



Planning Commission Meeting Agenda

Regular Meeting Thursday, November 12, 2015 – 6:30PM
City Hall Council Chambers 300 Chief Eddie Hoffman Highway

MEMBERS

Joy Shantz
Chair
Term Expires
12/2017

John Guinn
Vice-Chair
Term Expires
12/2016

Nikki Hoffman
Council Rep.
Term Expires
10/2017

Kathy Hanson
Commission Member
Term Expires
12/2017

Cliff Linderoth
Commission Member
Term Expires
12/2017

Lorin Bradbury
Commission Member
Term Expires
12/2017

Kurt Kuhne
Commission Member
Term Expires
12/2017

Planner-Vacant
Ex-Officio Member

AGENDA

- I. CALL TO ORDER
- II. ROLL CALL
- III. PEOPLE TO BE HEARD – (5 Minute Limit)
- IV. APPROVAL OF THE MINUTES OF THE OCTOBER 8, 2015 MEETING
- V. APPROVAL OF THE AGENDA
- VI. NEW BUSINESS
 - A. Proposed Bethel Municipal Code (BMC) Ordinance 15-32 –An Ordinance by the Bethel City Council, Repealing and Replacing Bethel Municipal Code 5.08, Alcoholic Beverages
 - B. Consideration of Leases —Department of Law, Bethel Courthouse—for Lot 2, Block 1, Plat Number 99-12, the physical address is 208 Chief Eddie Hoffman Highway; and General Communications, Inc. (GCI) Lease—for Lot 5A, Block 9, United States Survey USS 3230 B, Plat number 98-06, the physical address is 208 Main Street
 - C. State of Alaska Marijuana Regulations
 - D. Request by City Attorney to look into/review/discuss: towers ordinance; city-wide zoning; nuisance properties; abandoned properties; site plan permits; easements; subdivisions; conditional use/special use permits; and property taxes
- VII. OLD BUSINESS
 - A. Introduction of Ordinance 15-29; Amending the Bethel Municipal Code Chapter 4.08 – Acquisition and Disposal of Land; (ACTION ITEM)
- VIII. COMMISSIONER COMMENTS
- IX. ADJOURNMENT

City of Bethel, Alaska

Planning Commission Meeting

Oct. 8, 2015

Regular Meeting

Bethel, Alaska

I. CALL TO ORDER

A regular meeting of the Planning Commission was held on Thursday, Oct. 8, 2015, at 6:30 PM at the City Hall break room, in Bethel, Alaska. Chair Shantz called the meeting to order at 6:30 pm.

II. ROLL CALL

Compromising a quorum of the Commission, the following members were present for roll call: John Guinn, Joy Shantz, Kathy Hanson, and Cliff Linderoth. Also present was Recorder Betsy Jumper and Acting City Manager Pete Williams and Mr. Bob Angaiak of Orutsararmuit Native Council (ONC).

III. PEOPLE TO BE HEARD: Nobody wished to be heard.

IV. APPROVAL OF AGENDA

MOTION TO APPROVE THE AGENDA OF OCT. 8, 2015

MOVED:	John Guinn	To approve the agenda for the meeting of October 8, 2015.
SECONDED:	Kathy Hanson	
VOTE ON MOTION		
All in favor 4 yes and 0 opposed. Motion carries.		

V. APPROVAL OF MINUTES FROM THE AUGUST 13TH AND SEPTEMBER 10TH 2015 PLANNING MEETINGS

MOTION TO APPROVE THE MINUTES FROM AUG. 13 AND SEPT. 10

MOVED:	John Guinn	To approve both meeting minutes.
SECONDED:	Cliff Linderoth	
VOTE ON MOTION		
All in favor 4 yes and 0 opposed. Motion carries.		

VI. NEW BUSINESS: A. Alaska Marine Lines Renewal of the lease for the warehouse located at the city dock—formerly the Northland warehouse; (ACTION ITEM)

MOTION TO APPROVE THE RENEWAL OF THE LEASE

MOVED:	Cliff Linderoth	To approve and recommend to City Council the renewal of the Alaska Marine Lines warehouse lease as written.
SECONDED:	Kathy Hanson	
VOTE ON MOTION		
All in favor 4 yes and 0 opposed. Motion carries.		

B. Transfer of Title for United States Survey No. (USS) 4117, lot 15-the old Army National Guard Readiness Center location—located approximately across from the "Q-2"; transfer the Title back to the City of Bethel from the Bureau of Land Management (BLM); (ACTION ITEM)

MOTION TO TABLE ITEM B

MOVED:	Kathy Hanson	To table item until further information can be gathered from City of Bethel Administration and then bring item B back to the Planning Commission.
SECONDED:	Cliff Linderoth	
VOTE ON MOTION		
All in favor 4 yes and 0 opposed. Motion carries.		

C. Orutsararmuit Native Council (ONC) would like for the City of make a road, so ONC can have access to their land, Lot 13, USS 4117, near Lot 15, USS 4117, for a possible future housing development (DISCUSSION).

Mr. Bob Angaiak gave a presentation and the history of the above. ONC is not asking for the City to make a road, rather, they would like the City's blessing to build on the right-of-way (R.O.W.) Mr. Angaiak gave a brief overview of the proposed development.

D. Introduction of Ordinance 15-29: Amending the Bethel Municipal Code (BMC) Chapter 4.08—Acquisition and Disposal of Land; (ACTION ITEM)

MOTION TO DISAPPROVE THE INTRODUCTION OF ORDINANCE 15-29 AMENDING THE BMC CHAPTER 4.08-ACQUISITION AND DISPOSAL OF LAND.

MOVED:	Cliff Linderoth	To recommend to City Council to disapprove the introduction of Ordinance 15-29.
SECONDED:	Kathy Hanson	
VOTE ON MOTION		
All in favor 4 yes and 0 opposed. Motion carries.		

E. Request by City Attorney to look into/review/discuss: towers ordinance; city-wide zoning; nuisance properties; abandoned properties; site plan permits; easements; subdivisions; conditional use/special use permits; and property taxes

MOTION TO POSTPONE ITEM E.

MOVED:	Kathy Hanson	To postpone item E until next meeting.
SECONDED:	Cliff Linderoth	
VOTE ON MOTION		
All in favor 4 yes and 0 opposed. Motion carries.		

VII. COMMISSIONER'S COMMENTS: John, Cliff, and Kathy had no comments. Joy expressed concerns of boats and vehicles in the City's R.O.W.'s. What's going to happen when and if it snows and the plows are unable to adequately plow City roads? And, great news, the Planning Commission is going to get two new members!

VIII. ADJOURNMENT

MOVED:	Joy Shantz	Motion to adjourn the meeting at 7:50.
SECONDED:	John Guinn	
VOTE ON MOTION	4 yes and 0 opposed. Motion carries.	

The next meeting will be on November 12, 2015 _____, Joy Shantz, Chairman
ATTEST: _____, Betsy Jumper, Recorder

DRAFT

Introduced by: Council Member Fansler on behalf
of the City Attorney
Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance #15-32

AN ORDINANCE BY THE BETHEL CITY COUNCIL, REPEALING AND REPLACING BETHEL MUNICIPAL CODE 5.08, ALCOHOLIC BEVERAGES

THEREFORE BE IT ORDAINED by the City Council of Bethel, Alaska, that the Bethel Municipal Code shall be amended and revised as follows:

SECTION 1. Classification. This ordinance is of a permanent nature and shall become a part of the Bethel Municipal Code.

SECTION 2. Amendment. Bethel Municipal Code Chapter 5.08 is repealed and replaced, (old language is stricken):

Chapter 5.08 ALCOHOLIC BEVERAGES

Sections:

~~5.08.010~~ Defined.

~~5.08.011~~ Consumption, sale and service of alcoholic beverages prohibited.

~~5.08.020~~ Closing hours.

~~5.08.030~~ Bringing liquor to licensed premises — Leaving partial containers.

~~5.08.040~~ Maintenance of order.

~~5.08.050~~ Liquor handler permit — Required.

~~5.08.060~~ Liquor handler permit — Issuance — Revocation.

~~5.08.070~~ Liquor handler permit — Cost.

~~5.08.080~~ Sunday and holiday sales.

~~5.08.090~~ Election day sales.

~~5.08.100~~ Minors.

~~5.08.110~~ Permitting violation.

~~5.08.120~~ Inspection of premises.

~~5.08.130~~ Violation — Penalty.

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015

Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

Action:

Vote:

37 ~~5.08.010 Defined.~~

38 ~~For the purpose of this chapter, "intoxicating liquors" and/or "alcoholic beverages"~~
39 ~~mean all spirituous, vinous, salt and other fermented and/or distilled liquors intended,~~
40 ~~or used, for human consumption and containing more than one (1) percent alcohol by~~
41 ~~volume.~~

42 ~~5.08.011 Consumption, sale and service of alcoholic beverages prohibited.~~

43 ~~A. No person may sell or offer to sell any alcoholic beverage in package stores or bars~~
44 ~~within three hundred (300) feet of a church building or within three hundred (300) feet~~
45 ~~of any school grounds.~~

46 ~~B. No person may sell or offer to sell any alcoholic beverage in or within two hundred~~
47 ~~(200) feet of a church building or within two hundred (200) feet of any school grounds.~~

48 ~~C. Any person or business that is behind in taxes to the city of Bethel is prohibited from~~
49 ~~receiving alcoholic beverage licenses.~~

50 ~~D. As used in this section, the terms "school building," "school," "school grounds" or~~
51 ~~"educational building" shall apply only to state, county, city, or church school buildings~~
52 ~~and to such buildings at such other schools in which are taught subjects commonly~~
53 ~~taught in the common schools, and which are public schools or private schools as~~
54 ~~defined by the state of Alaska. The terms "school building" and "educational building"~~
55 ~~include only those structures in which instruction is offered, except colleges and~~
56 ~~universities. The term "school grounds" shall apply only to the parcel or parcels of land~~
57 ~~on which a school, school building or educational building is located, except colleges~~
58 ~~and universities.~~

59 ~~E. The term "church building" as used herein shall mean the main structure used by any~~
60 ~~religious organization for purposes of worship.~~

61 ~~F. The requirements for minimum distance from a church building located in a shopping~~
62 ~~center shall not apply to any license for retail package or retail consumption.~~

63 ~~G. For purposes of this section, distance shall be measured by the most direct route of~~
64 ~~travel on the ground and shall be measured in the following manner:~~

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015

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October 20, 2015

October 27, 2015

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Vote:

65 ~~1. From the main parking lot entrance of the establishment from which alcoholic~~
66 ~~beverages are sold or offered for sale;~~

67 ~~2. In a straight line, regardless of obstructions, to the nearest public sidewalk,~~
68 ~~walkway, street, road or highway by the nearest route;~~

69 ~~3. To the main entrance of the church building or to the nearest portion of the~~
70 ~~school grounds.~~

71 ~~5.08.020 Closing hours.~~

72 ~~No person shall consume, sell, offer for sale, give, furnish, or deliver from an authorized~~
73 ~~licensee, any intoxicating liquor by the drink on any licensed premises between the~~
74 ~~hours of 12:00 midnight and 12:00 noon each day, except on those days when the~~
75 ~~licensed establishment is required to be closed for the entire day by this chapter or any~~
76 ~~other law. The package liquor store shall close at 6:30 p.m.~~

