CORRESPONDENCE

THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

February 21, 2019

Susan Nowland
DBA: Denali Grass Company
Via email: snowtz@aol.com

Re: Retail Marijuana Store License #20221

Dear applicant,

The AMCO Office has reviewed the documents submitted for the proposed marijuana establishment license referenced above. This letter is notice under 3 AAC 306.025(e)(2) that your application is incomplete and additional items are needed to complete the application. The additional items that need correction or resubmittal are listed below—please be sure to read the entire letter. **Please note that if the corrections and/or additional documents submitted in response to this letter are not found to be complete, your application will be returned to you in accordance with 3 AAC 306.025(e)(1), and you will need to file a new application and pay a new fee should you wish to continue pursuing licensure.**

- **MJ-01 Operating Plan**
  - Page 2, Section 2.1:
    - A typo is present in a regulation cited in your response. 3 AAC 306.350(a) is cited as 3 **ACC** 306.350(a).
    - The last sentence in your response appears incomplete and reads "Employees will pay special attention to the vertical license that some states issue to person not". Is there more information you wanted to include?
  - Page 2, Section 3.2:
    - In this response, please include the ratio of visitors to licensees (or employees/agents of the licensee) who will escort them during a visit.
  - Page 4, Section 3.5:
    - Expand on your response to include policies and procedures that will be followed when an unauthorized breach is alerted, including who will be contacted. Also include at what point AMCO will be contacted as required under 3 AAC 306.715(e).
  - Page 5, Section 3.13:
    - Include in your response details regarding how security cameras will be placed to produce clear views for identifying individuals inside the licensed premises.
  - Page 6, Section 4.2:
    - Your response lists types of business records that will be maintained (many of which are already listed in Section 4.1, items a-j), but does not provide much information regarding methods to prevent records and data, including electronic data, from being lost or destroyed.

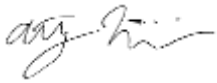
- Page 7, Section 6.4:
    - 3 AAC 306.365 is cited as 3 **ACC** 306.365 at the end of your response.
- Page 8, Section 8.1:
    - You describe packaging marijuana for sale to a retail facility without that retail facility needing to repackage marijuana for sale to a consumer, as well as packaging marijuana in wholesale packages, which are actions that would be performed by a marijuana cultivation facility. Please re-review the requirements under 3 AAC 306.750.
    - Your response lists 3 AAC 306.470 as 3 **AAD** 306.470 and 3 **ACC** 306.470.
    - In your response, include a description of the secure storage compartments that will be used in your intended transport vehicles.
- Page 9, Section 9.1:
    - If the warning statements required under 3 AAC 306.345 are included in your response, they must be written verbatim. Your response incorrectly lists 3 AAC 306.345(b)(3)(A) as "Marijuana has **an** intoxicating effects and may be habit forming and addictive".
- Page 10, Section 9.2:
    - A sample logo was provided, but please include in this section a written description of any advertising you intend to distribute for this proposed establishment.

- **MJ-02 Premises Diagram**
    - Page 1, Section 1 – Establishment Information:
        - The zip code listed in this section, 99753, is inconsistent with the zip code provided in other forms of your application.
    - Diagrams 1, 2, and 5:
        - On these diagrams, please outline (in color) and label the boundary of the proposed licensed premises and label it as "Licensed Premises".
    - Diagram 3:
        - The image provided is very blurry and many of the details are impossible to read. Please provide a clearer site plan or as-built diagram.
- **MJ-03 Retail Supplemental**
    - Page 1, Section 1 – Establishment Information:
        - Please verify that the zip code of the premises address is listed correctly.
    - Page 4, Section 6.1:
        - The first sentence cites 3 **ACC** 306.445(a) as packaging and labeling requirements, but 3 AAC 306.445 refers to a cultivation facility being required to use the registered scales in compliance with AS 45.75.080 and 3 AAC 306.745. Please verify that the correct regulation is cited.
        - Near the middle of your response, a regulation is incorrectly cited as 3 **ACC** 306.345(3) and not 3 AAC 306.345(a)(3).
        - Page 4, Section 6.2:
            - If you are not able to fit your sample label in the space provided, please state in this section that images are attached as separate pages.
    - Page 5, Section 7.1:
        - The font size of your response is too small to read easily. Please edit your response so it is more legible, or use copies of Page 6 for additional space.
- **MJ-07 Public Notice Posting Affidavit**
    - Section 1 – Establishment Information:
        - Please verify that the zip code of the premises address is listed correctly.
- **MJ-08 Local Government Notice Affidavit**
    - Section 1 – Establishment Information:
        - Please verify that the zip code of the premises address is listed correctly.
- **Proof of Possession for Proposed Premises**

