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

MEMORANDUM

TO:	Chair Mlynarik and Members of the Board	DATE:	November 14, 2017
FROM:	Erika McConnell, Director	RE:	X-Tracted Laboratories #13249 Product Manufacturing Facility

This application for a product manufacturing facility in Talkeetna has a percentage-based lease that I am bringing to the board's attention, because it is much higher than other percentage-based leases that we have seen and the board has approved.

The lease shows that the landlords would receive 80 percent of the quarterly net income of Royal Mountain Extracts LLC, the licensee, and 15 percent of the quarterly net income of To The Summit Ltd, a business corporation of which 99 percent is owned by the same owners of Royal Mountain Extracts LLC (and The High Expedition Company, Licensee #10901). The physical address of To The Summit Ltd is 13465 E. Main Street, Talkeetna, which is the premises address of The High Expedition Company, a retail store license.

It appears that the landlords, Samuel Benson and Christina Tersine, have recently purchased the property at 38957 S. Commercial Drive in Talkeenta. A warranty deed conveying the property to Mr. Benson and Ms. Tersine was recorded on March 15, 2017.

The "Conversion Rights" section of the lease (pages27-28) allows the landlords to gain equity interest in Royal Mountain Extracts LLC, but "[c]onversion rights shall not be exercisable until both Samuel Benson and Christina Tersine are both eligible to be shareholders in cannabis enterprises licensed to do business in the State of Alaska under Alaska law," which implies that Mr. Benson and Ms. Tersine are not currently eligible to be licensees.

It appears that the high percentage on the percentage-based lease is a means to funnel profits from the marijuana business to people who are not eligible (at this time) to be licensees, taking advantage of the percentage-based lease exemption in the definition of "direct or indirect financial interest" at 3 AAC 306.015(e). Despite the exemption, the landlords clearly have a financial interest in the business and should be licensees. The conversion rights written into the lease show that the landlords have an interest and intent to be part of the business.

When landlords have a large percentage interest in a business, it places them in a position to exert influence in the business in a manner that is intended to be limited to licensees. This concern was raised at the May 15, 2017, board meeting, and the board voted unanimously to open a regulations project to address this issue. The board will be considering that regulations project later on this agenda.

The board may also have some questions about the products shown in the MJ-05. It appears that the applicant has franchise rights (or something similar) with X-Tracted Laboratories, Ganja Grindz, and Green States of Mind Inc., the company that makes candies with names ending in "Bitz. See attached screenshots from various websites.

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MEMORANDUM

TO: Chair and Members of the Board

DATE: November 1, 2017

FROM: Erika McConnell
Director, Marijuana Control Board

RE: X-Tracted Laboratories #13249

This is an application for a Marijuana Product Manufacturing Facility in the Matanuska-Susitna Borough by Royal Mountain Extract, LLC DBA X-Tracted Laboratories.

Date Application Initiated:	05/22/2017
Objection Period Ends:	10/25/2017
Date Under Review:	07/07/2017
Incomplete Letter(s) Date:	09/19/2017
Date Final Corrections Submitted:	09/25/2017
Determined Complete/Notices Sent:	09/26/2017
Local Government Response/Date:	Pending
DEC Response/Date:	Pending
Fire Marshal Response/Date:	09/28/2017-Compliant
Background check status:	Complete
Objection(s) Received/Date:	Yes- 6/16/17; 6/21/17; 6/21/17
Other Public Comments Received:	No
Staff Questions/Issues for Board:	See Director memo

x-tracted LABORATORIES

Refine Seattle – Loud Resin

Loud Resin is Refine Seattle's flagship product. Delicately processed at X-Tracted Labs, it is a brand as well as an indicator of quality. For an extraction to fall under the Loud Resin brand, extremely high standards must be met. Regardless if the extraction is CBD or THC rich, it is judged on and needs to top the charts in the following criteria:

- Appearance
- Aroma
- Consistency
- Effect
- Flavor

To achieve these standards, X-Tracted Laboratories reserves the most desirable source materials from Washington's best producers. In combination with proven handling and methodical purging methods, X-Tracted Laboratories is able to produce a superlative batch every time. With exotic strains, THC testing normally in the 75% range, this brand offers a truly unbeatable experience.

x-tracted LABORATORIES

Northwest Concentrates

Northwest Concentrates is X-tracted's value brand that competes with most competitors top shelf offerings. No corners are cut in it's production, it goes through the same meticulous handling and purging as our champion brand Refine Seattle. A stellar introductory concentrate at an affordable price.