77 ~~5.08.030 Bringing liquor to licensed premises — Leaving partial containers.~~

78 ~~A. No person shall have in his immediate possession on a licensed premises any~~
79 ~~container which contains any alcoholic beverage which was not furnished to him by the~~
80 ~~licensee, or his agent or employee, of that premises.~~

81 ~~B. No person shall exit from a licensed premises, or a licensed building or enclosure, if~~
82 ~~there is any open or partially empty container which contains any alcoholic beverage~~
83 ~~which was furnished to him by the licensee, or his agent or employee.~~

84 ~~5.08.040 Maintenance of order.~~

85 ~~Each licensed premises, except private clubs, shall employ at least one (1) person,~~
86 ~~licensed as required in BMC 5.08.050, who shall be on duty between 8:00 p.m. and the~~
87 ~~closing hour of the licensed premises. This person shall not be the bartender on duty,~~
88 ~~manager, owner or co-owner of the establishment and shall be on duty for the express~~
89 ~~purpose of maintaining order within the establishment and assuring compliance, by the~~
90 ~~clientele, with the provisions of this chapter.~~

91 ~~5.08.050 Liquor handler permit — Required.~~

92 ~~No person in the employment of any retail liquor outlet in the city dispensing liquor to~~
93 ~~the public shall remain in that employment or handle intoxicating liquors unless such~~

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October 20, 2015

October 27, 2015

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Vote:

94 ~~person is in possession of a liquor handler's permit. Such permit shall be immediately~~
95 ~~available to the permittee during all working hours for the licensee, and shall be~~
96 ~~displayed to any peace officer upon demand of the officer.~~

97 ~~5.08.060 Liquor handler permit— Issuance— Revocation.~~

98 ~~All liquor handler permits shall be prepared and issued by the city clerk. These permits~~
99 ~~issued under BMC 5.08.050 shall be marked with the word "Security" in addition to all~~
100 ~~other present wording and shall be issued only after approval of the chief of police. All~~
101 ~~permits issued under this chapter may be cancelled, suspended, or revoked, for cause,~~
102 ~~at any time by the chief of police. All such cancelled, suspended, or revoked permittees~~
103 ~~shall have the right to appeal to the city council within twenty one (21) days of the~~
104 ~~decision by the chief of police.~~

105 ~~5.08.070 Liquor handler permit— Cost.~~

106 ~~The cost of each permit issued under this chapter shall be twenty five dollars (\$25)~~
107 ~~except that those permits issued to waitresses shall be ten dollars (\$10).~~

108 ~~5.08.080 Sunday and holiday sales.~~

109 ~~A. No person may consume, sell, offer for sale, give, furnish or deliver, from an~~
110 ~~authorized licensee, any intoxicating liquor on any licensed premises on any Sunday, or~~
111 ~~on the following holidays:~~

- 112 ~~1. New Year's Day (January first (1st));~~
- 113 ~~2. Lincoln's Birthday;~~
- 114 ~~3. Washington's Birthday;~~
- 115 ~~4. Memorial Day;~~
- 116 ~~5. Independence Day (July Fourth (4th));~~
- 117 ~~6. Labor Day (first (1st) Monday in September);~~
- 118 ~~7. Thanksgiving Day (fourth (4th) Thursday in November);~~
- 119 ~~8. Christmas Day (December twenty fifth (25th)).~~

120

121 ~~B. For the purpose of this chapter, the holidays set out in subsection A of this section~~
122 ~~shall be observed according to the federal designation for their observation. For the~~
123 ~~purpose of determining Sundays and holidays as prescribed in this section, they shall~~
124 ~~commence at the closing hour of the business hours for the preceding day and shall~~
125 ~~terminate at the opening hour of the day following the Sunday or holiday.~~

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015
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Vote:

126 ~~5.08.090 Election day sales.~~

127 ~~It is unlawful to give, barter, sell, or in any licensed premises to dispose of, any~~
128 ~~intoxicating liquor upon a day upon which a general, special or primary election is held~~
129 ~~in the state at large, until the polls have closed, or to so dispose of liquor in the city~~
130 ~~when an election is being held therein until the polls are closed.~~

131 ~~5.08.100 Minors.~~

132 ~~No person shall give, barter, sell, furnish or deliver any intoxicating liquor to any~~
133 ~~intoxicated person or to any minor.~~

134 ~~5.08.110 Permitting violation.~~

135 ~~It is unlawful for the owner of any licensed premises or any other person to direct,~~
136 ~~request, cause, or permit any violation of this chapter.~~

137 ~~5.08.120 Inspection of premises.~~

138 ~~The premises of licensees authorized to sell or distribute intoxicating liquor shall be~~
139 ~~easily accessible for inspection by peace officers during all regular hours of the~~
140 ~~transaction of business upon the premises, and at any other time with reasonable~~
141 ~~notice by the officer.~~

142 ~~5.08.130 Violation — Penalty.~~

143 ~~Any person, firm, or corporation convicted of a violation of any provision of this chapter~~
144 ~~shall be punished pursuant to Chapter 1.08 BMC.~~

145

- 146 5.08.010 Definitions
- 147 5.08.020 Procedure for Administrative Review of License Applications
- 148 5.08.030 City Council Review of License
- 149 5.08.040 Council Action on Liquor License Applications
- 150 5.08.050 Special Use Permit Required
- 151 5.08.060 Restriction on Location of Alcohol Sales
- 152 5.08.070 Licensee Responsible for Employees' Actions on Premises
- 153 5.08.080 Hours and Days of Operation
- 154 5.08.090 Obligation to Enforce Restrictions within Licensed Premises
- 155 5.08.100 Alcohol Server Training Course Requirement
- 156 5.08.110 Operation of Licensed Premises
- 157 5.08.120 Restrictions on Purchase and Sale of Alcoholic Beverages
- 158 5.08.130 Sale to Intoxicated Persons

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Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015
Action:
Vote:

159 5.08.140 Eviction of Patrons
160 5.08.150 Permitting Consumption on Premises
161 5.08.160 Open Container
162 5.08.170 Transportation of Alcohol
163 5.08.180 Keg Registration
164 5.08.190 Inspection of Premises
165 5.08.200 Access for Enforcement
166 5.08.210 Alcohol Offenses
167 5.08.220 Penalties

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169
170
171
172

5.08.010 Definitions.

- 173 A. "Alcoholic Beverages" mean all spirituous, vinous, malt or other fermented or
174 distilled whatever the origin, that is intended for human consumption as a
175 beverage and that contains one-half of one (1) percent or more of alcohol by
176 volume, whether produced commercially or privately.
177
178 B. "Board" means the Alcoholic Beverage Control Board established under AS
179 04.06.010.
180
181 C. "Intoxicated Person" means a person whose physical or mental conduct is
182 substantially impaired as a result of the introduction of an alcoholic beverage
183 into the person's body and who exhibits those plain and easily observed or
184 discovered outward manifestations of behavior commonly known to be produced
185 by the overconsumption of alcoholic beverages.
186
187 D. "Licensed Premises" means any or all designated portions of a building or
188 structure, rooms or enclosures in the building or structure, or real estate leased,
189 used, controlled, or operated by a licensee in the conduct of business for which
190 the licensee is licensed by the ABC Board and the City at the specific address for
191 which the license is issued.
192
193 E. "Liquor License" means any of the licenses or permits described in AS 04.11.080
194

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Date: September 22, 2015

Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

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Vote:

- 195 F. "Open containers" means any original container or package without the Internal
196 Revenue Service strip stamp intact upon such container or package; any
197 container or package that has been opened at least once since purchase or
198 manufacture; or any container or package containing an alcoholic beverage
199 other than the original container or package.
200
- 201 G. "Person" means an individual, partnership, cooperative, association, joint
202 venture, corporation, estate trust, business, receiver, or any entity, group or
203 combination acting as a unit.
204
- 205 H. "School" means the physical building and/or grounds of an educational facility
206 operated either publicly or privately in which are taught subjects commonly
207 taught in throughout the State of Alaska.

208 **5.08.020 Procedure for Administrative Review of License Applications.**

- 209 A. Upon receipt of notice from the Board of an application for the issuance,
210 renewal, transfer of location or transfer to another person of a liquor license for
211 a license location in the City, the clerk shall as soon as practicable distribute
212 copies of the notice to the city manager, the city council and the city attorney.
213
- 214 B. The city manager shall immediately refer the application for review as follows:
215
- 216 1. To the planning director or their designee to determine if the applicant has
217 complied with the Special Use provisions of BMC 16.20;
218
 - 219 2. To the finance director or their designee to determine whether the licensee or
220 license transferee is delinquent in paying to the City any tax, assessment,
221 business license fee, or fee or charge for utility service for the business
222 and/or affiliate (as defined in 3 AAC 304.990) that operates or will operate,
223 under the liquor license.
 - 224 3. To the police and fire chiefs to determine whether, in their opinion there have
225 been excessive calls for service, excessive numbers of convictions or arrests
226 for unlawful activity at the license location, police or ambulance reports,
227 reports of unlawful activity at the license location, or police, fire or ambulance
228 dispatches to the license location.
229

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Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

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Vote:

- 230 C. The fire chief, police chief, planning director and finance director shall forward
231 written statements to the city manager within fourteen (14) calendar days after
232 the application was referred by the city manager.
233
- 234 D. The city manager shall provide a written report to the city council, with a copy to
235 the applicant, listing any objections to the Board's issuance of the application.
236 The city manager's report is due not less than twenty (20) days but not more
237 than thirty (30) days after the date of receipt of notice from the city clerk.
238
- 239 E. An applicant who believes the city manager's report contains factual errors shall
240 file a written protest outlining, with specific, the sections of the report believed to
241 be factually incorrect. Such protest must be filed to the city manager not later
242 than ten (10) calendar days after issuance of the city manager report.
243
- 244 F. The city manager shall investigate the applicant's protest and shall issue a
245 written decision no later than ten (10) calendar days after receipt of the protest.
246
- 247 G. The city clerk shall place the matter of the application upon the city council
248 agenda not less than thirty (30) and not more than forty (40) calendar days
249 after the date of receipt from the Board;

250 **5.08.030 City Council Review of License.**

251 The city council shall determine whether to protest the issuance, renewal or transfer
252 of a liquor license application and shall consider the following factors it believes are
253 pertinent. Such factors shall include, but not be limited to:

- 254 1. City records indicating whether the applicant and/or transferor is in violation
255 of the city sales tax ordinances or regulations, has failed to comply with any
256 of the filing, reporting or payment provisions of the city ordinances or
257 regulations, or has any unpaid balance due on tax accounts for which the
258 applicant and/or transferor is liable;
- 259 2. The character and public interests of the surrounding neighborhood;
- 260 3. Actual and potential law enforcement problems;
- 261 4. Whether the applicant can demonstrate prospective or continued compliance
262 with a liquor server awareness training program approved by the Board, such
263 as or similar to the program for techniques in alcohol management (T.A.M.);

