



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

December 27, 2017

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: sara.peterson@cityofsitka.org
melissa.henshaw@cityofsitka.org
Michael.scarcelli@cityofsitka.org
planning@cityofsitka.org
brian.hanson@cityofsitka.org

License Number:	13577
License Type:	Standard Marijuana Cultivation Facility
Licensee:	DARREN H PHILLIPS
Doing Business As:	FIBERFLITE
Physical Address:	120 jarvis st Unit C sitka, AK 99835
Designated Licensee:	DARREN H PHILLIPS
Phone Number:	209-608-5500
Email Address:	fiberflite@aol.com

☒ **New Application** ☐ **Transfer of Ownership Application**

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 January 24-26, 2018 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov

Alaska Business License # 1052278

Alaska Department of Commerce, Community, and Economic Development

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

This is to certify that

FIBERFLITE

606 VERSA PL SITKA AK 99835

owned by

DARREN H PHILLIPS

is licensed by the department to conduct business for the period

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

11 - Agriculture, Forestry, Fishing and Hunting



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

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

Chris Hladick

11-05-2017 15:13
BRITNEY 12321



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:	Darren Phillips	License Number:	13577		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Fiberflite				
Premises Address:	120 Jarvis St., Unit C				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Darren Phillips
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?

I plan to possibly open a manufacturing facility and retail facility.



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Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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



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



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



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



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



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



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



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



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



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



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



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





Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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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

DARREN PHILLIPS

Printed name

Subscribed and sworn to before me this 11 day of AUGUST, 20 17.



Notary Public in and for the State of Alaska.

My commission expires: MAY 25, 2021



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:	Darren Phillips	License Number:	13577		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Fiberflite				
Premises Address:	120 Jarvis St., Unit C				
City:	Sitka	State:	ALASKA	ZIP:	99835

Mailing Address:	PO Box 645				
City:	Sitka	State:	ALASKA	ZIP:	99835

Primary Contact:	Darren Phillips				
Main Phone:	(209) 608-5500	Cell Phone:	SAME		
Email:	fiberflite@aol.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:

The entire facility is now deemed a restricted access area. If you have entered the facility you will have previously signed in, been given a visitor pass, and are monitored at all times. There are two entrance doors to the facility. One is the large roll up door that will be deemed unusable, locked, alarmed and will have video surveillance. The second door is the only entrance into the restricted facility. This door will also be locked, alarmed and have video surveillance.

On the diagrams provided, the veg room, flower room, and product storage area are further secured behind locked doors, these contain all cannabis and cannabis product.

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

The number of visitors will be limited to no more than five visitors for each licensee, employee, or agent of the licensee who is actively engaged in supervising those visitors. All licensees, employees, and agents will wear a current identification badge with their photograph. All visitors will be required to show current identification. Anyone under the age of 21 will not be allowed to enter. Anyone 21 years of age or older will be signed into the visitor log book and be given a visitor identification badge before entering and will be escorted at all times by a licensee, employee, or agent.



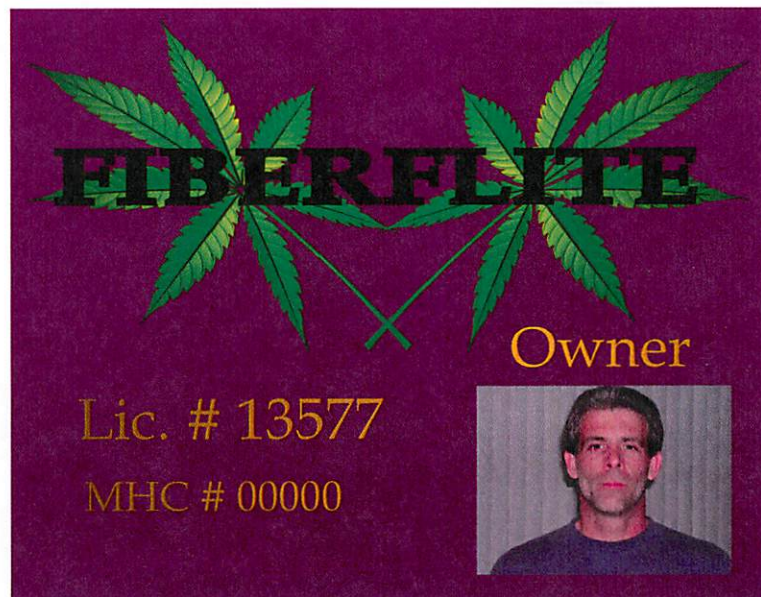
Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

A log book will be kept on the licensed premises recording all visitors permitted into restricted access areas to include; ID #, date, time, name, and signature, prior to admittance.

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





Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

There are two exterior doors to the facility that will be secured by an alarm system and continuously monitored by video surveillance, which will all have exterior lighting to facilitate that. Bright, motion sensed, flood lights will be installed across the front of the facility above the doors, pointed directly at the doors and surrounding 20 ft. areas, ensuring the recorded video is able to produce a clear view of individuals entering or exiting the facility.

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

The alarm will have sensors on both access and non access doors. The large roll up door that will be deemed unusable, locked, alarmed and will have video surveillance. The second door is the only entrance into the restricted facility. This door will also be locked, alarmed and have video surveillance. I will also install a siren inside the restricted facility that will go off if any sensors are tripped.

The alarm will be monitored through an alarm monitoring company that will notify me and the local police if an incident should occur. If someone does get into the restricted area without permission and an employee is on the premises, they will have been instructed to comply with criminal or if they have time, lock themselves into another locked area within the facility, and wait the police arrive. If no one is at the facility I should receive a call from the alarm monitoring company at which point I would recall police then go to restricted facility and wait outside for police to arrive.

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

The security alarm system's control box will be mounted on the wall in a locked case in the restricted access area Veg. Room on the second floor. When closing or opening for business, the system will be controlled remotely and accessible only by a licensee or employee.



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Form MJ-01: Marijuana Establishment Operating Plan

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

Restricted areas with locked doors and closed security camera monitoring. Logbooks kept with dates and weights as well as dates and weights of any product transported to retailer. Product and transportation to retailers will be logged into metrc. All personnel transporting product will have a handlers permit. I will be taking daily inventory. If there is any product missing I will take all steps to find out why. I will be continually monitoring video recordings and watching visitors closely. After trimming days are complete we will be reviewing videos to find any diversions.

Describe your policies and procedures for preventing loitering:

No loitering signs will be posted on premises and law enforcement notified of anyone refusing to leave premises.

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:

The alarm system will have a panic button and all employees trained how to use.



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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:

Licensee, employees/agents shall cooperate fully with any law enforcement investigation of security breach alerts; if after hours Licensee will meet SPD at location to facilitate access and assist in investigation. Anyone responding to security alert/breach shall be identified with facility ID badge and state ID/passport. Contributing factors to security breaches shall also be investigated internally and a corrective plan of action developed/implemented, including any necessary employee training and/or additional security protocols. xxxxxx

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

☒ ☐



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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 will be cameras placed throughout the entire facility giving views of everything except the bathroom. There will also be cameras outside the entrances that will cover direct and peripheral views within a minimum of 20 feet.

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 surveillance area housing the recording equipment and video surveillance records will be located on-site in a locked box on top of the locked Product Storage Locker on the first floor which will be accessible only by a licensee, authorized employee and law enforcement personnel including an agent of the board.

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

☐ ☒



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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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Records related to advertising and marketing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A current diagram of the licensed premises including each restricted access area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A log recording the name, and date and time of entry of each visitor permitted into a restricted access area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All records normally retained for tax purposes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records.

Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

The current year and three preceding years of all books, records and data necessary to account for all business transactions, such as tax records, employee lists, visitor logs, vendor contact information, advertising records, etc., paper or electronic, will be maintained and stored using computers, electronic back up systems, file boxes and locked file cabinets accessible only by licensees and authorized employees and protected by a commercially installed fire sprinkler system. At least 6 months of records will be stored on-site.



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Form MJ-01: Marijuana Establishment Operating Plan

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Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

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

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

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

Marijuana Tracking and Weighing:

Yes No

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

☒ ☐

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

☒ ☐

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

METRC will be installed on a company computer and computer will be hard wired to provide additional security.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Employee Qualification and Training

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

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

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

Marijuana Handler Permit:

Yes No

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

☒ ☐

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

☒ ☐

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

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

All employees will have a current MHC and receive additional and ongoing training in-house by licensee that complies with all state laws and standards as well as licensee standards.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Waste Disposal

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

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

Marijuana Waste Disposal:

Yes

No

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

☒☐

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

Any solid waste generated during marijuana cultivation will be managed in the restricted access areas Flower Room 1 and 2 by grinding it up, mixing it with equal parts of compostable or non-compostable materials, putting it into sealed, plastic bags labeled "waste" and dated to comply with the three day waiting period required before deeming it unusable. It will then be stored in the locked Product Storage Locker in a sectioned off area of the locker labeled "waste". Once ready to dispose of the solid waste, it will be entered into the METRC system and a notice will be sent via email to enforcement three days prior to disposal. It will then be disposed of at the local garbage refuse once the requirement period is complete.

Any liquid waste, including wastewater generated during marijuana cultivation will be low volume and will be managed and disposed of immediately to the city sewer system for treatment. All excess solutions, chemical fertilizers and other chemicals that are not already mixed in with the wastewater will be disposed of at the local garbage refuse.

A record of the final destination of all waste will be kept on-site in our files.

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

we will be grinding all unusable plant waste and mixing it with 50% trash like food waste, vegetable oil, and yard waste. will also be working with city to find other acceptable additives.



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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:

Ground marijuana will be put in a mixer with items of previous page, mixed thoroughly and taken to landfill.



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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

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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

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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

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

I will be packaging all sellable product for WHOLESALE and either delivering it to Customer or have them pick up at the facility in a wholesale package not exceeding five pounds for re - packaging by the retail marijuana store; or (2) 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. Marijuana will be prepared, packaged and secured for shipment by a licensee, employee or agent with a current marijuana handler permit. It will be packaged in compliance with 3 AAC 306.470 and put in a sealed, vacuum packed bags, then stored in the locked cabinet, locked, safe and secure shipping container that will be labeled in compliance with 3 AAC 306.475. The type, amount and weight of the product being transported, the name of the transporter, time of departure and expected delivery and the make, model and license plate number of the transporting vehicle will be entered into the METRC system. Two printed copies of complete transport manifest will stay with the shipping container at all times. The second copy will be provided to the licensed marijuana establishment that receives the shipment. Records will be kept on-site of all marijuana shipped or received.

SAMPLE LABEL:

"Marijuana has intoxicating effects and may be habit forming. Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence. There may be health risks associated with consumption of marijuana. For use only by adults 21 and older. Keep out of the reach of children. Marijuana should not be used by women who are pregnant or breast feeding.

Soil Amendment(s), Fertilizer(s) and Other Crop Production Aids:

Name of Licensed Marijuana Testing Facility:

Results of each Required Laboratory Test:

Cannabinoid Potency Profile:

Microbial Testing Results:

Residential Solvent Results:

Contaminants Results

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

A locked, secured box will be purchased or built and will made out of metal or thick wood and will be mounted to vehicle belonging to the licensee.



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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:

There will be no signs on the outside of the building identifying it as a marijuana growing facility in order to reduce security concerns. All company signage will be inside the facility.

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

☐ ☐

Promotes excessive consumption

☐ ☐

Represents that the use of marijuana has curative or therapeutic effects

☐ ☐

Depicts a person under the age of 21 consuming marijuana

☐ ☐

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

☐ ☐



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

Alaska Marijuana Control Board

Form MJ-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)

☐ ☐



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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:

No persons without an ID badge will be allowed onto premises, these persons will be pre-vetted for age prior to distribution of badge. All visitors into facility will be required to prove age via state ID or passport before gaining access to visitor badges.

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

Printed name

Subscribed and sworn to before me this 11 day of AUGUST, 2017.



Notary Public in and for the State of Alaska.