- Please provide a copy of the master lease.
- A lease must contain a disclaimer that the landlord/lessor will not take possession of or remove marijuana from the premises, and that AMCO will be contacted in the event that this is necessary (typically under the "Default" section of the lease). This would be required for both the Landlord and Prime Landlord referenced in the sublease.
- In Section 4. Permitted Use, the lease states that "Tenant may sell any and all Alaska Marijuana Control Office (AMCO) products, including marijuana and ancillary products in the retail store". However, AMCO does not sell or provide products. What is meant by this statement?

It is very important that you submit the above corrections and/or documents in a timely manner so that AMCO staff has adequate time to review the corrections and/or additional documents which must be found to be complete within 90 days of the date of this letter.

Respectfully,



TJ Zielinski, Occupational Licensing Examiner
For,
Erika McConnell, Director
marijuana.licensing@alaska.gov

From:	Marijuana Licensing (CED sponsored)
To:	snowtz@aol.com
Cc:	Marijuana Licensing (CED sponsored)
Subject:	Incomplete Application - Denali Grass Company, License #20221
Date:	Thursday, February 21, 2019 9:20:38 AM
Attachments:	20221 Incomplete Notice.pdf image001.png

Good morning,

Your application for your marijuana establishment license has been reviewed, and at this time is considered incomplete. See the attached notice regarding corrections, additional documents, and/or resubmittals that need to be addressed in your application.

Please make sure to read the entire letter. If the submitted corrections are not found to be complete, your application will be returned to you in accordance with 3 AAC 306.025(e)(1), and you will need to file a new application and pay a new fee should you wish to continue pursuing licensure. Essentially, we will accept corrections one time within your 90-day deadline period. Feel free to call or email if you need clarification on any items from the Incomplete Notice.

Let us know if you require copies of any documents that were submitted.

If you have any questions or concerns, please address them to marijuana.licensing@alaska.gov.

Sincerely,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From:	Marijuana Licensing (CED sponsored)
To:	snowtz@aol.com
Cc:	Marijuana Licensing (CED sponsored)
Subject:	RE: Denali Grass Company revised 2 of 2
Date:	Friday, February 22, 2019 9:43:47 AM
Attachments:	image001.png

Good morning Susan,

I have received your revised documents, but I noticed that Forms MJ-01 and MJ-03 have not been signed and notarized, and statements that must be signed with initials have been left blank. The revised pages will replace what was previously submitted, so all sections on these forms must be completed. I will wait until these completed forms have been resubmitted before I begin to review your other submitted revisions.

Sincerely,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: snowtz@aol.com <snowtz@aol.com>
Sent: Thursday, February 21, 2019 8:00 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Denali Grass Company revised 2 of 2

Thank you
Susan Nowland

From:	Marijuana Licensing (CED sponsored)
To:	snowtz@aol.com
Cc:	Marijuana Licensing (CED sponsored)
Subject:	RE: Incomplete Application - Denali Grass Company License #20221
Date:	Monday, February 25, 2019 3:32:21 PM
Attachments:	image001.png

Good afternoon Sue,

Received, thank you. I am in the process of reviewing your revisions and see that many of the necessary corrections have been made, but there will be some additional corrections necessary. I have a question about your sublease first though. On the first page in Section B, the premises being leased includes a storage area in the basement of the building. Will this storage area be used for the marijuana establishment?

Sincerely,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: snowtz@aol.com <snowtz@aol.com>
Sent: Monday, February 25, 2019 12:41 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Denali Grass Co. proof of possession with amendment.

Good Afternoon,
This should do it... thanks for all the hard work you do.