Where to Shop F.A.Q.

x-tracted LABORATORIES

THE DIFFERENCE IS SCIENCE

Intense passion for producing the cleanest, most flavorful cannabis concentrates possible.

Where To Shop

OUR LAB

The **X-Tracted team** traces their roots back to their origins working in the medical cannabis field, when they were first discovering the secrets of hydrocarbon extraction and the extreme nuances needed to create widely different concentrates. Acquiring licenses and creating a compliant facility was hard enough, but convincing Seattle inspectors that their lab facility was safe was an entirely new challenge. After a hard-fought battle, the X-Tracted team was able to secure the first ever license for a facility using hydrocarbons for cannabis extraction in the city!

Follow Us

x-tracted LABORATORIES

Reset

OUR LAB

The **X-Tracted team** traces their roots back to their origins working in the medical cannabis field, when they were first discovering the secrets of hydrocarbon extraction and the extreme nuances needed to create widely different concentrates. Acquiring licenses and creating a compliant facility was hard enough, but convincing Seattle inspectors that their lab facility was safe was an entirely new challenge. After a hard-fought battle, the X-Tracted team was able to secure the first ever license for a facility using hydrocarbons for cannabis extraction in the city!

Follow Us

refine SEATTLE

Refine Seattle

Top of the line hash oil product extracted from high quality source material. Extraction must meet specific criteria in terms of aroma, flavor, appearance, and effect.

Learn More

NORTHWEST CONCENTRATE

Northwest Concentrates

Northwest Concentrates is X-tracted's value brand that competes with most competitors top shelf offerings.

Learn More

THE CLEAR™

The Clear

The Clear™ is a 100% solvent-free cannabis concentrate, unmatched in its potency, purity, and flavor. The Clear™ is a translucent oil, up to 96% THC.

Learn More

x-tracted LABORATORIES

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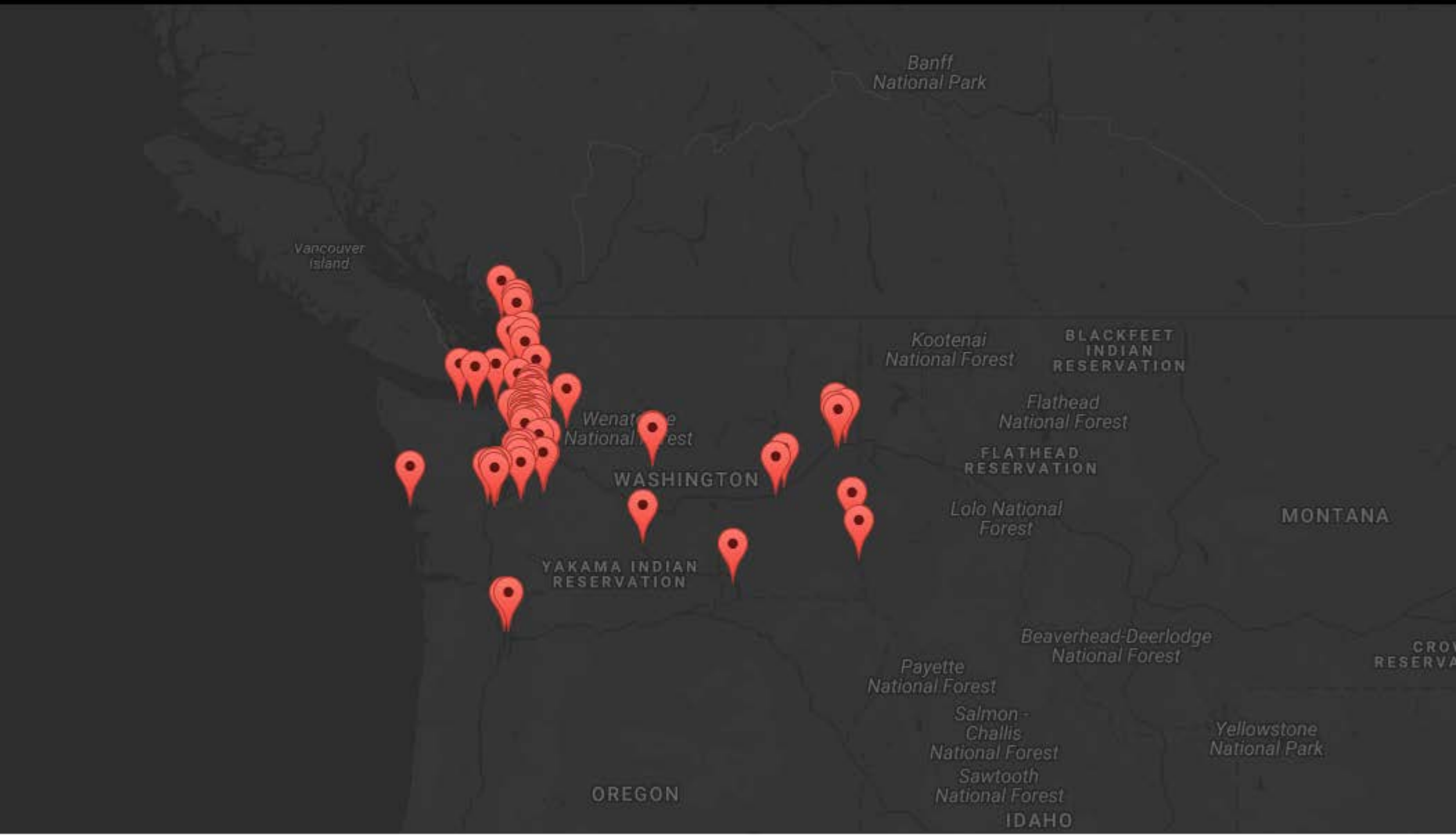