My commission expires: MAY 25, 2021



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):



Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

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:	Darren Phillips	License Number:	13577		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Fiberlite				
Premises Address:	120 Jarvis St., Unit C				
City:	Sitka	State:	AK	ZIP:	99835



Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

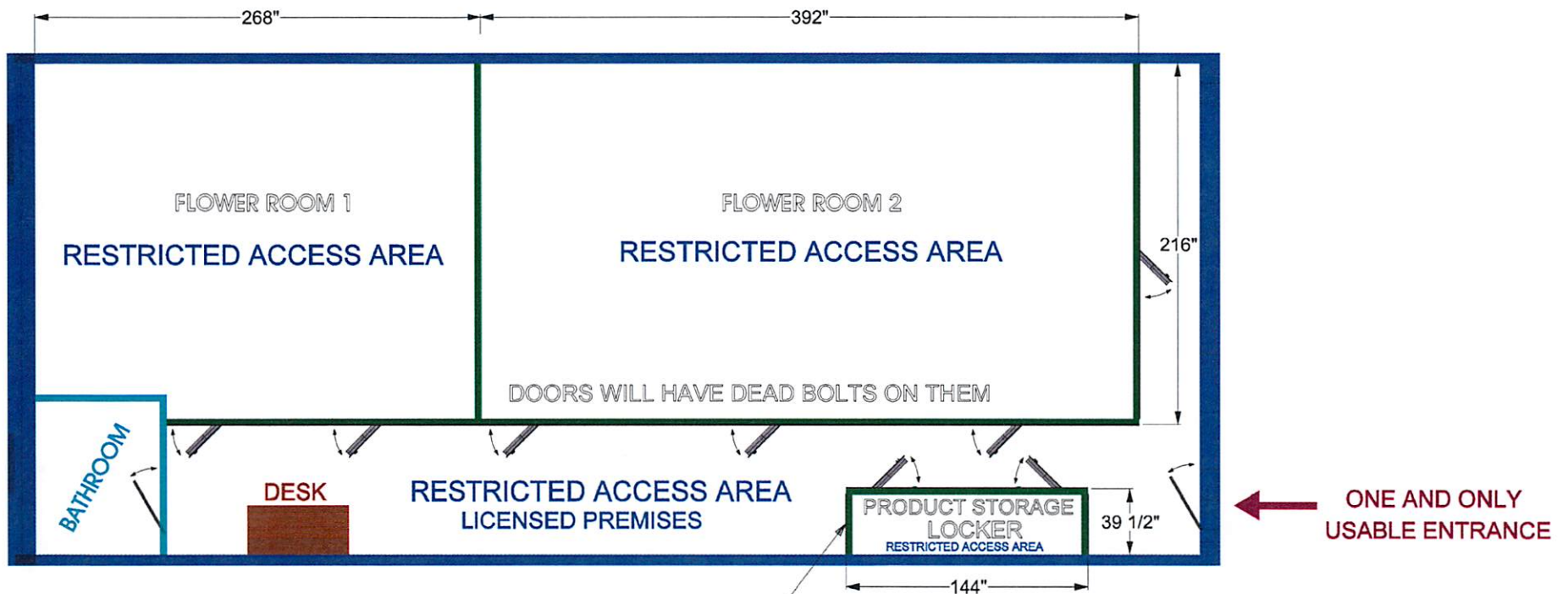
<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Section 2 – Detailed Premises Diagram

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

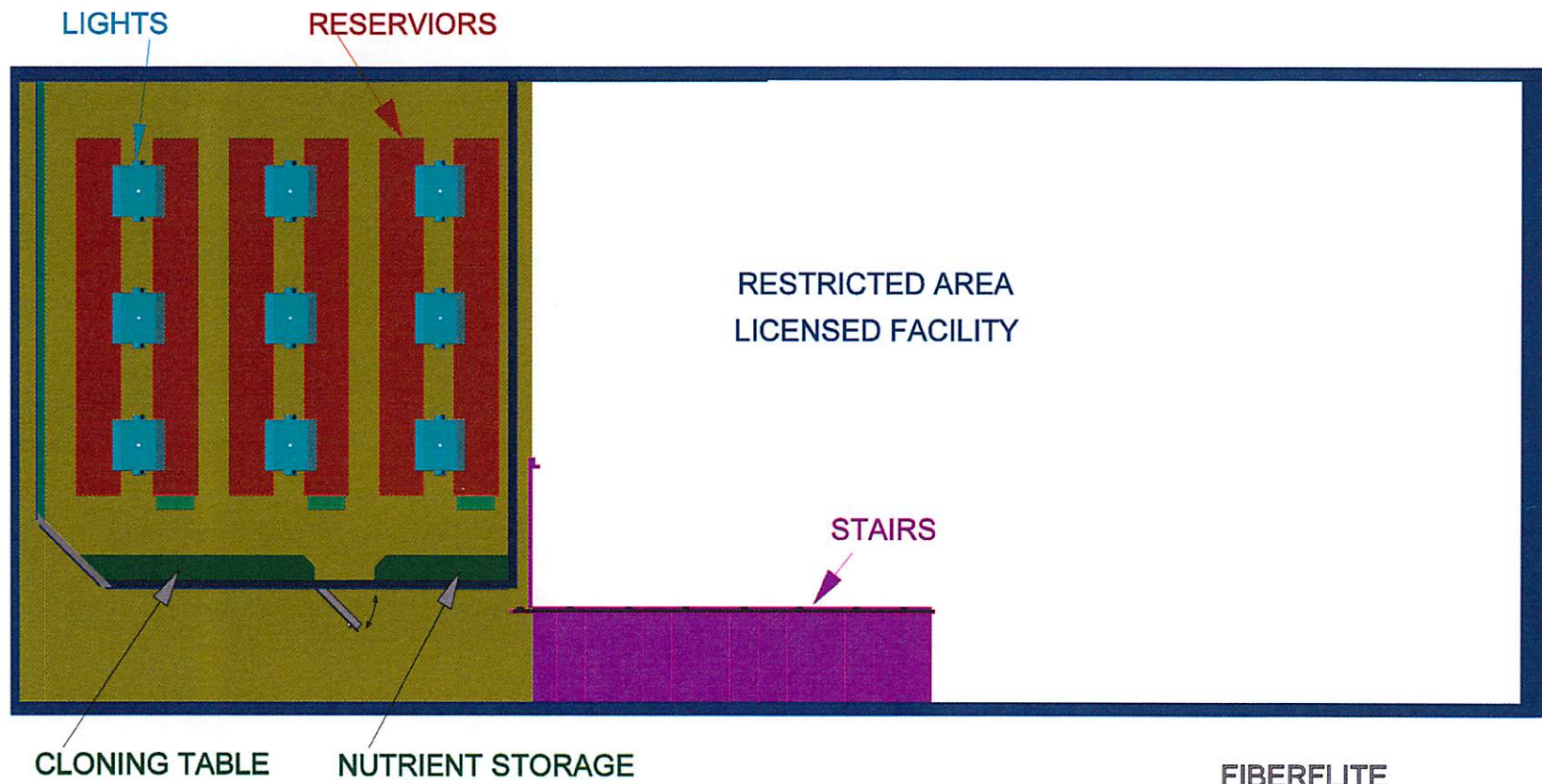
See attached diagrams.