Sue Nowland
907 230 5069

From:	Marijuana Licensing (CED sponsored)
To:	snowtz@aol.com
Cc:	Marijuana Licensing (CED sponsored)
Subject:	RE: Incomplete Application - Denali Grass Company License #20221
Date:	Monday, February 25, 2019 3:59:47 PM
Attachments:	image001.png

Thank you for clarifying that. Most of the remaining revisions are for small details, and there are two that I did not catch during my initial review. The corrections will be listed below in bulleted format, and let me know if you need copies of any documents:

MJ-01 Operating Plan

- Page 7, Section 6.4
  - 3 AAC 306.365 is still listed as 3 ACC 306.365. ***(Note: AAC stands for "Alaska Administrative Code")***
- Page 8, Section 8.1
  - Near the end of your response, you cite **3 ACC 306.755** rather than 3 AAC 306.755**.**
- Page 9, Section 9.1
  - There is a small typo in one of the warning statements that I did not notice during my initial review. A letter has been omitted from "risks" in the statement "There are health risks associated with consumption of marijuana".

-

MJ-02 Premises Diagram

- Diagrams 1, 2, and 5:
  - A "Licensed Premises" label was added, but please highlight the entire boundary of your proposed licensed premises in red (if the line overlaps too much, you may need to re-label the windows).
  - Because your sublease includes a storage area in the basement, please provide a supplemental diagram of the basement with the storage area highlighted in color. This diagram can be labeled as "Diagram 2 and 5 Supplement", for example.

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MJ-03 Retail Supplemental

- Page 4, Section 6.1:
  - There are two instances in your response where 3 AAC 306.345 is cited as 3 ACC 306.345.

-

POPPP

- A copy of the master (prime) lease was not provided.
- This was not included in the Incomplete Notice, but the lease provided must show the amount for consideration (rent). In the copy provided, this information was redacted.

Thanks,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

- -

From: snowtz@aol.com <snowtz@aol.com>
Sent: Monday, February 25, 2019 3:37 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Re: Incomplete Application - Denali Grass Company License #20221

The storage area below in the basement will not be used for any cannabis. It may be used to store swag products tee shirts, hats, ect..
Dang... I tried real hard not to have to make you work so hard...

Best Regards,
Sue

-----Original Message-----
From: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
To: snowtz@aol.com <snowtz@aol.com>
Cc: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Sent: Mon, Feb 25, 2019 3:32 pm
Subject: RE: Incomplete Application - Denali Grass Company License #20221

Good afternoon Sue,

Received, thank you. I am in the process of reviewing your revisions and see that many of the necessary corrections have been made, but there will be some additional corrections necessary. I have a question about your sublease first though. On the first page in Section B, the premises being leased includes a storage area in the basement of the building. Will this storage area be used for the marijuana establishment?

Sincerely,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: snowtz@aol.com <snowtz@aol.com>
Sent: Monday, February 25, 2019 12:41 PM

To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Denali Grass Co. proof of possession with amendment.

Good Afternoon,
This should do it... thanks for all the hard work you do.

Sue Nowland
907 230 5069

From:	Marijuana Licensing (CED sponsored)
To:	snowtz@aol.com
Cc:	Marijuana Licensing (CED sponsored)
Subject:	RE: Incomplete Application - Denali Grass Company License #20221
Date:	Tuesday, February 26, 2019 2:42:24 PM
Attachments:	image001.png

Good afternoon Susan,

The necessary corrections have been made to Forms MJ-01 and MJ-03. When you submitted the first sublease in response to the Incomplete Notice, I did not realize that it was a sublease between different parties than what you had originally submitted since both are titled "Sublease Agreement". Having reviewed the Net Lease you just submitted, I will summarize my understanding of the leases and subleases that are in effect. If I am mistaken in my understanding, please correct me before you begin work on the remaining corrections for your application. Also let me know if you have any questions, as this email might be confusing.

