master Landlord's execution, Sublandlord is not in default or breach of any of the provisions of the Master Lease, and that the Master Lease has ~~not~~ been amended or modified except as expressly set forth in the Sublease.

C.R.G.  
574

FURTHER AFFIANT I SAYETH NAUGHT.

SUBSCRIBED AND SWORN on before me this 19 day of DECEMBER 2016, by Gloria Ager.

Gloria Ager

Gloria Ager

Date:

Adria D. Degrazio

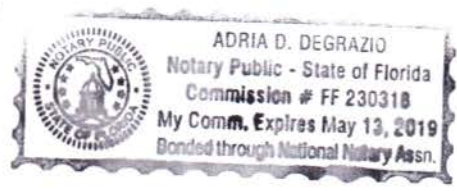
Notary Public in and for ~~Alaska~~ FLORIDA

My Commission Expires: 05-13-2019

Name:

Registration Number:

Date: 12/19/2016



## ALASKA COMMERCIAL LEASE AGREEMENT

### WITH OPTION TO PURCHASE

This commercial lease agreement ("lease") is made and effective Dec 9, 2016 by and between **GLORIA AGER** ("Landlord") and **AKTHC LLC** ("Tenant") an Alaskan Limited Liability Company. Landlord is the owner of the premises and improvements commonly known and numbered as 32630 June Drive, Sterling, Alaska 99672.

Landlord makes available for lease of the building and land identified as T 5N R 8W SEC 17 Seward Meridian KN 2005121 GREGORY AGER ADDN LOT 56-A (herein after referred to as the "Legal Description") for Lease Premises.

Landlord desires to lease the leased premises to Tenant and Tenant desires to lease the leased premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

#### TERM

Landlord hereby leases the Leased premises to Tenant, and Tenant hereby leases the same from landlord, for "Initial term" beginning in August 2016 for a period of five years (5 years). As a conditions precedent to commencement of lease on August 1, 2016, Tenant is authorized to do a walk through with appropriate personnel to inspect premises for mechanical and structural defects in premises any time after June 1, 2016. Additionally, Tenant shall have a first option to purchase the property and improvements.

If the U.S. Federal Government, State of Alaska, Kenai Peninsula Borough, or any other local entity or form of government prohibits tenant from operating his marijuana retail sales business operating "AKTHC" at the location intended to be leased by Landlord to Tenant at any time during the period of this lease starting August 1, 2016, Tenant shall be entitled to terminate said lease with a sixty (60) day notice to Landlord.



### **RENTAL**

Tenant shall pay to Landlord during the Rental Term the sum of \$2,500.00 per month due and payable by the 5<sup>th</sup> of each month at such place designated by Landlord. Rent for the balance of the lease term will then be \$2,500.00 base rent per month. Tenant shall also pay to Landlord a "Security Deposit" in the amount of \$2,500.00.

### **OPTION TO PURCHASE**

Tenant, upon satisfactory performance of this lease shall have the option to purchase the real estate and building described here in for a purchase price of THREE HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS (\$395,000.00) at an interest rate of 6%. Tenant shall pay 20% down and make payments on a monthly basis over a ten (10) year period. There shall be no penalty for early payoff of the note. Each party shall promptly execute any and all further documents including Sales Agreement that may be required to purchase said property. The Landlord shall credit toward the purchase price at closing the sum of three thousand dollars (\$3,000.00) but not any of the lease payments shall be included.

To exercise this option to purchase, the Tenant must deliver to Landlord a written notice of Tenant's intent to purchase by October 1, 2018. In addition, the written notice must specify a valid closing date.

### **USE**

Tenant may utilize the premises as a marijuana retail store as well as for a cultivation and storage facility and other Marijuana related business.

### **SUBLEASE AND ASSIGNMENT**

Tenant shall not sublease all or part of the Leased Premises, or assign this Lease in whole or in part without Landlords consent which will not be unreasonable denied. Said sublease shall incorporate the terms and conditions of this lease.