FIBERFLITE
LIC# 13577
RESTRICTED ACCESS AREA
1st FLOOR

SURVEILLANCE INSIDE LOCK BOX
BOLTED TO TOP OF PRODUCT STORAGE LOCKER
STORAGE LOCKER FOR:
VENDABLE AND DISPOSABLE PRODUCT





FIBERFLITE
LIC # 13577
VEG ROOM LAY OUT
2nd FLOOR

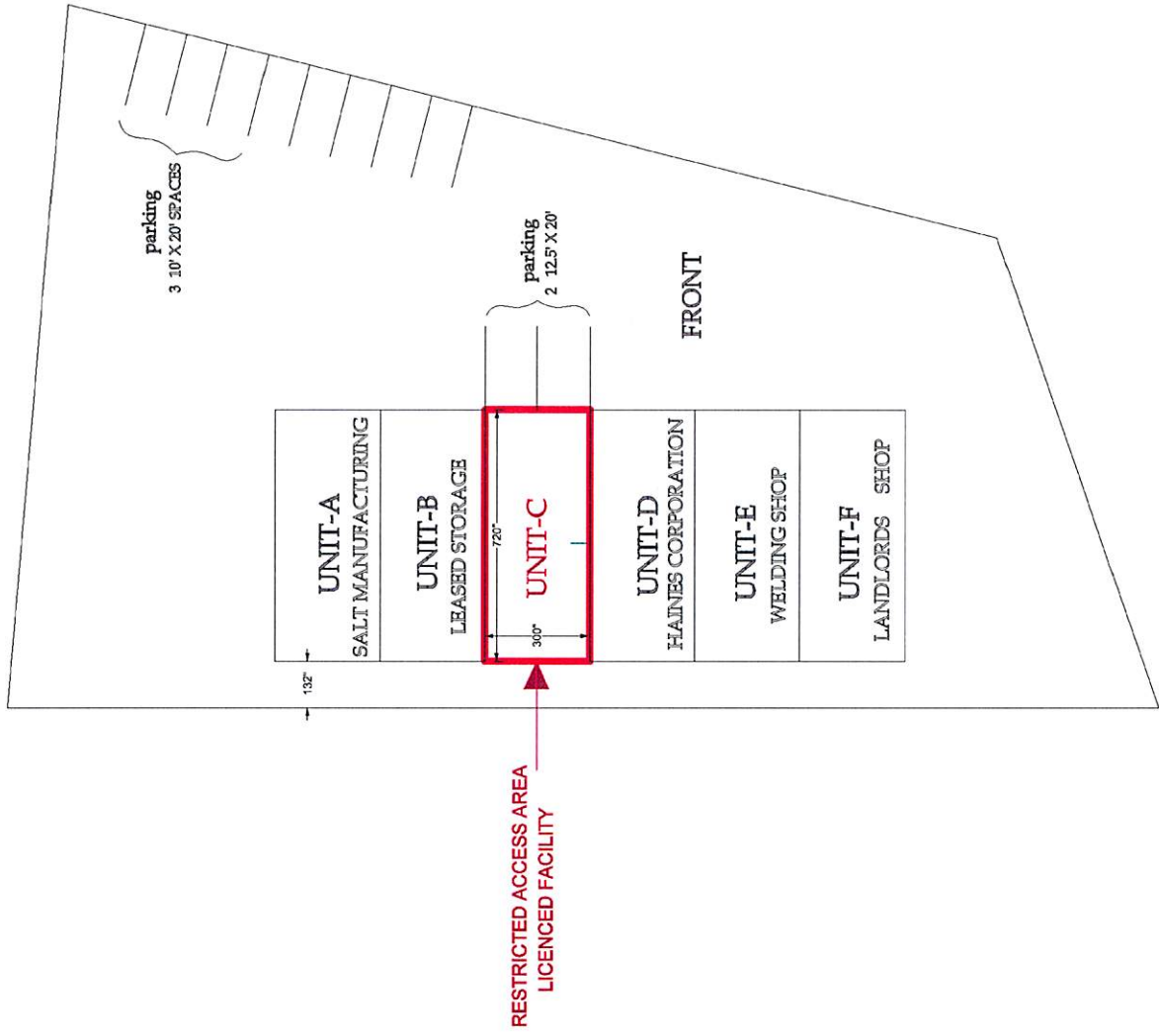


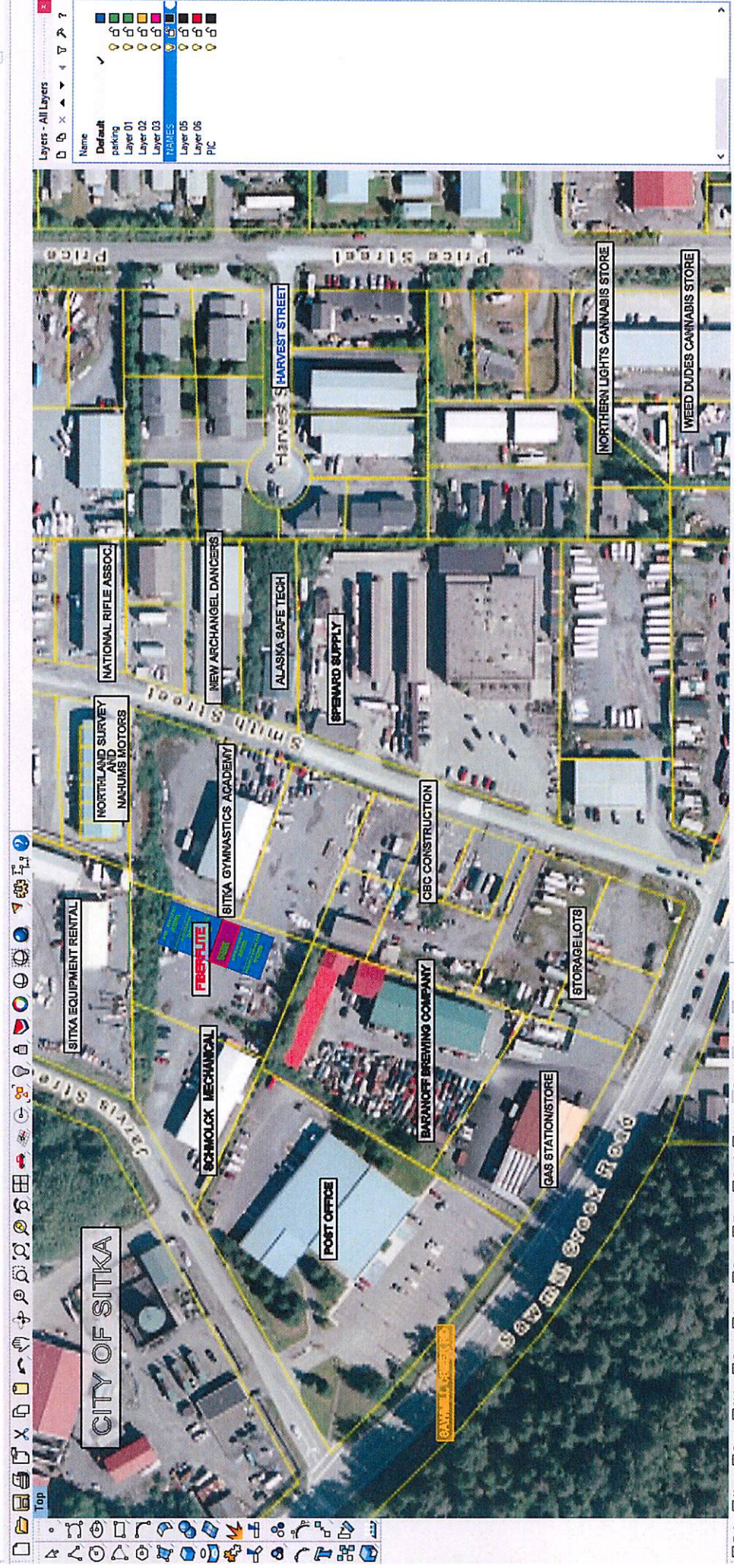
FIBERFLITE
LIC# 13577
RESTRICTED ACCESS AREA
2nd FLOOR



Perspective view

PERMIT-12
No. 13577
120 Jarvis St. Unit C
Seward AK 99684
207-628-5500







Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

What is this form?

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

What additional information is required for cultivation facilities?

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

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

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

Section 1 – Establishment Information

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

Licensee:	Darren Phillips	License Number:	13577
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Fiberflite		
Premises Address:	120 Jarvis St., Unit C		
City:	Sitka	State:	ALASKA
		ZIP:	99835



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

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Section 2 – Prohibitions

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

The marijuana cultivation facility will not:

Agree Disagree

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

☒☐

Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its licensee 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:

Flower Room 1: Located on the first floor in rear, right corner of the shop. The area will be 18' x 22' for a total of 396 square feet.

Flower Room 2: Located on the first floor directly in front of and attached to Flower Room 1. The area will be 18' x 33' for a total of 594 square feet.

Veg. Room: Located on the second floor in the rear, right corner of the shop. The area will be 19' x 20' for a total of 380 square feet.



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:

HYDROTON OR AN EQUIVALENT EXPANDED CLAY PELLETS.
THEY CAN BE CLEANED AND REUSED OVER AND OVER.

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

WILL BE USING STORE BOUGHT CHEMICAL FERTILIZERS,
AN ALKALINE AND ACID IN VERY WEAK DOSIS TO
CONTROL PH LEVELS, BLEACH FOR CLEANING.
THE DELIVERY SYSTEM WILL BE PRIMARILY FLOOD & DRAIN
HYDROPONICS.

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

SHOULD BE VERY LITTLE WASTE WITH THE TECHNIQUE
I USE. WATER + FERT. ADDED TO A RESERVOIR AND
USED OVER + OVER UNTIL USED UP BY PLANTS.



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

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Describe the marijuana cultivation facility's waste disposal arrangements:

Any solid waste generated during marijuana cultivation will be managed in the restricted access areas; Flower Rooms 1 and 2 by grinding it up, mixing it with equal parts of compostable or non-compostable materials, putting it into sealed, plastic bags labeled "waste" and dated to comply with the three day waiting period required before deeming it unusable. It will then be stored in the locked Product Storage Locker in a sectioned off area of the locker labeled "Waste". Once ready to dispose of the solid waste, it will be entered into the MTRC system and a notice will be sent via email to enforcement three days prior to disposal and it will then be disposed of at the local garbage refuse once the requirement period is completed.

Any liquid waste, including wastewater generated during marijuana cultivation will be low volume and will be managed and disposed of immediately to the city sewer system for treatment. All excess solutions, chemical fertilizers and other chemicals that are not already mixed in with the wastewater will be disposed of at the local garbage refuse.

A record of the final destination of all waste will be kept in our files.

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:

All of the air leaving the facility will go through high tech., heavy duty, odor eliminating carbon filters and then commercially installed ducting that's vented through a window (that will be blocked by the ventilation system mechanics/hardware) on the second floor. There will be virtually no odor leaving the facility.



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

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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:

A sample of each harvest batch of marijuana produced at our facility will be provided to a marijuana test facility by a licensee or employee who will collect a random, homogenous sample from each batch of individual strains in the amount required, prepare a signed statement demonstrating this, keep a copy for our records, and transport and provide the sample and original, signed statement to the testing facility. The harvest batch will be separated from all other marijuana, stored in the Product Storage Locker section, labeled "Being Tested" and will not be sold or transported for sale until all testing has been completed. A record of all testing results will be kept on-site.

If the board of director orders random sampling of growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for compliance checks, the cultivation facility will cooperate with the testing facility to collect the test samples and cover all costs of testing.



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

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Section 6 – Security

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

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

The marijuana cultivation facility applicant has:

Agree Disagree

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

☒ ☐

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

☒ ☐

Restricted Access Area (3 AAC 306.430):

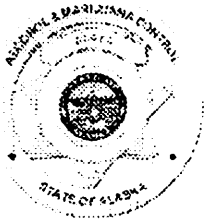
Yes No

Will the marijuana cultivation facility include outdoor production?

☐ ☒

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

N/A



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

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

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:

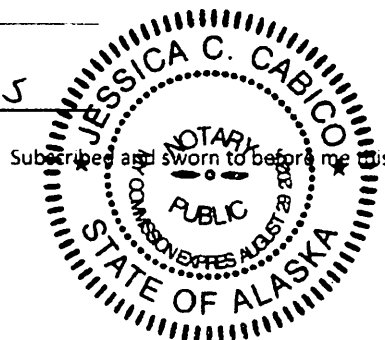
There are 2 windows in the facility located on the second floor that will be intake and exhaust louvers installed in them blocking any access or visibility. The only other points of visible into the location are the windows on the roll up door at the front of building that will have windows coverings installed blocking all interior visibility. Both front doors will be locked and secured with alarm system, accessible only by licenced personel.

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

DARREN PHILLIPS
Printed name



Subscribed and sworn to before me this 15th day of November, 2017

Jessica C Cabico
Notary Public in and for the State of Alaska.

My commission expires: 08-28-2020



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

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

(Additional Space as Needed):



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

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 marijuana establishment license application, an applicant must give notice of the application to the public by posting a true copy of the application 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 new or transfer 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:	Darren Phillips	License Number:	13577		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Fiberflite				
Premises Address:	120 Jarvis st. , UNIT C				
City:	Sitka	State:	AK	ZIP:	99835

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:

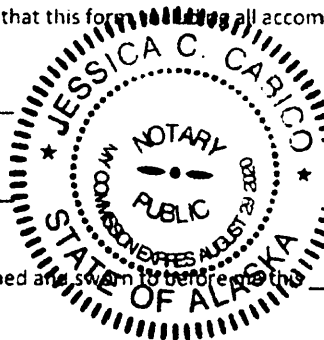
Start Date: 11-20-2017 End Date: 11-25-2017

Other conspicuous location: Seamart - GROCERY STORE

I declare under penalty of unsworn falsification that this form and all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Darren Phillips
Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 08-29-2020

Subscribed and sworn to before me this 27th day of November, 2017.



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

Alaska Marijuana Control Board

Form MJ-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:	DARREN PHILLIPS	License Number:	13577		
License Type:	STD. MARIJUANA CULTIVATION FACILITY				
Doing Business As:	FIBERFLITE				
Premises Address:	120 JARVIS ST.				
City:	SITKA	State:	AK	ZIP:	99835

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: 6-19-2017 End Date: 7-20-2017

Other conspicuous location: SEAMART + THE BACK DOOR

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

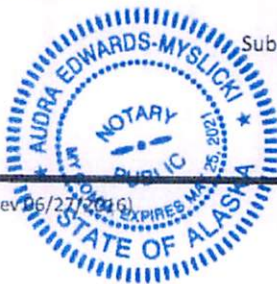
DARREN PHILLIPS

Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: MAY 25, 2021

Subscribed and sworn to before me this 11 day of AUGUST, 20 17.





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

Alaska Marijuana Control Board

Form MJ-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 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.

This form must be completed and submitted to AMCO's main office before any new or transfer 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:	Darren Phillips	License Number:	13577
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Fiberflite		
Premises Address:	120 Jarvis st. , UNIT C		
City:	Sitka	State:	AK
		ZIP:	99835

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: City and Borough of Sitka Name of Official: Sara Peterson
Title of Official: Municipal Clerk Date Submitted: 11-27-17
Community Council: _____ Date Submitted: _____
(Municipality of Anchorage and Matanuska-Susitna Borough only)

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Darren Phillips
Signature of licensee

Darren Phillips
Printed name of licensee

Subscribed and sworn to before me this 27 day of November

Sara L Peterson
Notary Public in and for the State of Alaska
STATE OF ALASKA
My ~~NOTARY PUBLIC~~ 9-20-19
SARA L. PETERSON
My Commission Expires April 15, 2019



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

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

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:	Darren Phillips	License Number:	13577
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Fiberlite		
Premises Address:	120 Jarvis St., Unit C		
City:	Sitka	State:	AK
		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Darren Phillips
Title:	Owner
SSN:	



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<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]

Signature of licensee/affiliate

Darren Phillips

Printed name

Subscribed and sworn to before me this 11 day of AUGUST, 2017.



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

My commission expires: MAY 25, 2021

Alcohol & Marijuana Control Office

License #13577

Initiating License Application

6/16/2017 5:19:01 PM

License Number: 13577

License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: FIBERFLITE

Business License Number: 1052278

Designated Licensee: DARREN H PHILLIPS

Email Address: fiberflite@aol.com

Local Government: Sitka (City and Borough of)

Community Council:

Latitude, Longitude: 57.049904, -135.309382

Physical Address: 120 jarvis st
Unit C
sitka, AK 99835
UNITED STATES

Licensee #1

Type: Individual

Name: DARREN H PHILLIPS

[REDACTED]

[REDACTED]

Phone Number: 209-608-5500

Email Address: fiberflite@aol.com

Mailing Address: po box 645
sitka, AK 99835
UNITED STATES

Note: No entity officials entered for this license.

Note: No affiliates entered for this license.

FIRST AMENDMENT TO COMMERCIAL LEASE

This First Amendment (*Amendment*) to that Commercial Lease (*Lease*) dated July 1, 2017, is made this 15 day of November 2017, by and between **Baranof Investments, LLC**, of Post Office Box 1874, Sitka, Alaska 99835, herein referred to as the *Landlord*, and, **Darren Phillips** dba FiberFlite, of Post Office Box 645, Sitka, Alaska 99035, herein referred to as the *Tenant*; and for valuable consideration, the receipt of which is acknowledged, the parties add a new subsection, and in furtherance thereof, agree:

1. Add new subsection 24.b.v., to read as:

v. Without limiting the generality of the provision stated in this Section 24.b., of this Lease, Landlord covenants and agrees, that in the event of default by Tenant, Landlord shall not take possession of marijuana situated on the Premises, or otherwise handle, disturb or remove marijuana from the Premises without first giving notice of Tenant's default and Landlord's election to take possession of the Premises, to the Alcohol & Marijuana Control Board (herein, **AMCB**), 550 W. 7th Avenue, Suite 1600, Anchorage, Alaska 99501, telephone: 907-269-0350; and, proceeding as directed by the AMCB.