Proof of Possession for Proposed Premises (POPPP)

1. There is a Net Lease between **Longitude 149 West, LLC** (Landlord) and **Crimson Elite Investing, Inc., Jason A. Wells, and Stacey Nicole Wells** (collectively the Tenant) for a portion of the premises located at Milepost 248.5 Parks Highway. For reference, this lease is attached as "20221 Prime Lease".
2. There is a sublease between **Crimson Elite Investing, Inc., Jason A. Wells, and Stacey Nicole Wells** (collectively the Landlord) and **Denali Works, LLC and George Jordan** (collectively the Tenant) for the gas station, first floor of the convenience store, and a storage area in the basement. For reference, this sublease is attached as "20221 Sublease 1 – Denali Works LLC Tenant".
    a. Note: it appears that the corrections listed in your Incomplete Notice were made to THIS sublease, and not the one below.
3. There is a sublease between **Denali Works, LLC and George Jordan** (collectively, the Landlord) and **Susan Nowland** d/b/a Denali Grass Company (the Tenant) for a portion of the gas station, a portion of the convenience store (where your proposed licensed premises will be located), and the basement storage area. For reference, this lease is attached as "20221 Sublease 2 – Susan Nowland Tenant".

Is this accurate? If so, the necessary corrections for POPPP are listed below:

1. I noted that a lease must contain a disclaimer that the landlord/lessor will not take possession of or remove marijuana from the premises, and that AMCO will be contacted in the event that this is necessary. This disclaimer was provided from Denali Works, LLC**,** but is also required from **Longitutde 149 West, LLC** and **Crimson Elite Investing, Inc**.
2. For the Sublease between Denali Works, LLC and Susan Nowland:
    a. In order to differentiate the areas of the convenience store that are being leased to you and the areas leased to Denali Works, LLC, it will be necessary to **designate a suite or unit number to your proposed premises in the sublease**. It will NOT be necessary for you to include this suite or unit number on your other forms at this time, but it would need to be included in future documents that you might submit for this license.
    b. Section 4. Permitted Use states that "Tenant may sell any and all Alaska Marijuana Control Office (AMCO) products, including marijuana and ancillary products in the retail store". I noted that AMCO does not sell or provide products and asked you to clarify this statement. The sublease submitted in response did not contain this statement, but as noted it was a different sublease. This correction is still required.
    c. The amount for Rent Payment listed in Section 5 (page 3 of this sublease) must be included.

Form MJ-02 Premises Diagram

On the diagram of the basement level, please depict the entire interior layout of the floor in addition to the section that is being leased to you. Also, how is the basement accessed? I did not see any stairs or ladders depicted on the first floor and basement diagrams, so that detail will need to be included. Also include true north arrows, and please change the "lease premises" label to say "legal right of possession" (in order to make it clear that this area is not a part of your proposed licensed premises).

If access to the basement is located on your licensed premises (depicted in Diagram 1), the access point will need to be included. Otherwise, this detail can be added to Diagrams 2 and 5 only.

No further corrections are required for Diagrams 3 and 4.

Thank you, and let me know if you have any questions,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: snowtz@aol.com <snowtz@aol.com>
Sent: Tuesday, February 26, 2019 7:17 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Denali Grass Co Revision 3 MJ-03

OOPS I forgot to attach.

Thanks,
Sue Nowland

From: Marijuana Licensing (CED sponsored)
To: snowtz@aol.com
Cc: Marijuana Licensing (CED sponsored)
Subject: RE: Incomplete Application - Denali Grass Company License #20221
Date: Friday, March 01, 2019 9:26:41 AM
Attachments: image001.png

Good morning Susan,

Yes, you are definitely getting much closer and I apologize for the confusion. Most of the necessary corrections have been made, but there are two additional items:

On the basement level diagrams, can you add markings or a colored highlight to indicate where the doors leading out of the basement are located? The words are present, but a graphical representation will make it easier to tell where they are located. If you don't want to add this to two diagrams, you can label the basement diagram as "Diagram 2 & 5".

For your sublease between yourself and Denali Works, LLC/George Jordan, we will require a suite or unit number to be designated for the portion of the premises that is being leased to you, and I will update our records with this suite number. No additional revisions should be necessary after this.

Sincerely,

TJ Zielinski
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: snowtz@aol.com <snowtz@aol.com>
Sent: Thursday, February 28, 2019 12:46 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Denali Grass Co

Hello,
Please find the following corrections:

Sub lease with corrected language "AMCO approved products", and rent amount showing
Admendment with all signatures for AMCO language

Premises drawing (2), (3), with changes showing legal right of passion, additional basement areas labels, and note that there is no interior access to this lower level.

Sure hope I am getting closer.

Thank you very much.

Best Regards,
Susan Nowland
907 230 5069