HIGH TIMES
CANNABIS CUP
WINNER 2016

1st Place Best Edible

Ganja Grindz
Coffee Company

Ganja Grindz Cannabis Coffee, Apple Cider, Tea Bags, Coffee Filters & Single Serve Brew Cups

At Ganja Grindz Coffee Company, our culinary experts and scientists have spent countless hours grinding away to provide you with the highest quality cannabis infused bottled coffee, cider, tea bags, coffee filters and brew cups on the market. With our patent pending technology, we have designed a way for you to brew your buzz™ with your favorite coffee in our cannabis infused coffee filters. If you prefer a single serve brewer, then our line of brew cups are perfect for discrete cannabis use.

The Roastmaster has developed the perfect blend of coffee to compliment The Clear™ solvent free cannabis oil. With a bold aroma and smooth velvety flavor, Roastmaster's Blend coffee will invigorate your taste buds and your spirits. All of our coffee beans are 100% shadegrown & sundried, roasted locally, fair trade, and nonGMO. Equal care and attention has been given to provide the finest ingredients for the entire line of brew cups, thus we have partnered with only the best locally sourced merchants to ensure quality and freshness.

Ganja Grindz Coffee Company has also taken your convenience and discretion into account. Our products were designed to accommodate all cannabis patients and consumers while also breaking the stereotypes of marijuana edibles. With Ganja Grindz, you can brew your buzz™ in the convenience of your favorite mug at home or on the go.

We welcome you to enjoy Ganja Grindz, and don't forget to Brew Your Buzz™

hightimes.com/news/winners-of-the-2016-medical-cannabis-cup-a-live-cannabis-experience/

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We welcome you to enjoy Ganja Grindz, and don't forget to Brew Your Buzz™

Attention Arizona Patients:

Please welcome the newest member of the family, Ganja Grindz Remedy! Ganja Grindz Remedy is an agave syrup infused with 420mg THC and 42mg CBD crystalline isolate from The Clear™. Ganja Grindz Remedy will dissolve completely when added to any hot or cold beverage. Use the unflavored Agave syrup as a substitute sweetener in any drink or even in your favorite recipes. The measured child proof medicine dropper makes it easy to microdose accurately; 10.5mg THC and 1.05mg CBD in every 1.5mL gives you 40 servings in only 2.8 ounces of syrup!