2. **Status of Lease.** Except as otherwise specifically provided in this First Amendment to the Lease, the Lease terms, conditions, and covenants shall continue in full force and effect as a legal, binding and enforceable agreement.

IN WITNESS, WHEREOF, the Landlord, and Tenant have hereunto set their hands, and this Lease shall be deemed effective this 15 day of November 2017.

LANDLORD

Baranof Investments, LLC

By: 
Gary Smith, Member

TENANT

Darren Phillips dba FiberFlite

By: 
Darren Phillips

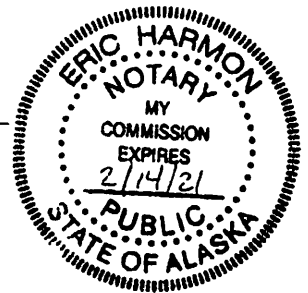
STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of November, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Gary**

Smith, to me known to be the person who signed as a Member of **Baranof Investments, LLC.**, an Alaska limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that **Gary Smith** was duly qualified and acting as said member of said, that **Gary Smith** was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Eric Harmon
Notary Public for Alaska
Commission expires: 2/14/21

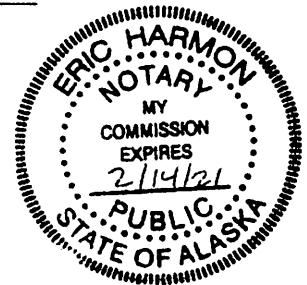


STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of November, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Darren Phillips, to me known to be the owner of the Fiberflite, and, the person described in and who executed the above and foregoing instrument; and who acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Eric Harmon
Notary Public for Alaska
Commission expires: 2/14/21



**COMMERCIAL LEASE
(120 Jarvis Street)**

THIS COMMERCIAL LEASE ("Lease") is entered into between **Baranof Investments, LLC**, an Alaskan limited liability company, referred to as *Landlord*, and Darren Phillips doing business as Fiberflite, herein referred to as *Tenant*, for the Lease of 120 Jarvis Street, Unit C, and in furthermore thereof agree as follows:

1. Definitions

a. Basic Lease Information

In addition to the terms that are defined elsewhere in this Lease, the following terms have the meaning assigned to them in this Section when a term appears as a capitalized term in this Lease. The following terms and provisions are giving the defined meaning in the Lease and are part of the Lease as follows:

- | | | |
|-------|------------------------|--|
| i. | LEASE DATE: | July 1, 2017 |
| ii. | LANDLORD: | Baranof Investments, LLC. |
| iii. | LANDLORD'S ADDRESS: | Baranof Investments, LLC.
PO Box 1874
Sitka, Alaska 99835
Telephone: 907-747-3142 |
| iv. | TENANT: | Darren Phillips dba FiberFlite |
| v. | TENANT'S ADDRESS: | Post Office Box 645
Sitka, AK 99835
Telephone: (209) 608-5500
Email: fiberflite@aol.com |
| vi. | LAND | Land: legal description APPENDIX A. |
| vii. | BUILDING | 120 Jarvis Street |
| viii. | PREMISES: | Described on APPENDIX B. |
| ix. | APPROX. PREMISES SIZE: | Building/Main Floor 1,500 sq. ft.
Mezzanine 500 sq. ft. |
| x. | COMMENCEMENT DATE: | July 1 st 2017 |
| xi. | INITIAL TERM: | 12 Months. |
| xii. | MINIMUM ANNUAL RENT: | <u>\$24,000.00 + Taxes & Utilities.</u> |

During the Initial Term, from July 1, 2017 to June 30, 2018 the minimum Annual Rent shall be \$24,000.00 per year plus City and Borough of Sitka sales tax. If Tenant exercises its renewal options set forth in Section 27 the annual minimum rent shall adjust as set forth in Section 27.

xiii. **PAID RENT AND SECURITY DEPOSIT:** Tenant will pay \$5,700.00 to Landlord on or before the Commencement Date of this Lease, which payment consists of the following: (a) first month's rent, (b) last month's rent, Taxes of \$200 (\$100 per month) and (c) security deposit of \$1,500.

xiv. **PERMITTED USE:** Tenant shall use the Premises for cultivation and production of marijuana under license issued by the State of Alaska, Department of Commerce, Community, and Economic Development, Alcohol & Marijuana Control Office, and limited to those activities authorized by the controlling statutes and regulations adopted by the State of Alaska related thereto, which activities are herein referred to as the **Permitted Use**. Tenant expressly acknowledges and agrees that the operation of a retail marijuana store within the Premises, or any activities permitted under AS 17.38.020, is not a Permitted Use and shall not be conducted within the Premises. Tenant shall at all times conduct the Permitted Use consistent with state and municipal laws, statutes, regulations and ordinances, as relate to marijuana cultivation, production, growing, processing, packaging and wholesale sale of marijuana product, and all other legal purposes related thereto. A material violation by Tenant of a state or municipal law, statute, regulation or ordinance relating to the cultivation and production of marijuana shall constitute a material breach of this Lease, and as provided in paragraph 24.a.viii, below.

b. Appendices

The following addendum and appendices are attached to this Lease and are made part of this Lease:

Appendix A—Legal Description of Land
Appendix B—Building, Premise, Parking Area Diagram
Appendix C—Rules and Regulations

2. Agreement

Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, according to this Lease. The duration of this Lease will be the term, commencing on the Commencement Date. The Premises under this Lease shall include the designated Parking Area shown in **Appendix B**.

3. Term; Delivery of Premises; Tenant Improvements

a. Term

The Lease term shall commence on July 1, 2017 and shall expire on June 30, 2018.

b. Acceptance

Tenant acknowledges that neither Landlord nor its agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of Tenant's business or for any other purpose, nor has Landlord or its agents or employees agreed to undertake any alterations or construct any Tenant improvements at the Premises.

TENANT ACCEPTS THE PREMISES AS-IS, WHERE-IS AND WITH-ALL-FAULTS, AS OF THE COMMENCEMENT DATE.

c. Tenant Improvements

Tenant may only perform Tenant Improvement work with the prior written consent of Landlord. All Tenant Improvements shall be completed in accordance with applicable laws, codes, regulations and municipal directives and the construction of same shall not create a public or private nuisance. Tenant shall allow no waste to occur on or about the Premises or Property. Prior to commencement of construction of Tenant improvement work, Tenant shall provide Landlord with copies of all design and shop plans, permits and all correspondence from the municipality overseeing construction. Tenant shall allow no liens to attach to the Premises or the Property. Under no circumstance, unless expressly approved and consented to by Landlord in writing, will Tenant penetrate the roof, walls or walls of the Premise for any purpose, including construction of Tenant Improvements. Landlord may require Tenant, at Tenant's cost and expense, to remove Tenant's fixtures, furnishings or equipment from the Premises and to repair any Premises damage associated with renewal, at Tenant's cost and expense, upon expiration or termination of the Lease, or Landlord may require that any or all of said fixtures, furnishings, and equipment be left in the Premises upon Lease termination or expiration, in which case, Landlord shall become the owner of said fixtures, furnishings, and equipment without delivery of any further consideration to Tenant. Any damage caused to the Premises or Property by Tenant's removal of fixtures, furnishings, equipment or other property shall be repaired at Tenant's sole cost and expense.

4. Minimum Annual Rent; Security Deposit

a. Annual Rent

Throughout the Term of this Lease, from and after the Commencement Date, Tenant will pay Annual Rent to Landlord in the amount described in Section 1. Annual Rent is due in twelve (12) equal monthly installments in the amount of \$2,000.00, plus applicable federal, state and City and Borough of Sitka sales tax, current rate: 5%. The monthly installment of rent shall be paid to Landlord on or before the first of each month commencing on July 1, 2017. Annual Rent for any partial first or last month shall be prorated in accordance with the actual number of days in said month. Annual Rent will be paid to Landlord without written notice or demand and without deduction or offset in lawful money of the United States of America at Landlord's notice address, or to such other address as Landlord may from time to time designate in writing.

b. Security Deposit

Tenant shall deliver to Landlord a security deposit in the amount set forth in Section 1 above upon execution of this Lease. Landlord shall hold and may commingle the security deposit. Any interest earned thereon shall belong to Landlord. Landlord may debit the security deposit at any time to pay for any obligations owed, or expenses incurred, because of Tenant's breach or default of this Lease. Thereafter, upon demand, Tenant shall deliver such sums as are required to return the security deposit to the amount set forth in Section 1.

5. Operating Expenses

a. Landlord Responsibilities

Landlord, at Landlord's cost, shall maintain, repair and replace the roof, foundation, exterior walls, ceiling, structural elements of the Building, utility systems, heat pump system, and removal of snow from common areas, unless the repair and replacement thereof is caused, in whole or in part, by the inadvertency, negligence, or misuse of Tenant. In such event, the cost to repair and replace a

damaged element of the Building caused by Tenant shall be the sole obligation and liability of Tenant. The failure or refusal of Tenant to pay for the cost to repair or replace a damaged element of the Building under this provision shall be deemed a material breach of the Lease. Landlord shall be responsible for the installation of signage for the Tenant's Premises, at Tenant's costs, as provided in the Uniform Signage Design Policy, Rules and Regulations, **Appendix C** to this Lease. Tenant shall make a request for signage in writing to Landlord, including what information Tenant wants stated on the face of the sign. Landlord will adopt a uniform design for Tenant signs placed on the Building, and will provide Tenant with a rendering of the proposed sign prior to placement on the Building to assure the information related to Tenant's business is correctly represented on the sign.

b. Tenant Responsibilities

Tenant shall maintain, repair and replace the interior of the Premises in their condition as of the Commencement Date, normal wear and tear excluded. Tenant's maintenance, repair and replacement obligations shall include, without limitation, the interior walls, drop ceiling if any, utility fixtures, electrical, alarm, lighting fixtures, interior and exterior windows, and doors, plumbing and restroom fixtures, and floor coverings at Tenant's sole cost and expense. Tenant shall immediately advise Landlord of any damage to the Premises or the Building. All damage or injury to the Premises, the Building, or the fixtures, appurtenances and equipment in the Premises or the Building that is caused by Tenant, its agents, employees, or invitees may be repaired, restored, or replaced by Landlord, at the expense of Tenant. Such expense (plus fifteen percent (15%) of such expense for Landlord's overhead if Landlord undertakes the repair or replacement) will be collectible as additional rent and will be paid by Tenant within ten (10) days after delivery of a statement for such expense. Tenant, not Landlord, must provide all security devices and security guards that Tenant deems necessary to adequately secure the Premises.

c. Utilities and Taxes

i. Utilities

Tenant shall pay for all utilities serving the Premises including, without limitation, heat, electric, telephone, internet, security systems, cable, water and sewer, garbage and janitorial, and Tenant shall establish electric utility in Tenant's name. If certain utilities are not separately metered to the Premises, Landlord may perform a reasonable estimate and bill Tenant for Tenant's estimated share of those utilities.

ii. Taxes

Tenant shall pay all City and Bureau of Sitka sales tax due on any rent described herein. Tenant shall pay any business property tax. Landlord shall pay real property taxes due on the Property.