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- 264 5. The concentration of other licenses of the same and other types in the area;
265 6. Whether the surrounding area experiences a high rate of alcohol abuse, crime
266 or accidents in which the abuse of alcohol is involved;
267 7. The adequacy of parking facilities;
268 8. The safety of ingress to and egress from the premises;
269 9. Compliance with state and local fire, health and safety codes;
270 10. The degree of control the licensee has or proposes to have over the conduct
271 of the licensed business. In determining the applicant's demonstrated ability
272 to maintain order and prevent unlawful conduct, the city council may consider
273 police reports, the appearance of a readily identifiable pattern or practice of
274 recurring violent acts or unlawful conduct on the licensed premises.
275 testimony presented before the council, written comments, or other evidence
276 deemed to be reliable and relevant to the purpose of this subsection;
277 11. Whether the applicant can demonstrate prospective or continued compliance
278 with operations procedures for licensed premises set forth in BMC section
279 5.08.110.
280 12. The proximity to a school or church, senior citizen apartment
281 housing/facilities, alcohol inpatient or outpatient treatment;
282 13. Any history of convictions of the applicants and affiliates of the applicants for:
283 (a) Any violation of AS Title 04;
284 (b) Any violation of city ordinances;
285 14. If application is made for the renewal or transfer of location or transfer of
286 ownership of a license, the City shall consider whether the operator has
287 engaged in a pattern of practices injurious to public health or safety, such as
288 providing alcohol to minors or intoxicated persons, committing serious
289 violations of state law relevant to public health or safety, or other actions
290 within the knowledge and control of the operator which place the public
291 health or safety at risk. In determining if a pattern or practices injurious to
292 public health or safety exists, the city council may consider criminal
293 convictions, credible proof of illegal activity even if not prosecuted, police
294 reports, testimony presented before the council, or other evidence deemed to
295 be reliable and relevant to the purpose of this subsection.

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October 27, 2015
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296 15. Any other factor the city council determines is relevant to a particular
297 application.

298 **5.08.40 Council Action on Liquor License Applications.**

- 299 A. At the date and time set for consideration of the proposed application, the city
300 council shall determine whether to protest the issuance, renewal, relocation or
301 transfer of a license.
302
303 B. If a majority of the city council votes to protest the application, a resolution shall
304 be prepared and introduced at the next regularly scheduled council meeting or
305 earlier if necessary to meet the requirements of AS 04.11.480.
306
307 C. At least seven (7) calendar days prior to the council meeting, the city clerk shall
308 provide the applicant with:
309
310 1. A copy of the proposed resolution; and
311 2. Notice of the date and time when council will consider the resolution; and
312 3. Notice the applicant will have an opportunity, pursuant to 3 AAC
313 304.145(d), to appear before the council to defend the application.
314
315 D. A protest by the council under this section cannot be based in whole or in part
316 on police reports or other written materials available to the City but which were
317 not provided to the affected applicant before the public hearing on that protest.
318
319 E. At the conclusion of the public hearing, and any deliberation of the council, the
320 council may choose to:
321
322 1. Pass the resolution protesting to the Board the issuance, transfer or
323 renewal of the liquor license application; or
324 2. Recommend the license be approved with conditions; or
325 3. Take no action on the application.

326 ~~**5.08.050 Special Use Permit Required.**~~

327 ~~Unless exempt, any use that includes the retail sale or dispensing of alcoholic beverages~~
328 ~~is permitted only by a special use permit as outlined in BMC section 16.20. The special~~
329 ~~use requirement applies only to the retail sale or dispensing of alcoholic beverages and~~
330 ~~not to related principal or accessory uses.~~

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October 20, 2015
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November 3, 2015

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331 **~~5.08.060~~ — Restriction on Location of Alcohol Sales.**

- 332 A. ~~No beverage dispensary or package store licensee may sell or offer to sell any~~
333 ~~alcoholic beverage within three hundred (300) feet of a church building or within~~
334 ~~three hundred (300) feet of any school grounds.~~
335
336 B. ~~No other type of premises licensed under AS 04.11.080 may sell or offer to sell~~
337 ~~any alcoholic beverage in or within two hundred (200) feet of a church building,~~
338 ~~school grounds, senior housing facility, or alcohol treatment facility.~~
339
340 C. ~~For purposes of this section, distance shall be measured by the most direct route~~
341 ~~of travel on the ground and shall be measured in the following manner:~~
342
343 1. ~~From the main parking lot street entrance off of an established roadway of~~
344 ~~the establishment from which alcoholic beverages are sold or offered for~~
345 ~~sale;~~
346 2. ~~In a straight line, regardless of obstructions, to the nearest public~~
347 ~~sidewalk, walkway, street, road or highway by the nearest route;~~
348 3. ~~To the main entrance of the church building, senior housing facility,~~
349 ~~alcohol treatment facility or to the nearest portion of the school grounds.~~

350 **5.08.070 Licensee Responsible for Employees' Actions on Premises.**

- 351 A. A licensee may neither knowingly allow agents or employees to violate this
352 chapter or AS Title 04 or regulations adopted thereunder, or to recklessly or with
353 criminal or civil negligence fail to act in accordance with the duties prescribed
354 under AS 04.21.030 with the result that an agent or employee of the licensee
355 violates a law, regulation or ordinance.
356
357 B. The licensee shall be responsible for all acts or omissions of the licensee's
358 employees on the licensed premises. The licensee may be cited and prosecuted
359 for all acts or omissions of employees which are committed on the licensed
360 premises and which are in violation of this chapter; provided, however, that the
361 prosecution of the licensee shall not prohibit the prosecution of the employee for
362 acts or omissions committed by the employee in violation of any provision of this
363 chapter.

364 **05.08.080 Hours and Days of Operation.**

Introduced by: Council Member Fansler on behalf
of the City Attorney

Date: September 22, 2015

Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

Action:

Vote:

- 365 A. Premises licensed under AS 4.11.080 for the service and consumption of
366 alcoholic beverages shall be closed for the sale, service and consumption of
367 alcoholic beverages between the hours of 10:00 p.m. and 11:00 a.m. Monday
368 through Friday, and between the hours of 11:00 p.m. and 11:30 a.m. on
369 Saturday or Sunday or on a legal holiday recognized by the state under AS
370 44.12.010 with the exception of New Year's Day during which the establishment
371 shall close at 1:00 am.
372
- 373 B. All other retail premises licensed under AS 4.11.080 shall be closed for the sale
374 of alcoholic beverages between the hours of 12:00 a.m. and 12:00 p.m. Monday
375 through Friday, between the hours of 2:00 a.m. and 3:00 p.m. on Saturday, and
376 between the hours of 2:00 a.m. and noon on Sunday.
377
- 378 C. A person may not sell, offer for sale, give, furnish, deliver or consume an
379 alcoholic beverage on premises licensed under AS 04.11 during the hours of
380 closure set forth in this section.
381
- 382 D. A licensee, an agent, or employee may not permit a person to consume alcoholic
383 beverages on the licensed premises between the hours of closure set forth in this
384 section.
385
- 386 E. A licensee, an agent, or employee may not permit a person to enter and a
387 person may not enter premises licensed under AS 04.11 during the hours of
388 closure set forth in this section. This subsection does not apply to common
389 carriers or to an employee of the licensee who is on the premises to prepare for
390 that day's or the next day's business.
391
- 392 F. As authorized by AS 04.16.070(b) the sale of alcoholic beverages on State and/or
393 City Election Days is not prohibited.

394 **5.08.090 Obligation to Enforce Restrictions within Licensed Premises.**

395 A licensee, their agent or employee may not permit the consumption of alcoholic
396 beverages by any person within the licensed premises unless it is permitted by the
397 license.

398 **5.08.100 Alcohol Server Training Course Requirement.**

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Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

Action:

Vote:

- 399 A. A licensee, their agent or employee may not sell or dispense alcoholic beverages
400 to the public prior to the successful completion of a liquor server awareness
401 training program approved by the Board.
402
- 403 B. A licensee, their agent or employee who elects to take an approved program
404 online, must have the examination proctored at the City of Bethel offices by a
405 duly appointed employee of the City.
406
- 407 C. Licensees, their agents and employee who sell or dispense alcoholic beverages
408 must be able to show proof of completion of a liquor server awareness training
409 program approved by the Board upon request by a peace officer, the city
410 manager (or their designee) or the Board.

411 **5.08.110 Operation of Licensed Premises.**

- 412 A. Except as otherwise provided in this section, the operations procedures set forth
413 in subsection B of this section shall apply to all persons seeking the issuance,
414 renewal or transfer of any license issued by the Board by virtue of AS Title 4 and
415 other applicable provisions of law allowing the sale or service of alcoholic
416 beverages. Subsections B1. of this section shall not apply to persons seeking the
417 issuance, transfer or renewal of licenses issued under AS Title 4 which do not
418 authorize the sale or service of alcoholic beverages for consumption on the
419 premises licensed.
- 420 B. Persons seeking the issuance, transfer or renewal of licenses issued by the Board
421 under AS Title 4 and other applicable provisions of law shall comply with the
422 following operations procedures:
- 423 1. *Happy Hours*. No licensee may:
- 424 i. Sell more than one (1) drink for the price of a single alcoholic drink,
425 or sell a drink with increased alcoholic content, or sell a multiple of
426 any number of drinks in a manner which has the effect of selling
427 more than one (1) drink for the price of a single drink.
- 428 ii. Advertise, promote or put in public notice the giving of free
429 alcoholic drinks to customers.

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015
Action:
Vote:

- 430 iii. Advertise, promote or put in public notice the sale of alcoholic
431 beverages at a reduced price at certain times of the day or days of
432 the week. Nothing in this subsection shall prohibit a licensee from
433 increasing prices during times when entertainment is provided.
- 434 iv. This subsection shall not be construed to prohibit licensees from
435 giving away or selling at a reduced price food items to customers
436 and patrons.
- 437 2. *Public Transportation.* Licensees shall make available to their patrons access
438 to means of public transportation to permit patrons to make arrangements for
439 transportation off the premises.
- 440 3. *Notice of Penalties.* Operators shall place, at conspicuous locations within
441 licensed premises, a clear and legible sign describing applicable penalties for
442 driving under the influence, and for service or sale of alcoholic beverages to
443 minors or intoxicated persons.
- 444 4. *Availability of Nonalcoholic Drinks.* Operators shall have nonalcoholic drinks
445 available for their patrons.
- 446 5. *Compliance Determination.* In order to determine whether applicants seeking
447 the issuance, renewal or transfer of alcoholic beverage licenses have
448 complied with the provisions of this chapter, applicants shall, at the request
449 of the City, submit to the city manager (or their designee) an alcoholic
450 beverage licensee compliance form. Upon request, operators shall also
451 provide the city manager with certificates from all current employees
452 demonstrating that those employees have successfully completed a liquor
453 service awareness training program such as the program for techniques in
454 alcohol management (T.A.M.) as approved by the Board.
- 455 6. *Solicitation of Purchase of Alcoholic Beverages for Consumption by Employee.*
456 A person employed by a licensee shall not solicit or encourage any patron of
457 the licensed premises to purchase alcoholic beverages for consumption by the
458 employee or by any other employee. For the purposes of this subsection, the
459 term "employee" includes any contractual arrangement by which an individual
460 provides services to the licensee, whether compensation be in the form of
461 salary, commission, fee or otherwise.