Available in Watermelon, Tangerine and Agave.

GANJA GRINDZ
REMEDY
Cannabis Agave Syrup

HIGH TIMES

CANNABIS CUP WINNER 2016

1st Place Best Edible

HIGH TIMES
CANNABIS CUP
WINNER 2016
1st Place Best Edible

Ganja Grindz
Coffee Company

Products

Bottled "Baked" Spiced Apple Cider

THE 2016 CANNABIS CUP WINNER FOR BEST EDIBLE

Ganja Grindz 100% natural Apple Cider is freshly pressed from locally harvested apples in Southern California then infused with the perfect blend of mulling spices. For that warm and cozy feeling all year long, enjoy this award winning cider hot or over ice.

Roastmaster' s Blend Bottled Coffee

The Roastmaster has developed the perfect blend of coffee to compliment The Clear™ solvent free cannabis oil. With a bold aroma and smooth velvety flavor, Roastmaster's Blend coffee will wake and bake you no matter what time of day. Our award winning coffee is locally roasted, fair trade, shade grown, all natural, vegan, nonGmo, sugar free and dairy free coffee Feel free to drink it black or add a touch of your favorite sweetened creamer.

Coffee Filters

With our patent pending technology we have developed a way for you to enjoy any coffee with Ganja Grindz Coffee Company's coffee filters infused with The Clear™ solvent free ultra high quality cannabis oil. Simply replace your regular coffee filter with a Ganja Grindz coffee filter and after brewing, viola your pot of coffee is now infused with the cleanest and strongest cannabis oil in the market.

Tea Bags

Relax and take a sip of a warm and delightful cup of tea infused with The Clear™ solvent free cannabis oil. Steep the infused teabag 3-5 minutes, drink and enjoy. Available in Green Tea & English Breakfast Tea.

HIGH TIMES
CANNABIS CUP
WINNER 2016

1st Place Best Edible

Ganja Grindz
Coffee Company

Find

Ganja Grindz Coffee Company is available in California, Oregon and Arizona.
Type in your zip code below to find a location near you.

–Brew Your Buzz

http://www.ganjagrindz.com/wholesale.html
Wholesale
BC Board License Mana... AMCO Marijuana Home, Alcohol & Marijua... DCCED Intranet - Home Alaska ZendTo Division of Corporations, ... Community Database Onl... Alaska State Legislature Revenue Permanent Fund...

HIGH TIMES
CANNABIS CUP
WINNER 2016

1st Place Best Edible

Ganja Grindz
Coffee Company

Wholesale

Ganja Grindz Coffee Company is currently available in California, Oregon and Arizona. If you are interested in carrying our line of products, please contact us at:

sales@ganjagrindz.com

(844) 420-BREW

WHAT WE'VE GOT

Bitz, Bhotz, & Sucka Flavas'

SOUR BITZ

Grab a Pack and Pucker Up

A sour punch to the mouth with a core of gummy sweetness, this clear infused treat comes in five mouthwateringly tart flavors. Sink your teeth into this decadent high-flavor gummy, dosed to control your experience, and see the clear difference-these edibles are for the discriminating canna-sieur.

– Only In Oregon –

Raspberry Watermelon Tangerine Grape Fruit Punch

SUGGA BITZ

Bitz of the Bhotz we Love

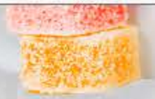
Our sweet companion to Sour Bitz, these nuggets of sugary goodness melt in your mouth and take you higher. For those who enjoy sweet in their treat, these bitz supply a texture and a variety of flavor that is hard to forget. Each bit is consistently potent, allowing you to enjoy the right dose.

– Only In Oregon –

https://greenstateofmindinc.com/products/

Products | Green State of M...

BC Board License Mana... AMCO Marijuana Home, Alcohol & Marijua... DCCED Intranet - Home Alaska ZendTo Division of Corporations, ... Community Database Onl... Alaska State Legislature Revenue Permanent Fund...



Net Wt. .32 oz (9g)

Sucka Bitz

Coming soon, Sucka!

– Only In Oregon –

SUCKA BITZ