6. Insurance

a. Tenant's Liability Insurance

Throughout the entire term of this Lease, including any renewal term, Tenant shall, at its sole expense, maintain in full force and effect a policy or policies of commercial general liability insurance issued by one or more insurance carriers, insuring against liability for bodily injury to or death of persons and loss of or damage to property occurring in or on the Premises, the Building, and the Land. This liability insurance shall be in an amount not less than One Million Dollar (\$1,000,000) combined single limit for bodily and personal injury and property damage.

b. Worker's Compensation Insurance

Tenant shall at all times maintain worker's compensation insurance in compliance with Alaska law.

c. Tenant's Casualty Insurance

Tenant shall during the term, at its sole expense, maintain in full force and effect a standard form policy or policies of property and all-risk coverage with an extended coverage endorsement covering all stock in trade, trade fixtures, equipment, Tenant improvements installed at Tenant's cost and expense and other personal property located in the Premises and/or the Building and used by Tenant in connection with its business to the extent of the full replacement value of the foregoing.

d. Compliance with Regulations

Tenant shall, at its own expense, comply with all requirements, including installation of fire extinguishers, smoke and carbon monoxide detectors, or other fire control systems required to be installed in the Premises by insurance underwriters or any governmental authority having jurisdiction, that are necessary for the maintenance of reasonable fire and extended insurance for the Premises and/or the Building.

e. Release and Waiver of Subrogation

Neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or tangible personal property of the other or of any third party occurring in or about the Premises or Building, even though the loss or damage might have been occasioned by the negligence of the other party, its agents or employees, if the loss or damage would fall within the scope of a fire and extended coverage (all risk) policy of insurance actually maintained or required by the terms of this Lease to be maintained by the party suffering the loss. Each party shall obtain from its respective insurer under each insurance policy it maintains a waiver of all rights of subrogation which the insurer of one party may have against the other party, and Landlord and Tenant shall each indemnify the other against any loss or expense, including reasonable attorneys' fees, resulting from the failure to obtain such a waiver.

f. General Requirements

i. All policies of insurance required to be carried under this Lease shall be written by companies licensed to do business in Alaska and which are rated A+ or better in the "Best's Key Rating Guide." Tenant shall furnish to Landlord a certificate evidencing the insurance required to be maintained pursuant to this Section and shall satisfy Landlord that each policy is in full force and effect and that all persons or entities who are required to be named as "Additional Insureds" as set forth in Section 6.f.III below have been added by endorsement to the policies of insurance.

ii. The insurance that Tenant is required to carry under this Lease shall be primary and non-contributing with the insurance carried by Landlord.

iii. Each insurance policy that Tenant is required to maintain under this Lease, during the Tenant improvement period, shall expressly include, severally and not collectively, as additional insured, the Landlord and any person or firm designated by the Landlord and having an insurable interest, hereinafter called "Additional Insured," as their respective interests may appear.

iv. Each insurance policy that Tenant is required to maintain under this Lease shall not be subject to cancellation or reduction in coverage except upon at least thirty (30) days'

prior written notice to Landlord. The policies of insurance or duly executed certificates evidencing them, together with satisfactory evidence of the payment of premiums, shall be deposited with Landlord at least thirty (30) days prior to the commencement date and not less than thirty (30) days prior to the expiration of the term of the coverage.

v. If Tenant fails to procure and maintain insurance as required by this Lease, Landlord may obtain that insurance and keep it in effect. If Landlord procures insurance on Tenant's behalf, then Tenant shall pay to Landlord the premium cost for that insurance, upon demand, and as additional rent.

vi. The limits of any insurance maintained by Tenant shall in no way limit the liability of Tenant under this Lease.

vii. All required insurance shall be in place and effective as of the Commencement Date.

7. Use

The Premises will be used only for the purposes set forth in Section 1 and for no other purpose. Tenant will use the Premises in a careful, safe, and proper manner and in accordance with all applicable statutes, ordinances, regulations or laws. Tenant will not use or permit the Premises to be used or occupied for any purpose or in any manner prohibited by any applicable laws. Tenant will not commit waste or suffer or permit waste to be committed in, on, or about the Premises. Tenant will conduct its business and control its employees, agents, and invitees in such a manner as not to create any nuisance or interfere with, annoy, or disturb any other Tenant or occupant of the Building or Landlord in its operation of the Building.

8. Compliance with Law

At its sole cost and expense, Tenant will promptly comply with all applicable laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or in force after the Lease Date, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, as well as with the provisions of all recorded documents affecting the Premises, insofar as they relate to the condition, use, or occupancy of the Premises.

9. Assignment and Subletting

a. General

Tenant shall not assign or sublet the Leased Premises, or any part thereof, without the prior written consent of Landlord which consent shall not be unreasonably withheld. Any such attempted assignment or subletting without the prior written consent of Landlord shall be void and of no force or effect and may, at the option of Landlord, be deemed a material default and a basis for termination of this Lease. Consent given on one occasion shall not be construed as, or constitute a waiver of, the requirement of consent as to any subsequent or further assignment or subletting. Should Landlord consent to the assignment or subletting, Tenant shall remain liable and responsible for performance of all the terms, covenants, conditions, and provisions provided for in this Lease, including payment of rent and other charges, herein provided; and the assignee or sublessee, together with its owners if an entity, shall be required to enter an agreement to be bound by and perform all of the terms and conditions of this Lease. In the event Landlord is called upon to consider the assignment or subletting or all or any portion of the Premises, Tenant shall pay to Landlord, any costs incurred by Landlord in considering and consenting to the assignment or subletting of any rights of Tenant under this Lease, including actual attorneys' fees incurred by

Landlord related thereto. Any consent by Landlord to an assignment or subletting shall not in any manner be construed to release Tenant or any assignee or sublessee from obtaining the consent in writing of Landlord to any subsequent transfer, nor shall the same release or discharge Tenant from any liability, past, present or future, under this Lease. For purposes of this Lease, the term "assign," "assignment" or "sublet" shall mean: (a) any transfer by Tenant of any portion of the Tenant's rights, interest, and obligations under this Lease or the Leased Premises, whether voluntary, involuntary, by operation of law, or otherwise; (b) occupancy of the Leased Premises by any person or entity other than Tenant, which includes but is not limited to, space sharing arrangements, licenses of space, and permitted subtenants from assigning their sub-sublease; (c) sale, transfer, assignment, conveyance, endorsement or other disposition of any portion of the (i) of the membership interest if Tenant is a limited liability company, (ii) a partnership interest if Tenant is a limited or general partnership, or, (iii) capital stock if Tenant is a corporation.

b. Information Re Landlord to Consider Assign or Sublet

If Tenant requests Landlord's consent to a specific assignment or subletting, Tenant will submit in writing to Landlord (a) the name and address of the proposed assignee or subtenant; (b) the business terms of the proposed assignment or sublease; (c) reasonably satisfactory information as to the nature and character of the business of the proposed assignee or subtenant, and as to the nature of its proposed use of the space; (d) banking, financial, or other credit information reasonably sufficient to enable Landlord to determine the financial responsibility and character of the proposed assignee or subtenant; and (e) the proposed form of assignment or sublease.

c. Payments to Landlord

If Landlord consents to a proposed assignment or sublease, then Landlord will have the right to require Tenant to pay to Landlord one hundred percent (100%) of a sum equal to (a) any rent or other consideration paid to Tenant by any proposed transferee that (after deducting the costs of Tenant, if any, in effecting the assignment or sublease, including reasonable alteration costs, commissions and legal fees) is in excess of the rent allocable to the transferred space then being paid by Tenant to Landlord pursuant to this Lease; (b) any other profit or gain (after deducting any necessary expenses incurred) realized by Tenant from any such sublease or assignment; and (c) Landlord's reasonable attorneys' fees and costs incurred in connection with negotiation, review and processing of the transfer. All such sums payable will be payable to Landlord at the time the next payment of Annual Rent is due.

10. Rules and Regulations

Tenant and its employees, agents, licensees, and invitees will always observe and comply with the rules and regulations set forth in **APPENDIX C**. Landlord may from time to time reasonably amend, delete, or modify existing rules and regulations, or adopt reasonable new rules and regulations for the use, safety, cleanliness and care of the Premises and the Building and the comfort, quiet and convenience of occupants of the Building. Modifications or additions to the rules and regulations will be effective upon ten (10) days' prior written notice to Tenant from Landlord. In the event of any breach of any rules or regulations or any amendments or additions to such rules and regulations, Landlord will have all remedies that this Lease provides for default by Tenant, and will, in addition, have any remedies available at law or in equity, including the right to enjoin any breach of such rules and regulations. Landlord will not be liable to Tenant for violation of such rules and regulations by any other Tenant, its employees, agents, invitees, or licensees or any other person. In the event of any conflict between the provisions of this Lease and the rules and regulations, the provisions of this Lease will govern.

11. Holding Over

Tenant will have no right to remain in possession of all or any part of the Premises after the expiration of the term (as extended by the Renewal Term if properly exercised). If Tenant remains in possession of all or any part of the Premises after the expiration of the term with the express or implied consent of Landlord: (a) such tenancy will be deemed to be a periodic tenancy from month-to-month only; (b) such tenancy will not constitute a renewal or extension of this Lease for any further term; and (c) such tenancy may be terminated by Landlord upon the earlier of thirty (30) days' prior written notice or the earliest date permitted by law. In such event, Annual Rent will be increased to an amount equal to one hundred fifty percent (150%) of the Annual Rent payable during the last month of the term, and any other sums due under this Lease will be payable in the amount and at the times specified in this Lease. Such month-to-month tenancy will be subject to every other term, condition, and covenant contained in this Lease.

12. Signs

Subject to the Rules and Regulations, Tenant may have at least one exterior sign identifying the business occupying the Premises. Any existing signage allowed under the prior tenancy will not be allowed to be installed unless it meets the CBS sign regulations. Exterior signage will be installed by Landlord at Tenant's cost and expense and shall conform to Landlord's Uniform Signage Design Policy, as set forth in the attached Rules and Regulations, **Appendix C**. Tenant at Tenant's cost and expense shall install interior signage. Exterior and interior window graphics shall fall under the same rules and criteria as Tenant's primary exterior signage and must be approved in advance before being attached to the exterior windows or doors. Landlord reserves the right to determine whether proposed window graphics can be installed on the exterior or the interior or denied altogether. No temporary signs, paper or plastic signs, banners or sandwich boards shall be permitted. Landlord may unilaterally remove and dispose of any signage installed by Tenant or Tenant's agents in, on or about the Premises, Building or Property without the prior written consent of Landlord. Upon termination of this Lease, Landlord shall have the exterior signage removed and any restoration to the exterior of the Building repaired. The costs for all expenses associated with exterior signage removal and associated Building restoration shall be deducted from the security deposit held by Landlord, or paid by Tenant with ten (10) days of receipt of a statement stating therein the costs incurred by Landlord to remove the sign.

13. Alterations

a. General

i. During the term, Tenant will not make or allow to be made any alterations, additions, or improvements to or of the Premises or any part of the Premises, or attach any fixtures or equipment to the Premises, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. All alterations, additions, and improvements consented to by Landlord, and capital improvements that are required to be made to the Building as a result of the nature of Tenant's use of the Premises:

a. Tenant will be allowed to build or hire someone to build rooms associated with the grow facility within the leased area if all work meets local city of Sitka building codes. Anything attached to or altering the existing structure will need approval by the landlord.

b. All such alterations, additions or improvements shall be made in a good and workmanlike manner and shall comply with all applicable laws, codes, ordinances, rules and regulations.

ii. Upon expiration or sooner termination of the term, Tenant shall, at Tenant's cost and expense, with all due diligence, remove any alterations, additions or improvements made by Tenant and designated by Landlord to be removed.

b. **Removal.** Landlord requires Tenant to remove any or all alterations, additions, fixtures and improvements that are made in or upon the Premises, Tenant will remove such alterations, additions, fixtures and improvements at Tenant's sole cost and will restore the Premises to the condition in which they were before such alterations, additions, fixtures, improvements, and additions were made, reasonable wear and tear excepted.

14. Protection from Liens

Tenant will pay or cause to be paid all costs and charges for work (a) done by Tenant or caused to be done by Tenant, in or to the Premises, and (b) for all materials furnished for or in connection with such work. Tenant shall protect against the filing of any mechanics or materialman liens, and shall indemnify Landlord against and hold Landlord, the Premises and the Building free, clear and harmless of and from all mechanics or materialman liens and claims of liens, and all other liabilities, liens, claims and demands on account of such work by or on behalf of Tenant. In addition to the protections stated above, Tenant shall protect Landlord against all other forms of lien described in AS 34.35.010 et seq. Landlord reserves the right to post notices of non-responsibility for any claims of lien pertaining to labor performed, materials or services provided to Tenant by others.