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015

Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:

Vote:

462 7. *Warning Signs for impoundment and Forfeiture of Vehicles Seized Pursuant to*
463 *an Arrest for or Charge of Driving Under the Influence or Refusal to Submit to*
464 *Chemical Tests.* Upon adoption of a municipal code allowing for the forfeiture,
465 operators shall display at conspicuous places in licensed premises two (2)
466 signs warning that vehicles are seized in cases of driving under the influence
467 or refusal to submit to chemical tests. One of these warning signs shall be at
468 least eleven (11") inches by fourteen (14") inches in size, and must read, in
469 lettering at least one-half (1/2") inch high and in contrasting colors or black
470 and white, "DRIVE UNDER THE INFLUENCE—LOSE YOUR CAR." The sign
471 described in the preceding sentence must carry a logo or illustration approved
472 by the chief of police or their designee which shows an automobile being
473 towed. The second warning sign shall be at least eleven (11") inches by
474 fourteen (14") inches and must read, in letters at least one-quarter (1/4")
475 inch high and in contrasting colors or black and white, "WARNING: IF YOU
476 DRIVE UNDER THE INFLUENCE OR LET ANYONE DRIVE YOUR VEHICLE
477 UNDER THE INFLUENCE, YOU WILL LOSE YOUR VEHICLE. The police SEIZE
478 cars and trucks driven by intoxicated drivers. A vehicle will be IMPOUNDED
479 for 30 days for the driver's first DUI offense. A vehicle will be FORFEITED if
480 the driver has been convicted of DUI in the past ten (10) years."

481 C. *Mandatory identification check in the retail sale of alcoholic beverages:* Licensee
482 or licensee's employee or agent shall require any purchaser (and anyone
483 accompanying the purchaser) of alcoholic beverages to produce a current
484 government-issued identification with birth date and photograph for identification
485 check prior to any on-premises sale. The purpose of the identification check is to
486 verify age and eligibility to purchase alcoholic beverages. Failure to conduct the
487 mandatory identification check required by this section is a violation of code and
488 the licensee or licensee's employee or agent failing to conduct the mandatory
489 identification check shall be subject to the civil penalty provisions of this chapter.
490 For purposes of mandatory identification check required by this section:

491 1. "*Current government-issued*" means a state, federal or foreign government
492 picture identification in force and effect for a specified period stated within
493 the identification, when presented prior to expiration of the period stated. A
494 state government identification with birth date and photograph issued by any
495 state of the United States is included within the meaning of "current
496 government-issued" if the period of validity is specified and the identification
497 is presented prior to expiration of the period stated.

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015

Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

Action:

Vote:

- 498 2. The subsequent invalidation of the identification as a bona fide government-
499 issued identification does not invalidate the compliance.
- 500 3. An ongoing pattern of non-compliance with the mandatory identification
501 check required by this code may result in review of the conditions of use or
502 may result in the revocation of a special use permit previously approved by
503 the city council. Action by the city council on licensee's special use permit
504 under this section shall be in addition to any criminal or civil penalty
505 applicable to the individual making the sale without performing the
506 mandatory identification check.
- 507 D. *Security Personnel.* Package stores and bars shall have security personnel on
508 the premises at all times that the premises are open to the public.
- 509 E. *Security Cameras.* At least two (2) twenty-four (24) hour time lapse security
510 cameras are required to be installed and properly maintained on the exterior of
511 the building at locations licensed to sell and/or store alcoholic beverages. At
512 least two (2) additional twenty-four (24) hour time lapse security cameras are
513 required to be installed and properly maintained in the interior of the building at
514 all locations licensed to sell and/or store alcoholic beverages. At least one of the
515 interior cameras must be able to capture all sales transactions. All criminal and
516 suspicious activities recorded on the surveillance equipment must be reported to
517 law enforcement as soon as practicable. To the extent allowed by law, the
518 establishment operators may be required to provide any tapes or other recording
519 media from the security camera to the Police Department.
- 520 F. *Premises to be cleared Upon Closing.* Upon closing, licensees shall clear alcoholic
521 beverage establishment of all persons, other than necessary employees, within
522 fifteen (15) minutes after the closing hours.
- 523 G. *Age Limit Signs to be exhibited.* All licensees shall cause to remain displayed
524 upon the premises and in the entrance to the premises of their establishments a
525 conspicuous sign in a prominent place visible from outside the establishment,
526 which shall in substance state: "No person under the age of 21 years permitted.
527 Any such person will be prosecuted to the full extent of the law." Excepting that
528 licensed establishments regularly serving meals may modify the sign in
529 accordance with the provisions of this chapter and AS 04.

530 **5.08.120 Restrictions on Purchase and Sale of Alcoholic Beverages.**

City of Bethel, Alaska

Ordinance # 15-32

16 of 27

Introduced by: Council Member Fansler on behalf
of the City Attorney

Date: September 22, 2015

Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:

Vote:

531 A. A person licensed under AS 04.11.090 (Beverage Dispensary), 04.11.100
532 (Restaurant or Eating Place), 04.11.110 (Club License), or 04.11.150 (Package
533 Store) may not purchase, sell, or offer for sale an alcoholic beverage unless the
534 alcoholic beverage being purchased, sold, or offered for sale was obtained from
535 a person licensed under:

536 1. AS 04.11.160 (wholesale licenses) as a primary source of supply for the
537 alcoholic beverage being purchased, sold, or offered for sale;

538 2. AS 04.11.150 (package store) and the alcoholic beverage being purchased,
539 sold, or offered for sale was obtained from a person licensed under AS
540 04.11.160 (wholesale) as a primary source of supply; or

541 3. AS 04.11.130 (licensed brewery), 04.11.140 (licensed winery), or 04.11.170
542 (licensed distillery).

543 **5.08.130 Sale to Intoxicated Persons.**

544 A. A licensee, his agent or employee may not knowingly or negligently:
545 1. Sell, give or barter alcoholic beverages to an intoxicated person;
546 2. Allow another person to sell, give or barter an alcoholic beverage to an
547 intoxicated person within the licensed premises;
548 3. Allow an intoxicated person to enter and remain within the licensed
549 premises or to consume an alcoholic beverage within the licensed
550 premises; or
551 4. Permit an intoxicated person to sell or serve alcoholic beverages.

552 **5.08.140 Eviction of Patrons.**

553 The licensee and employees of the licensee are expressly permitted to evict any person
554 suspected of being under the age of twenty-one (21) or intoxicated and failure of such
555 person to leave after oral request is unlawful and an offense on the part of that person.

556 **5.08.150 Open Container.**

557 A. It shall be unlawful to carry, transport or possess an open container of alcoholic
558 beverages on the public streets, sidewalks, alleys, parks, or other public places
559 throughout the city; except that an open container of alcoholic beverages may
560 be carried in a vehicle in a locked trunk or other secured location inaccessible to
561 the driver and passengers within the vehicle.

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015

Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

Action:

Vote:

562 B. Open containers are permitted on private residential property, with the consent
563 of the owner or legal occupant of the property.

564 **5.08.160 Transportation of Alcohol.**

565 The transportation of alcoholic beverages by common carrier or commercial
566 carrier within the City of Bethel to a residential home or non-licensed alcohol
567 distribution facility is strictly prohibited except as expressly authorized by AS 04.

568 ~~5.08.170 Keg Registration.~~

569 ~~A. Obligations of seller. Any person who sells or offers for sale kegs or other~~
570 ~~containers containing four (4) gallons or more of alcoholic beverages, or leases~~
571 ~~kegs or other containers capable of holding four (4) gallons or more of alcoholic~~
572 ~~beverage to consumers who are not licensed under AS 04.11 shall, prior to~~
573 ~~surrendering physical possession of the keg or other container:~~

574 ~~1. Require the purchaser of the alcoholic beverages to sign a declaration and~~
575 ~~keg registration form for the keg or other container on a form approved by~~
576 ~~the chief of police. The form shall contain:~~

577 ~~i. The name and address of the seller and the purchaser;~~

578 ~~ii. The type and identifying number of the identification presented by~~
579 ~~the purchaser pursuant to AS 04.21.050~~

580 ~~iii. A sworn statement, signed by the purchaser under penalty of~~
581 ~~perjury, stating that the purchaser is twenty one (21) years of age~~
582 ~~or older; will not allow persons under twenty one (21) years of age~~
583 ~~to consume the alcoholic beverages purchased pursuant to AS~~
584 ~~04.16.051, will not remove or obliterate or allow the removal or~~
585 ~~obliteration of the temporary registration tag affixed to the keg or~~
586 ~~other container, and will return the keg to the seller within the time~~
587 ~~constraints set by the seller;~~

588 ~~iv. The return date specified by the seller;~~

589 ~~v. The particular address or addresses where the alcoholic beverages~~
590 ~~will be consumed, and the date on which it will be consumed;~~

Introduced by: Council Member Fansler on behalf
of the City Attorney
Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:
Vote:

- 591 vi.—~~A warning that it is illegal to obscure or remove the registration~~
592 ~~tag; and~~
- 593 vii.—~~The unique identifier of the temporary tag attached to the keg or~~
594 ~~container as required under this section.~~
- 595 2.—~~Affix an approved temporary tag with a unique identifier to all containers over~~
596 ~~four (4) gallons or more of an alcoholic beverage prior to surrendering~~
597 ~~possession or control thereof to a consumer; and~~
- 598 3.—~~Require the purchaser to separately and prominently display a copy of the~~
599 ~~keg registration form within five (5) feet of the keg or other container while~~
600 ~~the keg or other container is in the purchaser's possession or control.~~
- 601 4.—~~Upon return of the keg or other container, the seller shall note the date~~
602 ~~thereof and the initials of the person who accepts the return.~~
- 603 5.—~~The licensee shall retain a copy of the keg registration form and receipt,~~
604 ~~which shall be retained on the licensed premises for a period of one (1) year.~~
605 ~~The records shall be available for inspection and copying by any peace~~
606 ~~officer, the city finance director or their designee, the Alcohol Beverage~~
607 ~~Control Board investigator or agent.~~
- 608 B.—~~Obligations of purchaser. Any person who purchases or leases kegs or other~~
609 ~~containers containing four (4) gallons or more of alcoholic beverages shall:~~
- 610 1.—~~Sign a declaration and keg registration form for the keg or other container on~~
611 ~~a form provided by the seller pursuant to subsection A. of this section;~~
- 612 2.—~~Provide identification pursuant to AS 04.21.050;~~
- 613 3.—~~Be of legal age to purchase, possess, or use alcoholic beverages;~~
- 614 4.—~~Not allow any person under the age of 21 to consume the beverage except as~~
615 ~~provided by AS 04.16.051;~~
- 616 5.—~~Not remove, obliterate, or allow to be removed or obliterated, the~~
617 ~~identification required under subsection C. of this section;~~