### **REPAIRS**

During the lease term, Tenant shall make, at Tenant's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this lease.

### **ALTERATIONS AND IMPROVEMENTS**

Tenant shall have the right to quiet enjoyment of the premises and may make any changes to the interior of the premises. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. Tenant may also use any leftover mounts or property that Landlord consents to. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord any of Landlord's mounts that Landlord allows Tenant to use will remain Landlord's property, Tenant shall have the right to remove the same at any time during the term of this Lease provided that all the damage to the Leased premises caused by such removal shall be repaired by Tenant at Tenant's expense. Tenant will specifically be permitted to install safes to secure property.

### **PROPERTY TAXES**

Tenants shall be responsible for paying all real and personal property taxes with respect to the Leased Premises as well as all sales taxes and taxes assessed against Tenant in his line of business.

### **INSURANCE**

If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from an act of negligence of Tenant or any of the Tenant's agents, employees or invitees, rent shall not be diminished or abated while such

damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

Landlord shall maintain fire and extended coverage insurance on the Building of the Leased Premises in such amounts as Landlords shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the lease premises.

Tenant shall, at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance with this paragraph. Tenant shall obtain the agreement of Tenant's insurers to notify Landlord that a policy is due to expire at least (10) days prior to such expiration. Landlord shall not be required to maintain insurance against thefts within the leased premises or the Building.

#### **UTILITIES**

Tenant shall pay all charges for water, sewer, gas, electricity, internet, telephone and other services and utilities used by Tenant on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing by Landlord.

#### **SIGNS**

Following Landlord's consent, Tenant shall have the right to place on the leased premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and/or private restrictions. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant at the end of the lease.

#### **ENTRY**

Landlord shall have the right to enter upon the Leased Premises during business hours to inspect the same, provided Landlord shall not unreasonably interfere with Tenant's business on the Leased Premises.

#### **PARKING**

During the term of this Lease, Tenant shall have the use of the parking areas, driveways, and footways. The driveway entrance from the Sterling Hwy to the parking area may have to be modified to comply with Kenai Peninsula Borough Code. Landlord will consent to any modifications proposed by Tenant.

#### **BUILDING RULES**

Tenant will comply with the rules of the Building adopted and altered by Landlord from time to time and will cause all of its agents, employees, invitees and visitors to do the same; all changes to such rules will be sent by Landlord to Tenant in writing.

#### **DAMAGE and DESTRUCTION**

If the Leased Premises or any part of thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following the damages to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damages to any part of the Leased Premises, and if such damages does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matter which are beyond reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of lease term that the Lease Premises are inoperable or unfit for occupancy, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but no further payments are to be made

and any such advance payments shall be refunded to Tenant. The provision of this paragraph extend to not only the matters aforesaid, but to also any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

#### **DEFAULT**

If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof having been commenced and thereafter diligently prosecuted, Landlord may declare the term of the Leased Premises ended, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

#### **QUIET POSSESSION**

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undistributed and uninterrupted possession and enjoyment of the Leased Premises during the term of this lease.

#### **CONDEMNATION**

If an legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such terminations shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damages caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

### **SUBORDINATION**

Tenant accepts this Lease subject to and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this lease or atoning to the holder of any such liens as Landlord may request. IN the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charged payable under this Lease have been paid, stating that Landlord is not in default hereunder) or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

### **SECURITY DEPOSIT**

The Security Deposit shall be held by Landlord without liability for interest and as security for the performance by Tenant of Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of Landlord's damages in case of default by Tenant unless otherwise provided by mandatory non-waivable law or regulation, Landlord may commingle the Security Deposit with Landlord's other funds.