15. End of Term

At the end of this Lease, Tenant will promptly quit and surrender the Premises broom-clean, in good order and repair, ordinary wear and tear excepted. Tenant shall, as applicable, clean all carpets by a licensed service, and remove such alterations, additions, improvements, trade fixtures, equipment and furniture as Landlord has requested that Tenant remove in accordance with the terms of this Lease. Tenant will fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions, and improvements. All trade fixtures, equipment, furniture, inventory, effects, alterations, additions, and improvements on the Premises after the end of the term will be deemed conclusively to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without written notice to Tenant or any other person and without obligation to account for them. Tenant will pay Landlord for all expenses incurred in connection with the removal of such property, including, but not limited to, the cost of repairing any damage to the Building or Premises caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

16. Eminent Domain

If all or any portion of the Premises are taken by exercise of the power of eminent domain (or conveyed by Landlord in lieu of such exercise) this Lease will terminate on a date (the "Taking Date") which is the earlier of the date upon which the condemning authority takes possession of the Premises or the date on which title to the Premises is vested in the condemning authority. In the event of any such taking, the entire award will be paid to Landlord and Tenant will have no right or claim to any part of such award; however, Tenant will have the right to assert a claim against the condemning authority in a separate action, so long as Landlord's award is not otherwise reduced, for Tenant's moving expenses and leasehold improvements owned by Tenant.

17. Damage and Destruction

a. If the Premises or the Building are damaged by insured casualty, Landlord will give Tenant written notice of the time which will be needed to repair such damage, as determined by

Landlord in its reasonable discretion, and the election (if any) which Landlord has made per this Section 18. Such notice will be given before the thirtieth (30th) day (the "Notice Date") after the fire or other insured casualty.

b. If the Premises or the Building are damaged by insured casualty to an extent which may be repaired within 180 days after the Notice Date, as reasonably determined by Landlord, Landlord will promptly begin to repair the damage after the Notice Date and will diligently pursue the completion of such repair. In that event, this Lease will continue in full force and effect except that Annual Rent will be abated on a pro-rata basis from the date of the damage until the date of the completion of such repairs (the "Repair Period") based on the proportion of the rentable area of the Premises Tenant is unable to use during the Repair Period.

c. If the Premises or the Building are damaged by fire or other insured casualty to an extent that may not be repaired within 180 days after the Notice Date, as reasonably determined by Landlord, then (1) Landlord may cancel this Lease as of the date of such damage by written notice given to Tenant on or before the Notice Date or (2) Tenant may cancel this Lease as of the date of such damage by written notice given to Landlord within ten (10) days after Landlord's delivery of a written notice that the repairs cannot be made within such 120-day period. If neither Landlord nor Tenant so elects to cancel this Lease, Landlord will diligently proceed to repair the Building and Premises and Annual Rent will be abated on a pro rata basis during the Repair Period based on the proportion of the rentable area of the Premises Tenant is unable to use during the Repair Period.

d. Notwithstanding the provisions of subparagraphs a., b., and c. above, if the Premises or the Building are damaged by uninsured casualty, or if the proceeds of insurance are insufficient to pay for the repair of any damage to the Premises or the Building, Landlord will have the option in its sole discretion to repair such damage or cancel this Lease as of the date of such casualty by written notice to Tenant on or before the Notice Date.

e. If any such damage by fire or other casualty is the result of the willful conduct or negligence or failure to act of Tenant, its agents, contractors, employees, or invitees, there will be no abatement of Annual Rent as otherwise provided for in this Section 17. Tenant will have no rights to terminate this Lease on account of any damage to the Premises, the Building, or the Land, except as expressly set forth in this Section 17.

18. Subordination

By this provision, this Lease shall be subject and subordinate to the lien of any mortgage, deed of trust or other encumbering instrument now or hereafter placed on the Land or the Building. Tenant shall execute any additional subordination agreement reasonably required by a mortgagee or beneficiary of a mortgage or deed of trust within five (5) business days of the request.

19. Entry by Landlord

Landlord, its agents, employees, and contractors may enter the Premises at any time in response to an emergency and at reasonable hours to:

- a. Inspect the Premises;
- b. Exhibit the Premises to prospective purchasers, lenders, or tenants;
- c. Determine whether Tenant is complying with all its obligations in this Lease;
- d. Post written notices of non-responsibility or similar notices; or

e. Make repairs required of Landlord under the terms of this Lease or make repairs to any adjoining space or utility services or make repairs, alterations, or improvements to any other portion of the Building; however, all such work will be done as promptly as reasonably possible and so as to cause as little interference to Tenant as reasonably possible.

Except in the case of emergencies or suspicion of unlawful activity, or in cases where Tenant has otherwise authorized Landlord's entry, Landlord shall use its best efforts to provide Tenant with notice of its need to enter onto the non-public portions of the Premises not less than twenty-four (24) hours in advance of any such entry.

Tenant, by this Section 19, waives any claim against Landlord, its agents, employees, or contractors for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by any entry in accordance with this Section 19. Landlord will always have and retain a key or key card with which to unlock all of the doors in, on, or about the Premises. Landlord will have the right to use all means Landlord may deem proper to open doors in and to the Premises in an emergency in order to obtain entry to the Premises, provided, that Landlord will promptly repair any damages caused by any forced entry. Any entry to the Premises by Landlord in accordance with this Section 19 will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises or any portion of the Premises, nor will any such entry entitle Tenant to damages or an abatement of rent.

20. Indemnification, Waiver and Release

a. Indemnification

Except for any injury or damage to persons or property on the Premises proximately caused solely by the gross negligence or deliberate, intentional, unlawful act of Landlord, its employees, or agents, and subject to the waiver-of-subrogation provisions herein, Tenant will neither hold, nor attempt to hold, Landlord, its employees, or agents liable for, and Tenant will indemnify defend and hold harmless Landlord, its employees and agents from and against any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), liabilities, judgments and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or related to this Lease, or an act or omission of Tenant or Tenant's officers, employees, agents, invitees and guests in, about or in relation to the Premises, Building or Property. If any action is brought against Landlord, its employees, or agents because of any such claim for which Tenant has indemnified Landlord, Tenant, upon written notice from Landlord, will defend the same at Tenant's expense, with counsel approved by Landlord. This Section shall survive the expiration or earlier termination of this Lease.

b. Waiver and Release

Tenant, as a material part of the consideration to Landlord for this Lease, by this Section 20.b, waives, and releases all claims against Landlord, its employees, and agents with respect to all matters for which Landlord has disclaimed liability pursuant to the provisions of this Lease. This Section shall survive the expiration or earlier termination of this Lease.

21. Environmental Provisions

a. "Environmental Laws" means all state, federal and local statutes, regulations and ordinances relating to the protection of human health and the environment.

b. "Hazardous Material" means any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation of Hazardous Materials Table (49 C.F.R. 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto), petroleum products and their derivatives, and such other substances, materials and wastes as become regulated or subject to cleanup authority under any Environmental Laws.

c. Landlord agrees to defend (with counsel reasonably approved by Tenant), fully indemnify and hold entirely free and harmless Tenant from and against all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the term and which are imposed on, paid by, or asserted against Tenant by reason or on account of, or in connection with, or arising out of the presence or suspected presence of Hazardous Material in the structures, soil, ground water, or soil vapor on or about the Building or Premises, or the migration of Hazardous Material off of or onto the Land, or the violation by Landlord of any Environmental Law, except to the extent that the Hazardous Material is present or the violation occurred as a result of Tenant's activities in the Building.

d. Tenant agrees to defend (with counsel reasonably approved by Landlord), fully indemnify and hold entirely free and harmless Landlord from and against all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the term and which are imposed on, paid by or asserted against Landlord by reason or on account of, or in connection with, or arising out of the presence or suspected presence of Hazardous Material in the structures, soil, ground water, or soil vapor on or about the Building or Premises or the violation by Tenant of any Environmental Law, to the extent that the Hazardous Material is present or the violation occurred as a result of Tenant's activities in the Building or Premises.

e. This Section shall survive the expiration or earlier termination of this Lease.

22. Quiet Enjoyment

Landlord covenants and agrees with Tenant that so long as Tenant pays the rent and observes and performs all the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises, subject to the terms and conditions of this Lease, and Tenant's possession will not be disturbed by anyone claiming by, through, or under Landlord.

23. Effect of Sale

A sale, conveyance, or assignment of the Building will operate to release Landlord from liability under this Lease, from and after the effective date of such sale, conveyance, or assignment, except for liabilities that arose prior to such effective date. This Lease will not be affected by any such sale, conveyance, or assignment, and Tenant will attorn to Landlord's successor in interest to this Lease, so long as such successor in interest assumes Landlord's obligations under this Lease from and after such effective date.

24. Default

a. Events of Default

The following events are referred to, collectively, as "events of default" or, individually, as an "event of default":

i. Tenant defaults in the due and punctual payment of rent, or such other cost or expense Tenant is required to pay under the terms of this Lease, and such default continues for ten (10) business days after written notice from Landlord. Tenant will not be entitled to more than one (1) written notice of monetary defaults during the term, and if after such written notice any rent is not paid when due, an event of default will be considered to have occurred without further notice;

ii. This Lease or the Premises or any part of the Premises are taken upon execution or by other process of law directed against Tenant, or are taken upon or subject to any attachment by any creditor of Tenant or claimant against Tenant, and said attachment is not discharged or disposed of within ten (10) business days after its levy;

iii. Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;

iv. Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Tenant are instituted against Tenant, or a receiver or trustee is appointed for all or substantially all of the property of Tenant, and such proceeding is not dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment;

v. Tenant assigns or subleases the Premises without the prior written consent of Landlord;

vi. Tenant defaults under any of the other agreements, terms, covenants, or conditions of this Lease, and such default continues for a period of thirty (30) days after written notice from Landlord to Tenant (or, if such default is not susceptible of cure within such thirty (30) day period, if Tenant fails to diligently commence to cure such default within thirty (30) days after written notice from Landlord and to complete such cure within a reasonable time, not to exceed ninety (90) days thereafter);

vii. Tenant defaults under any other agreement with Landlord, in which event no cure periods beyond those contained in the Agreement pursuant to which Tenant has defaulted shall be available to Tenant; and,

viii. Tenant materially violates a state or municipal marijuana law, statute, regulation or ordinance.

b. Landlord's Remedies

If any one or more events of default set forth in Section 24.a. occurs, then Landlord shall have all available rights and remedies at law or in equity, all of which shall be deemed cumulative, including, without limitation, the right:

i. To give Tenant written notice of Landlord's intention to terminate this Lease on the earliest date permitted by law or on any later date specified in such notice, in which case, Tenant's right to possession of the Premises will cease and this Lease will be terminated, except as to Tenant's liability, as if the term expired on the date fixed in such notice;

ii. Without further demand or notice, to reenter and take possession of the Premises or any part of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner

of trespass, and without prejudice to any remedies for arrears of Annual Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions;

iii. Without further demand or notice to cure any event of default and to charge Tenant for the cost of effecting such cure, including, without limitation, reasonable attorneys' fees and interest on the amount so advanced at the rate set forth in Section 29.p, provided, that Landlord will have no obligation to cure any such event of default of Tenant; or

iv. To accelerate all amounts due pursuant to this Lease and to declare all of the said amounts immediately due and payable, and to collect said amounts to the greatest extent allowed by law.