Introduced by: Council Member Fansler on behalf
of the City Attorney
Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015
Action:
Vote:

- 618 ~~6. Return the keg or other container to the place of purchase no later than the~~
619 ~~date indicated on the identification tag required under this section;~~
- 620 ~~7. Not move, keep, or store the keg or its contents, except for transporting to~~
621 ~~and from the distributor, at any place other than that particular address~~
622 ~~declared on the keg registration form; and~~
- 623 ~~8. Separately and prominently display a copy of the keg registration form within~~
624 ~~five (5) feet of the keg or other container during the time that the keg or~~
625 ~~other container is in the purchaser's possession or control.~~

626 ~~C. Identification of containers.~~

- 627 ~~1. A keg registration form provided by licensees and approved by the Bethel~~
628 ~~police chief shall be properly completed by the licensee for sales and leases~~
629 ~~of kegs or other containers holding four (4) or more gallons of alcoholic~~
630 ~~beverages for off premises consumption, and shall contain:~~
- 631 ~~2. The keg registration form affixed to the keg or container may serve as the~~
632 ~~purchaser's receipt.~~
- 633 ~~3. Kegs or other containers holding four (4) gallons or more of alcoholic~~
634 ~~beverages shall have a properly completed keg registration form affixed~~
635 ~~thereon when sold for off premises consumption. Possession of a keg or~~
636 ~~other container which holds four (4) gallons or more of alcoholic beverages,~~
637 ~~other than on the seller's premises, without a properly completed registration~~
638 ~~and declaration form either affixed thereon or in possession of the person~~
639 ~~with the keg(s) or other container holding four (4) or more gallons of~~
640 ~~alcoholic beverages shall be a violation of this chapter.~~

641 **5.08.180 Inspection of premises.**

- 642
- 643 A. The premises of licensees authorized to sell or distribute intoxicating liquor shall
644 be easily accessible for inspection by police officers during all regular hours of
645 the transaction of business upon the premises, and at any other time with
646 reasonable notice by the officer.
- 647
- 648 B. The police department may inspect any premises with an alcoholic beverage
649 license for compliance with conditions on the license. Upon discovering a

Introduced by: Council Member Fansler on behalf
of the City Attorney
Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015
Action:
Vote:

650 violation of such conditions, the police department shall submit a written report
651 of the violation to the city clerk for review by the city council and provide a copy
652 thereof to the licensee.
653

654 C. If at any time there appears to be a readily identifiable pattern or practice of
655 recurring violent acts or unlawful conduct in a licensed premise, the City may
656 send notice of possible protest to the licensee that he or she must submit and
657 implement a plan for remedial action or be in jeopardy that a protest will be filed
658 to any renewal, transfer of location or transfer of ownership sought by the
659 licensee.
660

661 D. Upon receiving a report of conditions violation, the city council may:
662

- 663 1. Revoke the premise's conditional use permit;
- 664
- 665 2. Protest the issuance, renewal, transfer, relocation or continued operation of
666 the license;
- 667 3. Recommend imposition of conditions on the state liquor license pursuant to
668 AS 04.11.480(c); or
669
- 670 4. Notify the Board that a licensee has violated conditions and request that an
671 accusation pursuant to AS 04.11.370 be brought against the licensee.
672

673 E. Prior to taking any of the actions listed in subsection c) of this section, the City
674 shall give the permittee or licensee notice and an opportunity to be heard on the
675 accusation(s) at a publicly noticed council meeting.

676 **5.08.190 Access for Enforcement.**

677 A. The public entrance of licensed alcoholic beverage establishments shall be open
678 and unlocked before and after the closing hour of such establishment if there are
679 any patrons in the establishment.
680

681 B. Licensees of licensed alcoholic beverage establishments, their employees and all
682 patrons in such establishments shall permit and aid the entry of any law
683 enforcement officer during all hours of operation and at any other time when
684 there are two or more persons in such licensed alcoholic beverage establishment.

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015
Action:
Vote:

- 685 C. Lack of knowledge, lack of intent and absence from the premises shall not be
686 defenses to any action brought under this section against any such employee in
687 charge of such establishment or such licensee.
- 688 D. The following evidence shall constitute a prima facie case of violation of this
689 section in any action under this section against any such employee in charge of
690 such establishment or against any licensee:
- 691 1. A law enforcement officer knocked heavily at the public entrance of a licensed
692 beverage dispensary or licensed alcoholic beverage establishment and such
693 entrance was not opened within one minute thereafter to permit his
694 entrance; plus
- 695 2. Evidence of sound emanating from the licensed alcoholic beverage
696 establishment, heard by such officer, and his opinion that he concluded that
697 two or more persons were in such establishment.
- 698 E. Licensees shall provide the Police Chief with their current hours of operation. Any
699 changes to the hours of operation shall be communicated, in writing, to the
700 Police Chief, at least three (3) business days prior to the change being
701 implemented.

702 **5.08.200 Alcohol Offenses.**

- 703 A. Violation of any section of this chapter shall be an infraction.
704 B. The Bethel Police Department shall have the authority to write and serve
705 citations for violations of the provisions of any portion of this chapter.

706 **5.08.210 Penalties.**

Offense	BMC Section	Mandatory Court Appearance	Penalty Amount
Premises Open during non-permissible hours	5.08.080A & B	No	1 st Offense: \$150 2 nd Offense: \$300 3 rd & subsequent offenses: \$700

Introduced by: Council Member Fansler on behalf
of the City Attorney
Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:
Vote:

Premises Open during on non-permissible days	5.08.080A & B	No	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Selling, Offering for Sale, Giving, Furnishing, Delivering or Consuming Alcohol on Premises during hours of Closure	5.08.080C	No	\$300
Allowing person to consume alcohol on premises during hours of closure	5.08.080D	No	\$300
Allowing non-employee onto premises during hours of closure	5.08.080E	No	\$300
Allowing consumption on premises in violation of license	5.08.090	No	\$500
Selling or dispensing alcohol prior to successful completion of a liquor server awareness training program	5.08.100A	Yes	\$1,000
Allowing employee to sell or dispense alcohol prior to their successful completion of a liquor server awareness training program	5.08.100A	Yes	\$1,000
Failure to show proof of successful completion of a liquor server awareness training program	5.08.100C	Correctable	\$300
Violation of Happy Hour rules	5.08.110B1	No	\$300
Failure to provide access to means of public transportation to patrons	5.08.110B2	No	\$150
Failure to permit patron to arrange for transportation off premises	5.08.110B2	No	\$500

Introduced by: Council Member Fansler on behalf
of the City Attorney

Date: September 22, 2015

Public Hearing: October 13, 2015

October 20, 2015

October 27, 2015

November 3, 2015

Action:

Vote:

Failure to post clear and legible signs describing applicable penalties for DUI and for service of alcoholic beverages to minors or intoxicated persons	5.08.110B3	No	\$250
Failure to have non-alcoholic drinks available	5.08.110B4	No	\$150
Failure to submit an alcoholic beverage compliance form upon request	5.08.110B5	No	\$300
Solicitation by employee of the purchase of an alcoholic beverage for personal consumption by the employee	5.08.110B6	Yes	\$500
Failure to post warning signs for impoundment and forfeiture of vehicles seized pursuant to an arrest or charge of DUI or Refusal	5.08.110B7	No	\$250
Improper sized warning signs for impoundment and forfeiture of vehicles seized pursuant to an arrest or charge of DUI or Refusal	5.08.110B7	No	\$150
Failure to check identification of purchaser	5.08.110C	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Acceptance of non-conforming identification for purchase of alcoholic beverage	5.08.110C	Yes	1 st Offense: \$150 2 nd Offense: \$300 3 rd & subsequent offenses: \$700
Failure to have security personnel on premises during hours of operation	5.08.110D	No	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Failure to install or maintain security equipment	5.08.110E	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:
Vote:

Failure to report suspicious activity from security cameras to law enforcement	5.08.110E	No	1 st Offense: \$150 2 nd Offense: \$300 3 rd & subsequent offenses: \$700
Interior camera not positioned to capture sales transactions	5.08.110E	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Failure to clear premises after closing	5.08.110F	No	1 st Offense: \$150 2 nd Offense: \$300 3 rd & subsequent offenses: \$700
Failing to post age limit signs	5.08.150	No	\$300
Sale of alcoholic beverages improperly obtained	5.08.120	Yes	\$700
Sale of alcohol to an intoxicated person	5.08.130	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Providing alcohol to an intoxicated person	5.08.130	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Allowing another person to sell or provide alcohol to an intoxicated person	5.08.130A2	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Allowing an intoxicated person to enter and remain within licensed premises	5.08.130A3	Yes	1 st Offense: \$150 2 nd Offense: \$300 3 rd & subsequent offenses: \$700
Permitting intoxicated person to consume alcoholic beverage within a licensed premise	5.08.130A3	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000

Introduced by: Council Member Fansler on behalf
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Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:
Vote:

Permitting an intoxicated person to sell or serve an alcoholic beverage	5.08.130A4	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Carrying, transporting or possessing an open container in public	5.08.150	No	1 st Offense: \$150 2 nd Offense: \$300 3 rd & subsequent offenses: \$700
Transportation of alcohol by common carrier	5.08.160	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Transportation of alcohol by commercial carrier	5.08.160	Yes	1 st Offense: \$500 2 nd Offense: \$700 3 rd & subsequent offenses: \$1,000
Failure to Require or complete keg registration form	5.08.170	No	1st Offense: \$150 2nd Offense: \$300 3rd & subsequent offenses: \$700
Incomplete keg registration form	5.08.170	No	1st Offense: \$150 2nd Offense: \$300 3rd & subsequent offenses: \$700
Failure to tag or improperly tagged keg	5.08.170	No	1st Offense: \$150 2nd Offense: \$300 3rd & subsequent offenses: \$700
Removal or damaging of tag on keg	5.08.170	No	\$500
Failure to display keg registration form	5.08.170	No	\$300
Failure to affix keg declaration form to keg	5.08.170	No	\$300
Failure to retain keg declaration forms for one (1) year	5.08.170	No	\$500

Introduced by: Council Member Fansler on behalf
of the City Attorney
Date: September 22, 2015
Public Hearing: October 13, 2015
October 20, 2015
October 27, 2015
November 3, 2015

Action:
Vote:

Failure to make premises easily accessible for inspection by police officers	5.08.180A	Yes	\$700
Failing to maintain premises unlocked while patrons are on premises	5.08.190A	Yes	\$1,000
Failure to permit or aid the entry of law enforcement during hours of operation	5.08.190B	Yes	\$700
Failure to permit or aid the entry of law enforcement any time there are two (2) or more persons on the premises	5.08.190B	Yes	\$700

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**Editor Note regarding amendments: The penalty section was amended de-facto after the adopted motion to strike the relevant section(s). LS 10-29-15*

SECTION 3. Effective Date. This Ordinance shall become effective upon passage by the City Council.

ENACTED THIS ____ DAY OF (MONTH) 2015, BY A VOTE OF ___ IN FAVOR AND OPPOSED.