Landlord may, from time to time, without prejudice to any, other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Tenant hereunder. Following any such application of the Security Deposit, Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. If Tenant is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by Landlord to Tenant if Landlord transfers its interest in the premises during the term of this Lease. Landlord may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

**NOTICE**

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

Landlord	Tenant
<b>GLORIA AGER</b>	<b>AKTHC, LLC</b>
P O Box 1305	Brad Henson
Sterling, AK 99672	201 Saddle Creek Road
	Cullowhee, NC 28723

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

**BROKERS**

Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connections with this Lease.

**WAIVER**

No waiver of any default of Landlord of Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express

waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

#### **HEADINGS**

The headings used in this Lease are for convenience of the parties only and shall not be considered interpreting the meaning of any provision of this Lease.

#### **SUCCESSORS**

The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

#### **CONSENT**

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

#### **PERFORMANCE**

If there is a default with respect to any of Landlord's covenant, warranties or representations under this Lease and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the costs thereof from the next accruing installment or installments of rent payable hereunder until Tenant shall have been fully reimbursed for such expenditures together with interest thereon at a rate equal to the lessor of five percent (5%) per annum or the then lawful rate permitted by the Alaska Court System. If this Lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand.

#### **COMPLIANCE WITH LAW**

Tenant shall comply with all laws, order, ordinance and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws,



orders, ordinance and other public requirements now or hereafter affecting the Leased Premises.

**FINAL AGREEMENT**

This Agreement terminates and supersedes all prior understanding or agreement on this subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

**GOVERNING LAW**

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Alaska. It shall be a condition precedent to this lease going into effect on August 1, 2016, that Tenant is not prohibited from operating his business "AKTHC" by any Federal, State of Alaska, or Kenai Borough.

DATED this 9 day of Dec 2016.

Landlord *Gloria Ager*  
GLORIA AGER

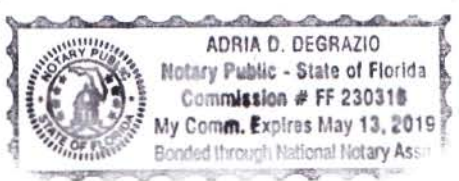
Tenant AKTHC LLC  
*Brad Henson*  
By: Brad Henson, Manager

STATE OF FLORIDA )  
 ) :ss.  
ORANGE County )

**THIS IS TO CERTIFY** that on this 19 day of DECEMBER, 2016, before me the undersigned Notary Public in and for the State of Florida, personally appeared **GLORIA AGER** known to me to be the person named in the foregoing instrument, and acknowledged to me that she executed the same freely and voluntarily for the uses and purposes therein contained.

**IN WITNESS HEREOF**, I have hereunto set my hand and seal the day and year first hereinabove written.

*Adria D. Degrazio*  
NOTARY PUBLIC, State of Florida  
My Commission Expires: 05-13-2019



STATE OF ALASKA )  
 :ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 9th day of December, 2016, before me the undersigned Notary Public in and for the State of Alaska, personally appeared **BRAD HENSON**, to me known to be the General Manager of **AKTHC LLC.**, a Limited Liability corporation, and known to me to be the person who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the same pursuant to its Operating Agreement.

IN WITNESS WHEREOF, I have hereunto fixed my hand and seal the day and year last above written.

*Rhodan M. Dolifka*  
NOTARY PUBLIC, State of Alaska  
My Commission Expires: 3-30-2018



# 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

Limited Marijuana Cultivation  
Facility License

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:

November 27, December 4 & 11, 2016

X *Elizabeth A. Ulricksen*

SUBSCRIBED AND SWORN to me before  
this 12 day of December, 2016.

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

My commission expires may 6, 2019

**LIMITED  
MARIJUANA CULTIVATION  
FACILITY LICENSE**

CHASE R GRIFFITH is applying under 3  
AAC 306.400(a)(2) for a new Limited  
Marijuana Cultivation Facility license, license  
#11519, doing business as PERMAFROST  
DISTRIBUTORS, located at 32630 June Dr.  
Sterling, AK 99672, 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: 11/27,12/4&12/11/2016 77848/714955

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