Should Landlord elect to reenter as provided in subsection ii., or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord may from time to time without terminating this Lease relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its reasonable discretion, may determine, and Landlord may collect and receive rent. Landlord will in no way be responsible or liable for any failure to relet the Premises or any part of the Premises, or for any failure to collect any rent due upon such reletting. No such re-entry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No written notice from Landlord under this Section or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such reentry or reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

c. Certain Damages

In the event that Landlord does not elect to terminate this Lease as permitted in Section 24.b.i, but on the contrary elects to take possession as provided in Section 24.b.ii, Tenant will pay to Landlord Rent and other sums as provided in this Lease that would be payable under this Lease if such repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting all of Landlord's reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs, and expenses of preparation for such reletting. If, in connection with any reletting, the new lease term extends beyond the term, or the premises covered by such new Lease include other premises not part of the Premises, a fair apportionment of the rent received from such reletting and the expenses incurred in connection with such reletting as provided in this Section will be made in determining the net proceeds from such reletting, and any rent concessions will be equally apportioned over the term of the new Lease. Tenant will pay such rent and other sums to Landlord monthly on the day on which the Annual Rent would have been payable under this Lease if possession had not been retaken, and Landlord will be entitled to receive such rent and other sums from Tenant on each such day.

d. Continuing Liability After Termination

If this Lease is terminated on account of the occurrence of an event of default, Tenant will remain liable to Landlord for damages in an amount equal to Annual Rent and other amounts that would have been owing by Tenant for the balance of the term, had this Lease not been terminated, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to such termination, after

deducting all of Landlord's expenses in connection with such reletting, including, without limitation, the expenses enumerated in Section 24.c. Landlord will be entitled to collect such damages from Tenant monthly on the day on which Annual Rent and other amounts would have been payable under this Lease if this Lease had not been terminated, and Landlord will be entitled to receive such Annual Rent and other amounts from Tenant on each such day. Alternatively, at the option of Landlord, in the event this Lease is so terminated, Landlord will be entitled to recover against Tenant as damages for loss of the bargain and not as a penalty:

i. The worth at the time of award of the unpaid rent that had been earned at the time of termination;

ii. The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;

iii. The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Lease (had the same not been so terminated by Landlord) after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and

iv. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in clauses i. and ii. above is computed by adding interest at the per annum interest rate described in Section 29.p. on the date on which this Lease is terminated from the date of termination until the time of the award. The "worth at the time of award" of the amount referred to in clause iii. above is computed by discounting such amount at the prime rate of the Federal Reserve Bank of San Francisco, California, at the time of award plus one percent (1%).

e. Cumulative Remedies

Any suit or suits for the recovery of the amounts and damages set forth in Sections 24.c. and 24.d. may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease or the term would have expired had there occurred no event of default. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or now or after the Lease Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies. All costs incurred by Landlord in collecting any amounts and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether one or more actions are commenced by Landlord, will also be recoverable by Landlord from Tenant.

f. Waiver of Redemption

Tenant waives any right of redemption arising because of Landlord's exercise of its remedies under this Section 24.

g. Survival

All obligations of Tenant hereunder shall survive the expiration or earlier termination of this Lease.

h. Landlord Default. Landlord shall not be in default of this Lease unless and until Landlord fails to cure a Landlord Default within a reasonable time after delivery of written notice from Tenant sent to Landlord and to any Mortgagees of record. For purposes of this Section 24.h only, a reasonable time shall not be less than forty-five (45) days but may be longer depending on the circumstances.

25. Parking

Tenant parking and use of the outdoor space for production of Tenants product is shown in **Appendix B**. Tenant parking shall be regulated and enforced pursuant to the Rules and Regulations, **Appendix C** to this Lease.

26. Security Agreement.

To secure for Landlord the performance by Tenant of the terms, conditions, covenants, and obligations of this Lease, Landlord shall have a security interest, pursuant to Alaska Statute § 45.29.010 et seq. in Tenant's leasehold improvements, furniture, fixtures, and equipment situated within the Premises from and after the effective date of this Lease. The Parties agree that this provision shall constitute a "security agreement" and Landlord shall be entitled to execute all necessary financing statements and record the same with the State of Alaska, Department of Natural Resources, Uniform Commercial Code Central File, and such other recording district as Landlord may elect.

27. Term and Renewal Options

a. General

The Initial Term of this Lease is as set forth in Section 1 beginning on the commencement date. Provided there does not exist an event of default (as defined in Section 24.a), either on the date that Tenant exercises an option to renew or on the date that a renewal term commences, and provided further that Tenant has not cured more than two (2) defaults previously during the term, the undersigned Tenant shall have two (2) options to renew the term of this Lease, each for a period of one (1) year (the "Renewal Term"), such renewal to be upon the covenants, terms and conditions as set forth in this Lease. Tenant shall deliver to Landlord not less than 120 prior to the expiration of the current Term or Renewal Term, whichever the case, written notice that Tenant does not accept the renewal of the Term. Failure by Tenant to timely delivery such written notice to Landlord shall cause the Term to automatically renew, for which Tenant shall thereafter be responsible for the terms, conditions and rent of the Renewal Term. In such event, there shall be no need for any documentation evidencing the renewal of the Lease Term, as the parties agree that the terms and conditions set forth herein shall continue and apply to each Renewal Term, except for the amount of rent to be paid as set for in subparts i. and ii., below. Rent for a renewal term of the Lease shall be paid in the following amounts each month throughout the renewal term, together with such additional costs provided herein, including but not limited to the City and Borough of Sitka sales tax:

- | | | |
|-----|---------------------|-------------------|
| i. | First Renewal Term | \$2,050.00 /month |
| ii. | Second Renewal Term | \$2,100.00 /month |

28. Miscellaneous

a. No Offer

This Lease is submitted to Tenant with the understanding that it will not be considered an offer and will not bind Landlord in any way until Tenant has duly executed and delivered duplicate originals to Landlord and Landlord has executed and delivered one of such originals to Tenant.

b. No Construction Against Either Party

Landlord and Tenant acknowledge that each of them and their counsel have reviewed and negotiated this Lease and that this Lease will not be construed for or against either Landlord or Tenant.

c. Time of the Essence

Time is of the essence with respect to each provision of this Lease.

d. Recordation

Tenant may record a reasonable memorandum or short form of this Lease that has been executed by both Landlord and Tenant.

e. No Waiver

The waiver by Landlord of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease, nor will any custom or practice between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

f. Limitation on Recourse

No liability shall attach in favor of Tenant against any officer, director, shareholder, member, agent or employee of Landlord, and Tenant shall look solely to the interest of Landlord in the Building and Property for the satisfaction of Landlord's duties, obligations and liabilities arising under or in connection with this Lease.

g. Estoppel Certificates

At any time and from time to time but within ten (10) business days after prior written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord a certificate certifying (a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which rent and other sums payable under this Lease have been paid; (c) that no written notice of any default has been delivered to Landlord which default has not been cured, except as to defaults specified in said certificate; (d) that there is no event of default under this Lease or an event which, with notice or the passage of time, or both, would result in an event of default under this Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by Landlord. Any such certificate may be relied upon by any prospective purchaser or existing or

prospective mortgagee or beneficiary under any mortgage or deed of trust of the Building or the Land. Tenant's failure to deliver such a certificate within such time will be deemed to mean that the Lease is in full force and effect, there is no defaults and rent is not paid more than one (1) month in advance.

h. Waiver of Jury Trial

Landlord and Tenant waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties to this Lease against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any other claims. Should a civil action be brought by either party against the other, it shall be brought in the state court at Sitka, Alaska before the court having subject matter jurisdiction of the dispute.

i. No Merger

The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by agreement of Tenant and Landlord or the termination of this Lease on account of Tenant's default will not work a merger, and will, at Landlord's option, (a) terminate all or any subleases and sub-tenancies or (b) operate as an assignment to Landlord of all or any subleases or sub-tenancies. Landlord's option under this Section 28.i will be exercised by written notice to Tenant and all known sub-lessees or subtenants in the Premises or any part of the Premises.

j. Notices

Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease must be in writing and will be deemed to have been given when personally delivered, deposited with any nationally recognized overnight carrier that routinely issues receipts, or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the party for whom it is intended at its address set forth in Section 1. Either Landlord or Tenant may add additional addresses or change its address for purposes of receipt of any such communication by giving ten (10) days' prior written notice of such change to the other party in the manner prescribed in this Section.

k. Severability

If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid, or unenforceable, a provision will be added as a part of this Lease as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

l. Written Amendment Required

No amendment, alteration, modification of, or addition to this Lease will be valid or binding unless in writing and signed by Landlord and Tenant. Tenant agrees to make any modifications to the terms and provisions of this Lease required or requested by any lending institution providing financing for the Building, if no such modifications will materially adversely affect Tenant's rights and obligations under this Lease.

m. Captions

The captions of the various sections of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of such sections.

n. Authority

Tenant and the party executing this Lease on behalf of Tenant represent to Landlord that such party is authorized to do so by requisite action of the board of directors or partners, as the case may be, and agree upon request to deliver to Landlord a resolution or similar document to that effect.

o. Governing Law

This Lease will be governed by and construed pursuant to the laws of the State of Alaska.

p. Late Payments

Any payment of rent that is not paid within five (5) days of its due date is subject to a late charge of five percent (5%) of the amount due, and shall accrue interest at the rate of ten and one-half percent (10.5%) per annum or the highest interest rate allowed by law, whichever is greater, from the date on which it was due until the date on which it is paid in full with accrued interest.

q. Fees

Whenever Tenant requests Landlord to take any action or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for all of Landlord's reasonable costs incurred in reviewing the proposed action or consent, including, without limitation, reasonable attorneys', engineers' or architects' fees, within ten (10) days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action. Tenant shall also reimburse Landlord for any attorney fees incurred in preparing and prosecuting demands associated with Tenant's breaches or defaults of this Lease. The substantially prevailing party in any litigation, appeal or bankruptcy proceeding shall be entitled to reimbursement of all reasonable attorney fees and litigation expenses.

r. Binding Effect

The covenants, conditions, and agreements contained in this Lease will bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided in this Lease, their respective successors, and assigns.

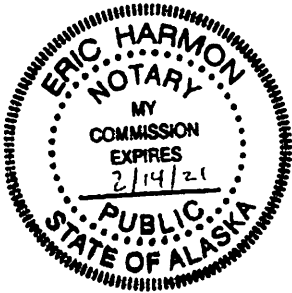
s. Confidentiality

Tenant agrees not to disclose the terms and conditions of this Lease to any third party without the prior written consent of Landlord.

t. Entire Agreement

This Lease, the exhibits, and addenda, if any, contain the entire agreement between Landlord and Tenant. Tenant shall not rely upon any previous representation, warranty, covenant or promise which is not incorporated into this Lease. No promises or representations, except as contained in this Lease, have been made to Tenant respecting the condition or the manner of operating the Premises or the Building. This Lease represents the complete understanding of Landlord and Tenant as of the date hereof.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.



Landlord:
BARANOF INVESTMENTS, LLC.

By: Gary R. Smith
Gary Smith, Member

5700.00
PAID IN FULL
Date
Gary Smith
Baranof Invest
m-1/13

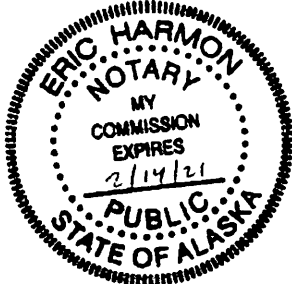
STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this 29 day of June, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **Gary Smith**, to me known to be the person who signed as a Member of **Baranof Investments, LLC.**, an Alaska limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that **Gary Smith** was duly elected, qualified and acting as said member of said, that **Gary Smith** was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Eric Harmon

Notary Public for Alaska
Commission expires: 2/14/21



Tenant:

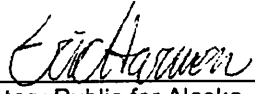
By: Darren Phillips
Darren Phillips

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 29 day of June, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Darren Phillips, to me known to be the owner of the Fiberlite, and, the person described in

and who executed the above and foregoing instrument; and who acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.