ATTEST:

Richard Robb, Mayor

Lori Strickler, City Clerk

Chapter 5.08 ALCOHOLIC BEVERAGES

Sections:

- [5.08.010](#) Defined.
- [5.08.011](#) Consumption, sale and service of alcoholic beverages prohibited.
- [5.08.020](#) Closing hours.
- [5.08.030](#) Bringing liquor to licensed premises – Leaving partial containers.
- [5.08.040](#) Maintenance of order.
- [5.08.050](#) Liquor handler permit – Required.
- [5.08.060](#) Liquor handler permit – Issuance – Revocation.
- [5.08.070](#) Liquor handler permit – Cost.
- [5.08.080](#) Sunday and holiday sales.
- [5.08.090](#) Election day sales.
- [5.08.100](#) Minors.
- [5.08.110](#) Permitting violation.
- [5.08.120](#) Inspection of premises.
- [5.08.130](#) Violation – Penalty.

5.08.010 Defined.

For the purpose of this chapter, “intoxicating liquors” and/or “alcoholic beverages” mean all spirituous, vinous, salt and other fermented and/or distilled liquors intended, or used, for human consumption and containing more than one (1) percent alcohol by volume. [Prior code § 6.08.010.]

5.08.011 Consumption, sale and service of alcoholic beverages prohibited.

A. No person may sell or offer to sell any alcoholic beverage in package stores or bars within three hundred (300) feet of a church building or within three hundred (300) feet of any school grounds.

B. No person may sell or offer to sell any alcoholic beverage in or within two hundred (200) feet of a church building or within two hundred (200) feet of any school grounds.

C. Any person or business that is behind in taxes to the city of Bethel is prohibited from receiving alcoholic beverage licenses.

D. As used in this section, the terms “school building,” “school,” “school grounds” or “educational building” shall apply only to state, county, city, or church school buildings and to such buildings at such other schools in which are taught subjects commonly taught in the common schools, and which are public schools or private schools as defined by the state of Alaska. The terms “school building” and “educational building” include only those structures in which instruction is offered, except colleges and universities. The term “school grounds” shall apply only to the parcel or parcels of land on which a school, school building or educational building is located, except colleges and universities.

E. The term “church building” as used herein shall mean the main structure used by any religious organization for purposes of worship.

F. The requirements for minimum distance from a church building located in a shopping center shall not apply to any license for retail package or retail consumption.

G. For purposes of this section, distance shall be measured by the most direct route of travel on the ground and shall be measured in the following manner:

1. From the main parking lot entrance of the establishment from which alcoholic beverages are sold or offered for sale;
2. In a straight line, regardless of obstructions, to the nearest public sidewalk, walkway, street, road or highway by the nearest route;
3. To the main entrance of the church building or to the nearest portion of the school grounds. [Ord. 09-44 § 2.]

5.08.020 Closing hours.

No person shall consume, sell, offer for sale, give, furnish, or deliver from an authorized licensee, any intoxicating liquor by the drink on any licensed premises between the hours of 12:00 midnight and 12:00 noon each day, except on those days when the licensed establishment is required to be closed for the entire day by this chapter or any other law. The package liquor store shall close at 6:30 p.m. [Prior code § 6.08.020.]

5.08.030 Bringing liquor to licensed premises – Leaving partial containers.

A. No person shall have in his immediate possession on a licensed premises any container which contains any alcoholic beverage which was not furnished to him by the licensee, or his agent or employee, of that premises.

B. No person shall exit from a licensed premises, or a licensed building or enclosure, if there is any open or partially empty container which contains any alcoholic beverage which was furnished to him by the licensee, or his agent or employee. [Prior code § 6.08.030.]

5.08.040 Maintenance of order.

Each licensed premises, except private clubs, shall employ at least one (1) person, licensed as required in BMC 5.08.050, who shall be on duty between 8:00 p.m. and the closing hour of the licensed premises. This person shall not be the bartender on duty, manager, owner or co-owner of the establishment and shall be on duty for the express purpose of maintaining order within the establishment and assuring compliance, by the clientele, with the provisions of this chapter. [Prior code § 6.08.050.]

5.08.050 Liquor handler permit – Required.

No person in the employment of any retail liquor outlet in the city dispensing liquor to the public shall remain in that employment or handle intoxicating liquors unless such person is in possession of a liquor handler's permit. Such permit shall be immediately available to the permittee during all working hours for the licensee, and shall be displayed to any peace officer upon demand of the officer. [Prior code § 6.08.040.]

5.08.060 Liquor handler permit – Issuance – Revocation.

All liquor handler permits shall be prepared and issued by the city clerk. These permits issued under BMC 5.08.050 shall be marked with the word "Security" in addition to all other present wording and shall be issued only after approval of the chief of police. All permits issued under this chapter may be cancelled, suspended, or revoked, for cause, at any time by the chief of police. All such cancelled, suspended, or revoked permittees shall have the right to appeal to the city council within twenty-one (21) days of the decision by the chief of police. [Prior code § 6.08.060.]

5.08.070 Liquor handler permit – Cost.

The cost of each permit issued under this chapter shall be twenty-five dollars (\$25) except that those permits issued to waitresses shall be ten dollars (\$10). [Prior code § 6.08.070.]

5.08.080 Sunday and holiday sales.

A. No person may consume, sell, offer for sale, give, furnish or deliver, from an authorized licensee, any intoxicating liquor on any licensed premises on any Sunday, or on the following holidays:

1. New Year's Day (January first (1st));
2. Lincoln's Birthday;
3. Washington's Birthday;
4. Memorial Day;
5. Independence Day (July Fourth (4th));
6. Labor Day (first (1st) Monday in September);
7. Thanksgiving Day (fourth (4th) Thursday in November);
8. Christmas Day (December twenty-fifth (25th)).

B. For the purpose of this chapter, the holidays set out in subsection A of this section shall be observed according to the federal designation for their observation. For the purpose of determining Sundays and holidays as prescribed in this section, they shall commence at the closing hour of the business hours for the preceding day and shall terminate at the opening hour of the day following the Sunday or holiday. [Prior code § 6.08.080.]

5.08.090 Election day sales.

It is unlawful to give, barter, sell, or in any licensed premises to dispose of, any intoxicating liquor upon a day upon which a general, special or primary election is held in the state at large, until the polls have closed, or to so dispose of liquor in the city when an election is being held therein until the polls are closed. [Prior code § 6.08.090.]

5.08.100 Minors.

No person shall give, barter, sell, furnish or deliver any intoxicating liquor to any intoxicated person or to any minor. [Prior code § 6.08.100.]

5.08.110 Permitting violation.

It is unlawful for the owner of any licensed premises or any other person to direct, request, cause, or permit any violation of this chapter. [Prior code § 6.08.110.]

5.08.120 Inspection of premises.

The premises of licensees authorized to sell or distribute intoxicating liquor shall be easily accessible for inspection by peace officers during all regular hours of the transaction of business upon the premises, and at any other time with reasonable notice by the officer. [Prior code § 6.08.120.]

5.08.130 Violation – Penalty.

Any person, firm, or corporation convicted of a violation of any provision of this chapter shall be punished pursuant to Chapter 1.08 BMC. [Prior code § 6.08.140.]

The Bethel Municipal Code is current through Ordinance 15-14, passed June 15, 2015.

Disclaimer: The City Clerk's Office has the official version of the Bethel Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.cityofbethel.org/>
(<http://www.cityofbethel.org/>)
City Telephone: (907) 543-2087
Code Publishing Company
(<http://www.codepublishing.com/>)

CONSIDERATION OF LEASES

**Document not available for packet/agenda deadline - Department of Law, Bethel
Courthouse**



November 2, 2015

To: Lori Strickler
City of Bethel Clerk
P.O. Box 1388
Bethel, Alaska 99559
lstrickler@cityofbethel.net

Cc: Ann Capela
City of Bethel Manager
P.O. Box 1388
Bethel, Alaska 99559
acapela@cityofbethel.net

Patty Burley
City of Bethel Attorney
P.O. Box 1388
Bethel, Alaska 99559
pburley@cityofbethel.net

Re: Request to renew City of Bethel/GCI lease for Lot 5A, Block 9, USS 3230 B, according to Plat 98-06, Bethel Recording District, Fourth Judicial District, State of Alaska

Dear Ms. Strickler,

We are writing to follow up on previous telephone conversations between GCI representatives and City Manager Ann Capela concerning that lease by and between the City of Bethel (the "City") and General Communication, Inc. ("GCI") dated June of 1998 (the "Lease," attached to this letter as Exhibit A) and concerning that property fully described as:

Lot 5A, Block 9, USS 3230 B, according to Plat 98-06, Bethel Recording District, Fourth Judicial District, State of Alaska (the "Property").

Our understanding of the current status of this lease is as follows:

- The Lease was properly executed by the City and GCI in June of 1998 and provided for an initial five-year term and subsequent indefinite one-year renewals, subject to the provisions of Chapter 04.08.050 of the Bethel Municipal Code;
- Neither GCI nor the City have any records of an initial renewal of the Lease prior to July 1, 2003;
- On November 17, 2003, GCI contacted the City's Manager to request two one-year renewals of the Lease, continuing through July 1, 2005 (see letter attached as Exhibit B);
- Neither GCI nor the City have any record of a formal response to this request by the City, but the City continued accepting monthly rent from GCI in return for GCI's presence on the Property;

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- Neither GCI nor the City have any record of subsequent correspondence regarding the renewal of the Lease;
- GCI has continued paying the rent due pursuant to the Lease in monthly installments, which continue to be accepted by the City (see records attached as Exhibit C).

At this point, GCI agrees with the City that it is in both parties' interest to revisit the terms of the Lease and to enter into a formal renewal of the Lease for ongoing use of the Property. The Property houses portions of GCI's "head end," a critical satellite dish facility which enables GCI to provide cable television to the Bethel community and regional rural long-distance telephone service, school and library broadband network access, telehealth services, cellular phone service, and internet access. The head end site also serves as the sole back-up for all Bethel telephone and internet services in the event of an outage on the TERRA microwave network. Accordingly, GCI submits this request to renew the Lease pursuant to Chapter 4.08.050.C of the Bethel Municipal Code.

In accordance with Code, GCI proposes the following terms for renewal of the Lease:

- Rent shall be increased to the current fair market value of the Property. If the parties are unable to agree to the fair market value of the Property via negotiation, then the City and GCI will each appoint a qualified MAI appraiser doing business in the Bethel area and those two MAI appraisers will appoint a third MAI appraiser, and the two appraised values that are closest to one another in value will be averaged to be the fair market rent for the Property. The City and GCI will equally share the expense of the third appraisal.
- Rent shall automatically increase each year in accordance with the corresponding annual increase in CPI.
- The Lease shall be renewed for an initial renewal term of five (5) years, with the option to renew, at GCI's discretion, on the same terms for three (3) subsequent five (5) year terms through the review and approval process set by Chapter 4.08.050.C of the Bethel Municipal Code.
- GCI shall construct a security fence completely surrounding the Property and the adjacent Lot 5B owned by GCI (see plat attached as Exhibit D) in accordance with any applicable Code requirements. The fencing project shall commence as soon as practicable upon approval of the renewal of the Lease (ie, if the renewal is approved during the winter of 2015-2016, construction shall commence in the spring).
- Lease language shall be updated to include the correct Tenant entity (GCI Communication Corp., rather than General Communication, Inc.) and to correct other minor typographical and consistency issues.
- Indemnification/insurance section of the Lease (paragraph 12) shall be updated to reflect GCI liability for any and all injuries occurring on the Property except to the extent caused by the negligence or intentional misconduct of the City.

GCI proposes the above-outlined terms in the hopes of setting out a mutually-beneficial path forward for GCI and the City in the years to come. The City will benefit from an immediate and annual increase in monthly rent and additional site security, and GCI will benefit from longer-term rights to use the Property and some minor but significant clarifications of lease terms.

In the alternative, if the City is open to selling the Property, GCI would be interested in discussing a market-value sale pursuant to Chapter 4.08.030.B or C of the Bethel Municipal Code. If the City is interested in pursuing this option, please let us know and we can set up a time to discuss in greater depth, or submit more specific terms for consideration.

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Thank you for your consideration of this request. If you have any questions, please contact us at the information below.

Sincerely,

A handwritten signature in black ink that reads "Carolyn Lima".

Carolyn Lima
Senior Manager, Corporate Properties
GCI-Corporate Services
Phone 907-868-5580
Email: clima@gci.com

A handwritten signature in blue ink that reads "Becky Windt Pearson".

Becky Windt Pearson
Corporate & Land Use Counsel

GCI - Legal/Regulatory Department
Phone 907-868-5629
Email: rwindtpearson@gci.com

Exhibit A – Property Lease

LEASE AGREEMENT

This Lease Agreement ("Lease") is made by and between the City of Bethel, a Municipal Corporation pursuant to Lease Disposal Ordinance 98-05 ("City"), and General Communication Incorporated ("Tenant").

The parties agree as follows:

1. Leased Premises. The City leases to Tenant the following property ("Leased Premises"):

Lot 5A, Block 9, USS 3230 B of the official plat of record, Plat 98-06, Bethel Recording District, Fourth Judicial District, State of Alaska.

The Leased Premises are taken by Tenant "as is, where is", subject to the terms of this Lease.

2. Access. The City leases to Tenant those rights of ingress and egress to the Leased Premises as are reasonably necessary to the permitted uses of the Leased Premises.

3. Encumbrances. The Leased Premises are let subject to deed restrictions, easements, rights-of-way, if any, zoning and building restrictions and governmental regulations now in effect or hereafter adopted by any governmental authority. Tenant shall not allow or cause any encumbrances to lie against the Leased Premises. The City makes no representation that any present uses of the Leased Premises comply with existing zoning ordinances, and this Lease shall not be construed as a waiver of applicable City zoning ordinances.

4. Term. The term of this Lease shall be July 1, 1998 through and including July 1, 2003 (5 years), unless terminated earlier in accordance with this Lease. This lease may be renewed for one year periods after the initial 5 year term. Lease renewal is subject to the provisions of Chapter 04.08.050 of the Bethel Municipal Code (notification of intent to renew).

5. Rent. Tenant shall pay during the entire term of this Lease rent of \$333.34 per month for the Leased Premises. Rent shall be paid according to the following schedule: On or before the first of each month, in advance for the ensuing month. Rent shall be paid to the City, without notice or demand, at the City's address.

6. Taxes and Charges Treated as Additional Rent. Tenant agrees to pay to the public authorities charged with collection thereof, promptly as the same become due and payable, all taxes,

assessments, permit, inspection and license fees and other public charges, including utility charges, arising out of Tenant's occupancy, use or possession of the Leased Premises, including but not limited to municipal sales and property taxes, which are or become payable by Tenant during the term of this Lease or any extension or holdover period. Tenant agrees to exhibit to the City, on demand, receipts evidencing payment of all taxes, assessments and public charges so payable by Tenant. These payments constitute part of Tenant's rent and failure to pay these taxes in a timely fashion to the appropriate authority is equivalent to the non-payment of rent. This paragraph shall not be construed to require double payment of said taxes (once as taxes and once as rent), but only once as taxes.

7. Utility Service. Utility services are not included in Tenant's rent. Tenant shall arrange for its own utility services and bear all costs for utilities.

8. Compliance with Laws and Care of Premises/Indemnity. Tenant shall comply with all applicable laws, ordinances and regulations now or hereafter enacted in any manner affecting the Leased Premises, or the use thereof. Tenant agrees to defend, indemnify, and hold the City, its agents or employees financially harmless (a) from all consequences of any violation of such laws, ordinances and/or regulations, and (b) from all claims for damages on account of injuries, death or property damage resulting from such violation.

9. Maintenance Obligations.

(a) Tenant, at its own cost and expense, shall keep the Leased Premises and all Tenant's property which at any time may be situated thereon, clean and in good condition and repair free of hazard or nuisance during the entire term of this Lease, plus extension or any holdover periods.

(b) Tenant shall, upon expiration or termination of this Lease, surrender and deliver the Leased Premises to the City in as good condition as when received by Tenant, or as thereafter improved, ordinary wear and tear excepted.

10. Improvements.

(a) Tenant may make improvements to the Leased Premises with the advance written permission of the City. Prior to commencement of any work on any improvement on the Leased Premises, Tenant shall submit to the City for its approval two (2) complete sets of construction plans and specifications for said improvements, prepared by a licensed architect or licensed engineer, a plot plan showing the proposed location of said improvements, all utilities and service

connections and all places of ingress and egress to public streets and roads, together with plans for outdoor signs, lighting and landscaping. If approved, such approval shall be endorsed by the city upon said plans, specifications and plot plan within thirty (30) days following such approval, and one (1) set shall be retained by the City. Upon this approval tenant shall comply with Municipal Code 18.48.040 written approval by the State Fire Marshal - approval of a Site Plan Permit. If the City does not approve of the plans and specifications, the city shall, within thirty (30) days from the receipt thereof, notify Tenant in writing of its reasons for not approving said plans and specifications. No improvements, the plans, specifications and proposed location of which have not first received approval as herein stated or which do not comply with approved plans, specifications and locations, shall be constructed on the Leased Premises. All improvements constructed shall comply with all applicable laws, ordinances, and regulations and shall be completed at the sole cost and expense of Tenant and without any cost, expense, or liability of the City whatsoever. The approval by the City of any plans and specifications refers only to the conformity of such plans and specifications to the general architectural plan for the Leased Premises and neighboring land of the City. Such plans and specifications are not approved for architectural or engineering design and by approving such plans and specifications, the City assumes no liability or responsibility therefore, or for any defect in any structure constructed from such plans or specifications. Upon expiration or termination of this Lease or any extended term, all fixtures installed or improvements made by Tenant in, on or about the Leased Premises shall become the property of the City at its option unless first removed by Tenant.

(b) Not later than the expiration or termination date of this Lease or any extended term, Tenant shall remove all of its movable personal property from the Leased Premises. Any property not so removed by Tenant shall become the property of the City at the City's option.

11. Discrimination Prohibited. Tenant will not discriminate in the operation of its business on the Leased Premises on the grounds of race, color, religion, national origin, ancestry, marital status, age, or gender.

12. Indemnification/Insurance.

(a) Tenant shall defend, indemnify and save harmless the City, its agents or employees from and against any and all claims, demands and causes of action of any nature whatsoever, and any expenses incident to defense of and by the City therefrom, for any injury to or

death of persons or loss of or damage to property occurring on the Leased Premises, or in any manner arising out of Tenant's use or occupancy of the Leased Premises or the condition thereof, during the term of this Lease or any extension or holdover period.

(b) In addition, Tenant shall procure and maintain broad form commercial general liability insurance coverage, written by responsible insurer(s) licensed to do business in the State of Alaska, naming the City, its agents and employees as additional named insured, which coverage, pertaining to the Leased Premises or Tenant's activities thereon shall not be less than One Million Dollars (\$1,000,000.00) per occurrence, One Million Dollars (\$1,000,000.00) in the aggregate, including coverage for death, property damage and personal injury liability. Tenant agrees to furnish certificates of insurance evidencing such insurance coverage to the City at or before the time this Lease is signed. Tenant further agrees to immediately notify the City of any cancellation, termination or decrease in its insurance pertaining to the Leased Premises. The certificates of insurance shall contain an endorsement providing for not less than thirty (30) days notice to the City of intent to cancel or decrease the insurance.

(c) All insurance provided by Tenant under this Lease shall (1) contain a waiver of subrogation by the insurer in favor of the City, its agents or employees; (2) provide that an act or omission of the City, its agents or employees will not void the policy or be a condition to recovery; and (3) provide primary insurance coverage regardless of the availability of other insurance.

13. Quiet Enjoyment. Provided Tenant is in compliance with the terms of this Lease, the City covenants that Tenant shall have peaceful and quiet enjoyment of the Leased Premises and that the City will warrant and defend Tenant in the peaceful and quiet enjoyment of the Leased Premises.

14. Notices. Any and all notices required or permitted under this Lease, unless otherwise specified in writing by the party whose address is changed, shall be addressed as follows:

The City: City of Bethel
 P.O. Box 383
 Bethel, AK 99559
 Attn.: City Manager

Tenant: General Communication Incorporated
 2550 Denali Street, Suite 1000
 Anchorage, AK 99503

15. Default.

(a) If Tenant at any time during the term of this Lease or any extension hereof shall (a) fail to make payment of any installment of rent or other sums, or (b) fail to observe or perform any of Tenant's other obligations hereunder, and if any such default shall not be cured as to (a) within ten (10) days after mailing of written notice of such failure to make payments, or as to (b) within thirty (30) days after the City shall have mailed to Tenant written notice specifying such default or defaults, Tenant shall not have commenced to cure such default and proceed diligently to cure the same, then the City may give Tenant notice of termination of this Lease. In such a case, on a date specified in such notice, which date shall not be less than ten (10) days after the date of mailing of such notice ("termination date"), the term of this Lease shall come to an end. Tenant hereby covenants to peaceably and quietly yield up and surrender to the City, not later than the termination date, the Leased Premises and to execute and deliver to the City such instrument or instruments as shall be required by the City to properly evidence termination of Tenant's rights hereunder or its interest therein.

(b) In the event of termination of this Lease, the City shall have the right to repossess the Leased Premises without process of law or any form of suit or proceedings, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, plus damages arising out of any breach on the part of Tenant, including damages for rent and other sums not then accrued. The City shall also have the right, without resuming possession of the Leased Premises or terminating this Lease, to sue for and recover all rents and other sums, including damages, at any time and from time to time accruing hereunder.

(c) The City shall not be in default of any of its obligations hereunder unless and until it shall have unreasonably failed to perform said obligation within thirty (30) days, or such additional time as may be reasonably required, after receipt of written notice by the City specifying the default.

16. Costs Upon Default/Interest. In the event either party shall be in default in the performance of any of its obligations under this Lease, and an action is brought for the enforcement thereof, the defaulting party shall pay to the other all the expenses incurred in prosecuting the action, including full, actual, reasonable attorney's fees. Any sums due from the Tenant under this Lease shall accrue interest at the rate authorized by Alaska Court Rules from the date they are due until paid in full.