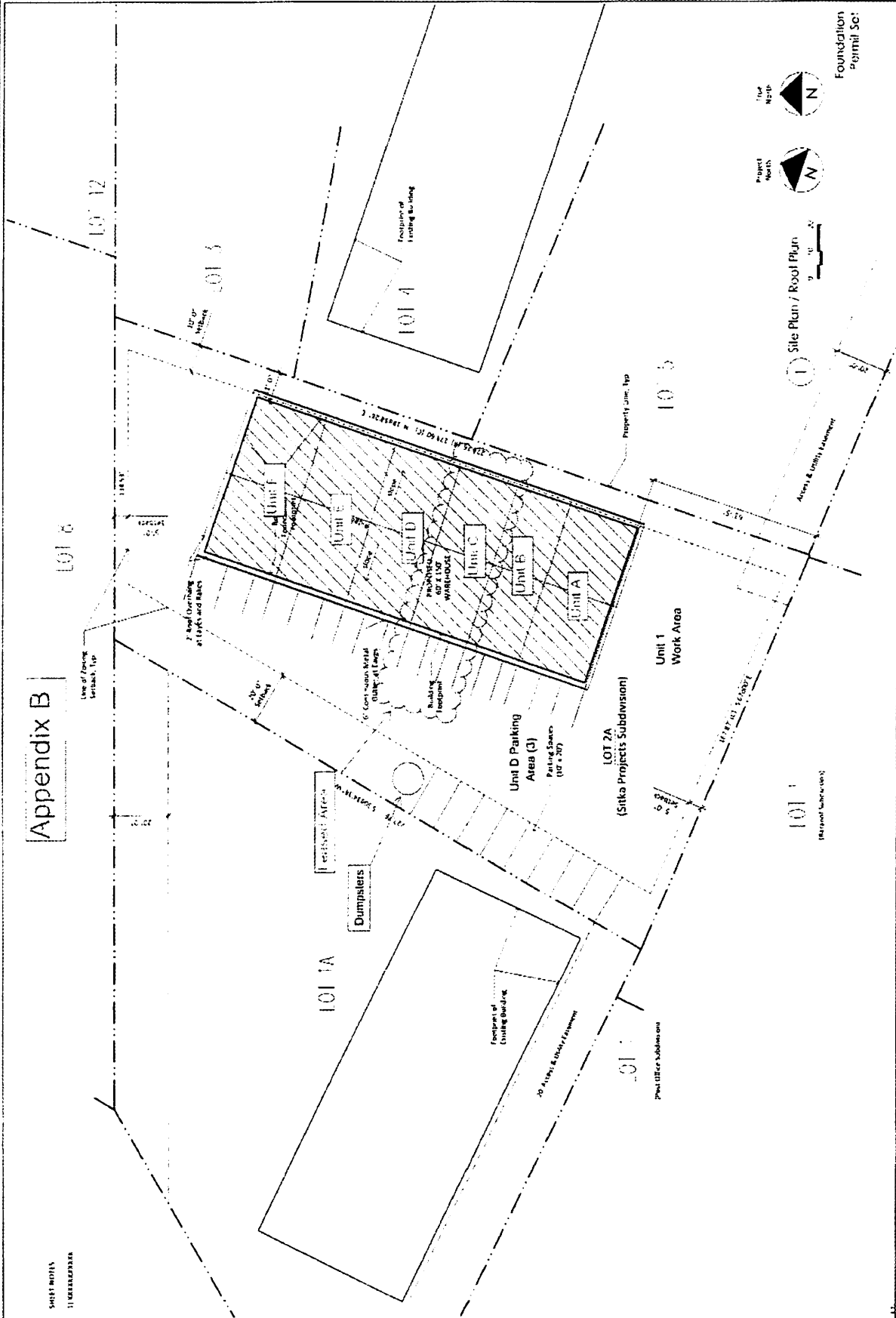
Notary Public for Alaska
Commission expires: 2/14/21

APPENDIX A
LAND LEGAL DESCRIPTION

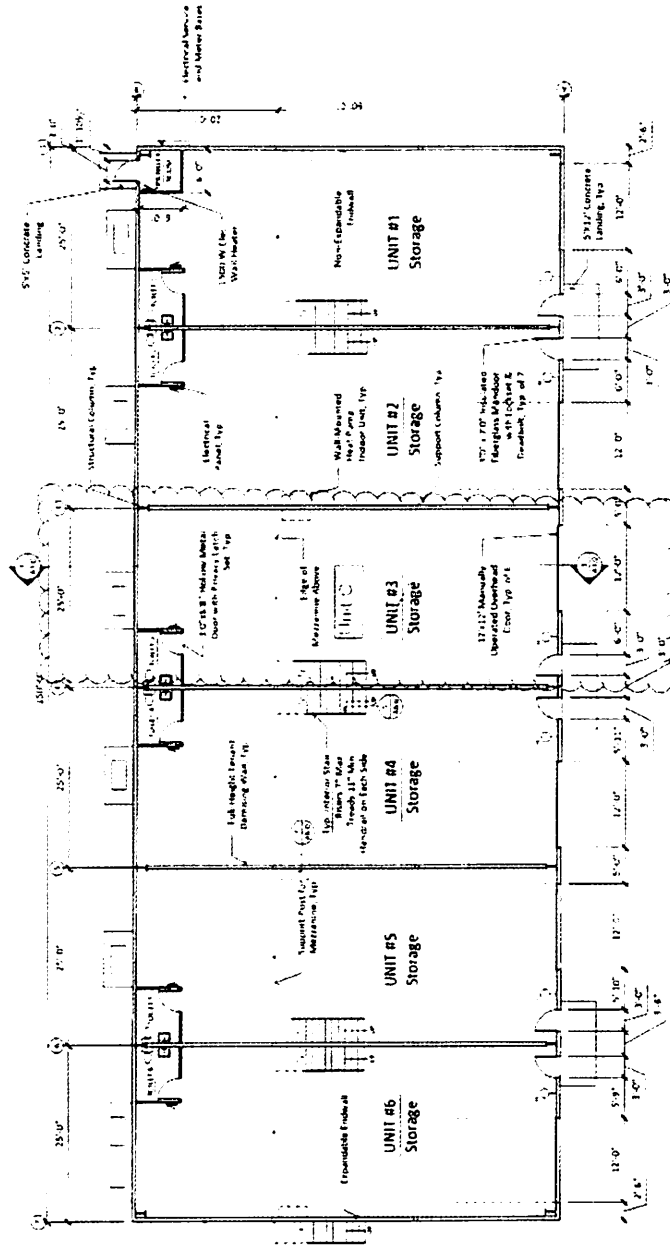
Lot 2A of the Sitka Projects Subdivision, Lot 1 and Lot 2 Lot Line Adjustment
Plat according to Plat No. 99-9, records of the Sitka Recording District, First
Judicial District, State of Alaska.

Appendix B

SHEET NOTES
1) SEE EXHIBIT



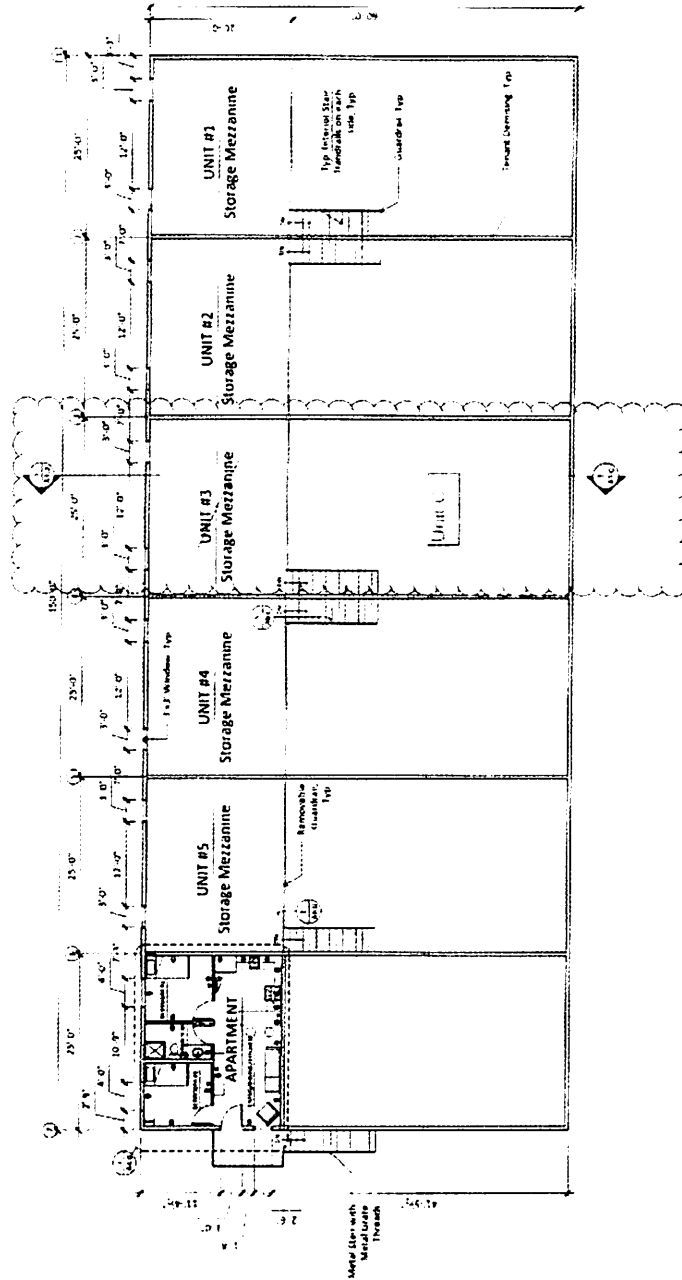
Appendix B



1

Lower Floor Plan

Appendix B



1 Upper Floor/Mezzanine Plan

WELSH
WHITELEY
ARCHITECTS

120 Jarvis Street
Sika, AK

120 Jarvis Street
Sika, AK

WAREHOUSE
120 Jarvis Street
Sika, AK

UNIT 00 12-15
0000 00 0000

A2.1
Upper
Floor/Mezzanine
15-16

Progress
Submitted

APPENDIX C
RULES AND REGULATIONS

1. Landlord has adopted a Uniform Signage Design Policy, to assure uniformity of signage placed on the 120 Jarvis Street Building. As stated in paragraph 12 of the Lease, Tenant shall pay the cost of signage, including installation. Other than signage conforming to the Uniform Signage Design Policy and approved by Landlord, no sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved of by Landlord.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises; provided, however, that Landlord may furnish and install a Building standard window covering at all exterior windows. Tenant shall not without prior written consent of Landlord cause or otherwise sunscreen any window.

2. Tenant shall not drill, screw or nail into the metal walls of the interior or exterior of the Premises, for any purpose.
3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises, or install a security alarm system that would prevent Landlord's entry in the event of an emergency or as otherwise permitted by the Lease, without first obtaining written consent from the landlord.
4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.
5. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.
6. Unless otherwise expressly agreed in writing by Landlord, Tenant shall not use, keep or permit any foul smelling, noxious gas or substance or hazardous material used, stored or present within the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other Tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises of the Building.
7. Unless otherwise expressly agreed in writing by Landlord, Tenant shall not use, store or keep any kerosene, gasoline or inflammable or combustible fluid or material within the Premises.
8. Landlord will direct electricians as to where and how telephone wires are to be introduced. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of

telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

9. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.
10. No vending machine or machines of any description shall be installed, maintained or operated upon the Premises, including the Parking Area, without the written consent of the Landlord.
11. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building of which the Premises are a part.
12. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.
13. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except when the address includes the Tenant's address.
14. The Building is a NO SMOKING Building. The Landlord shall require smoking be in designated areas, outside the Building. The Landlord shall not be required to provide special shelters, or protection from the elements, for smokers.
15. Storage, sale or consumption of illegal drugs or contraband at or near the Premises shall not be tolerated, and shall constitute a material breach of the Lease.
16. Parking for the Premises shall be exclusively within the designated "**Parking Area**" for each premise within the building as shown on **Appendix B**. The designated Parking Area for each premise, shall be used by Tenant only for parking. Tenant shall not store material, trash, debris, equipment, nonoperating vehicles, storage material, lumber, trash containers.
17. Dumpsters will be in located within the area designated on **Appendix B** as "**Dumpsters**". Tenant's shall dispose of refuse, trash, garbage only in a Dumpster located in the area shown on **Appendix B**, unless otherwise directed in writing by Landlord. Tenant shall only place items in the **Dumpsters** that are acceptable to the City and Borough of Sitka. Tenant shall not place hazardous substances, oils, toxic material, or any material not otherwise allowed by the city and Borough of Sitka in the **Dumpsters**.

Affidavit of Publication

STATE OF ALASKA
FIRST JUDICIAL DISTRICT) ss.
AT SITKA, ALASKA

Travis Smith, being first sworn, says she or he
is the publisher, managing editor or business manager of the DAILY SITKA
SENTINEL, a newspaper printed and published in Sitka, Alaska, and le-
gally qualified as a medium of official and legal publications, and that the

Legal Notice a copy of
which is hereto annexed, was published in the Daily Sitka Sentinel on:

6/21/17, 6/28/17, 7/5/17,
_____, _____, _____,
_____, _____, _____,
_____, _____, _____,
_____, _____, _____.

Signature _____

Sworn and subscribed to

before me this 10 day of July, 20 17

Notary Public for Alaska

My commission expires _____, 20 _____

STATE OF ALASKA

NOTARY PUBLIC

AMABEL F. POULSON

My Commission Expires 1-15-18



LEGAL NOTICE

DARREN H. PHILLIPS is applying under 3 AAC 306.400(a) (1) for a new Standard Marijuana Cultivation Facility licence, licence #13577, doing business as FIBERFLITE, located at 120 Jarvis St., Unit C, Sitka, AK 99835, 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.

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