17. Rights or Remedies. No right or remedy herein conferred upon or reserved to the City is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

18. Waiver and Forbearance. Except to the extent that such party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach.

19. Inspection. The City may inspect the Leased Premises without notice to Tenant. Tenant shall also provide the City with the name and home phone number of its manager.

20. Successors in Interest. This Lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

21. Destruction of Improvements on Leased Premises. If all or part of the Leased Premises are destroyed or rendered untenable by fire, earthquake, flood or other cause, Tenant shall remove the debris from the Leased Premises and clean up the Leased Premises within 270 days of the occurrence of such destruction. Rent shall be abated in the same proportion as the destroyed portion of the Leased Premises bears to the whole in such event. The City may in such event and at its sole discretion terminate the Lease on ten (10) days' written notice to Tenant.

22. Assignment or Subletting.

(a) Tenant shall not assign or sublet or grant a security interest in this Lease without the prior written consent of the City. An assignment of this Lease for loan security purposes shall not be construed as a subordination of the City's rights hereunder, nor a subordination of its fee. The City's permission to sublet or assign will not be unreasonably withheld. Tenant's request to assign, sublease or grant a security interest must be in writing and must show the name and address of the proposed assignee, sublessee or secured party. If Tenant is a corporation, any transfer of the Lease or improvements on the Leased Premises by way of merger, consolidation, liquidation, change in effective control or change in ownership of 30% or more of the stock of the corporation is an assignment for purposes of this paragraph.

(b) Secured Parties Rights as Against the City in the Event of expiration or Termination of the Lease. Upon either the natural expiration of this Lease or notice of termination being given

due to a default by the Tenant under the terms of this Lease, the holder of a security interest, which has been approved by the City in accordance with Paragraph 22(a), in the leasehold (hereinafter "secured party") shall have the following rights and no others:

- (1) In the event that notice of default is given to Tenant under Paragraph 15, secured party shall be mailed a copy of said notice at the address provided by Tenant for it pursuant to Paragraph 22(a).
- (2) In the event that the Lease is to be terminated due to an uncured default by the Tenant, secured party shall be mailed a copy of the termination notice at the address provided by Tenant for it pursuant to Paragraph 22(a).
- (3) Secured party has no independent right to cure a default by Tenant of its obligations under this Lease. Tenant's right to cure its own default is limited to the provisions of Paragraph 15. Secured party takes a security interest in this Lease subject to the provisions of this Lease, including but not limited to its termination provisions, and enjoys no greater rights under it than does Tenant. If this Lease is terminated or naturally expires pursuant to its terms, secured party's security interest in the Lease is immediately extinguished.

23. Permitted Uses/Reversion Clause. Subject to compliance with the terms of this Lease and City Ordinance 98-05, Tenant may use the Leased Premises solely for driveway, parking, and improvements relating to telecommunications. Uses of the Leased Premises for purposes other than herein stated constitutes a breach of this agreement.

24. Extended Term. Tenant may extend the term of this Lease for a period not to exceed 90 days upon advance written notice to the City given not less than ninety (90) days prior to expiration of this Lease, subject to the following terms and conditions:

(a) Rent During Extended Term. Monthly rent during any extended term shall be equal to the current market rental value of the Leased Premises.

(b) Other Terms. All other terms of this Lease continue into any extended term.

25. Holding Over. In the event that Tenant holds over at or after the end of the term, or any extended term, the tenancy shall be deemed a tenancy by sufferance and Tenant shall be liable for the current fair rental value of the property or the rent set by this Lease, whichever is greater, in addition to all other sums payable by Tenant under this Lease. All covenants required to be observed by Tenant continue into any holdover period.

26. Integration and Modification. This document contains the entire agreement of the parties hereto. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Lease or the performance of either party hereto are merged and integrated into the terms of this document. This Lease may not be modified or amended except by a writing signed by both parties hereto, and any purported amendment or modification is without effect until reduced to a writing signed by both parties hereto.

27. Governing Law/Construction. This Lease shall be construed and governed by the laws of the State of Alaska. This Lease was negotiated between the parties and shall not be strictly construed against either party. In the event that a question, dispute, or requirement for interpretation or construction should arise with respect to this Lease, the jurisdiction and venue therefor shall lie exclusively with the courts for the Fourth Judicial District for the State of Alaska, at Bethel, Alaska, or alternatively, with the United States District Court for the District of Alaska, at Anchorage, Alaska, unless a nonwaivable Federal or Alaska State law should require to the contrary.

28. Covenants and Conditions. Each term and each provision of this Lease shall be construed to be both a covenant and a condition.

29. Time of the Essence. Time is of the essence as to each term and provision of this Lease to be performed by Tenant.

30. Severability. Any provision of this Lease which shall prove to be invalid, void or illegal, shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

31. Hazardous Substances. Tenant shall strictly comply with all applicable laws, ordinances or regulations respecting the handling, containment and cleanup of discharges or releases of oil or hazardous substances, including petroleum fractions. In the event of a discharge or release of oil or a hazardous substance, including petroleum fractions, resulting from or arising out of Tenant's activities on the Leased Premises, Tenant shall (1) promptly and completely, at its own

sole expense, clean up the discharge or release, in strict compliance with applicable laws, ordinances or regulations, and (2) defend, indemnity and save the City harmless from all consequences thereof, including the costs of state or federal remedial or compliance actions, whether informal or formal, all clean up and remediation costs needed to restore the Leased Premises to its previous condition, and reasonable attorney's fees.

32. Eminent Domain. If the whole or any part of the Leased Premises is taken by eminent domain or purchase in lieu of condemnation, then upon the taking of possession by the condemning authority of the Leased Premises or any part thereof the following provisions shall be operative:

(a) Material Taking. If the taking reduces the ground area of the Leased Premises and also materially affects the use being made by the Tenant of the Leased Premises, Tenant may at its option terminate this Lease upon not less than thirty (30) days written notice to the City following the taking of possession. If Tenant opts to terminate the Lease under this subsection, then the City shall be entitled to the full condemnation proceeds except the portion thereof attributable to the value of any buildings or improvements put up by Tenant. If Tenant does not opt to terminate the Lease under this subsection, then the Landlord shall be entitled to the full condemnation proceeds except for that portion attributable to the value of any buildings or improvements put up by Tenant, and rent for the remainder of the term or extension thereof shall be prorated so that the new rent shall be that portion of the pre-condemnation rent which the unimproved value of the untaken portion of the Leased Premises bears to the unimproved value of the entire Leased Premises immediately before the taking.

(b) Immaterial Taking. In all other cases, the Lease shall continue. The City shall be entitled to the entire award of condemnation proceeds except for that portion attributable to the value of any buildings and improvements put up by Tenant. In this case, rent shall be prorated such that the new rent shall be that part of the pre-condemnation rent that the unimproved value of the untaken portion of the Leased Premises bears to the unimproved value of the entire Leased Premises immediately before the taking.

33. Underground Conditions and Water Drainage. Tenant has made, or prior to the construction of any improvements on the Leased Premises will make, its own soil tests of the Leased Premises. This Lease is made subject to and without any liability on the part of the City, its agents or employees because of or resulting from any fill or any subsurface or soil condition on the Leased Premises. Tenant shall not drain or discharge water from the Leased Premises onto adjoining land.

The Leased Premises shall be graded and drained to cause the discharge of all water onto the street adjoining the Leased Premises at a location or locations approved by City, or into an established drainage easement, if any, on the Leased Premises.

34. Screenage of Garbage Storage Area. Tenant shall provide a screened or fenced area for the temporary storage of garbage or trash pending its removal. Erection of screening or fencing is subject to the provisions of Paragraph 10 of this Lease.

35. Formation. In witness whereof, City and Tenant have executed, delivered and formed this Lease, effective the 1st day of July, 1998.

DATED: 6/16/98

TENANT
General Communication Incorporated

By: [Signature]

Its: DIRECTOR, PUBLIC WORKS

DATED: 6-25-98

CITY
City of Bethel

By: [Signature]
Bob Herron

Its: City Manager

STATE OF ALASKA)
) ss.
FOURTH JUDICIAL DISTRICT)

On this 23rd day of June, 1998, before me, a Notary Public in and for the State of Alaska duly commissioned and sworn as such, personally appeared Dan Baytek, the Director of General Communication Incorporated to me known to be the person described in and who executed the above and foregoing lease under such legal authority and with knowledge of its contents; and that such act was performed freely and voluntarily upon the premises and for the purposes stated herein.

WITNESS my hand and official seal the day and year last above written.

Dore Seaman
Notary Public for Alaska

My commission expires: _____

STATE OF ALASKA)
) ss.
FOURTH JUDICIAL DISTRICT)

On this 25th day of June, 1998, before me, a Notary Public in and for the State of Alaska duly commissioned and sworn as such, personally appeared Bob Herron, City Manager of the City of Bethel, to me known to be the person described in and who executed the above and foregoing lease under such legal authority and with knowledge of its contents; and that such act was performed freely and voluntarily upon the premises and for the purposes stated therein.

WITNESS my hand and official seal the day and year last above written.

NOTARY PUBLIC
Elaine J. Tompkins
State of Alaska
My Commission Expires 2/6/2002

Elaine J. Tompkins
Notary Public for Alaska

My commission expires: 2/6/2002

LEASE AGREEMENT

Property owned.

GCI Communication Corp. (GCI), 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503 is engaged in the expansion of telecommunications services within the state of Alaska. Prime, L.P. (Prime) is the owner of the property located at or near Bethel Alaska ("The Premises") more particularly described as:

60 foot x 60 foot Area
South End of Lot 5, Block 9, USS 323OB
Site Diagram Attached

which is a suitable site for GCI's telecommunications equipment.

The purpose of this agreement is to provide GCI with the use of the Premises, which are suitable for the installation and use of telecommunications equipment, and to provide Prime with good and valuable consideration for use of the Premises.

GCI and Prime (the Parties) enter into this lease on this 1st day of August, 1996, subject to the following terms and conditions.

TERMS AND CONDITIONS

1.0 Term of Lease

The term of this lease shall be five years, subject to three five year extensions at the sole option of GCI. The lease may be extended by written notice to Prime no later than thirty days before the expiration of the then current lease term. At the conclusion, of the original term or final extension, if any, the lease shall continue year to year unless either party has given notice of termination. Notice of termination to be given no later than thirty days before the expiration of the then current lease term.

2.0 Lease Payments

GCI shall pay Prime the amount of \$ 400 per month, subject to adjustment, if any, as specified below, payable on the first month by check mailed or hand delivered to Prime. In the event that GCI elects to extend this lease, the rent for each subsequent lease period term shall be determined at the beginning of the period by adjusting the then current rent to reflect the percentage change of the Consumer Price Index from its level at the beginning to its level at the end of the then current lease term.

GCI Lease Agreement

3.0 Non-Interference With Telecommunications Use

Prime agrees to not build or allow to be built any structures on the Premises or on any property surrounding the Premises owned or controlled by Prime, within the area emanating outward from GCI's equipment between the azimuths of 100 degrees and 180 degrees from true north without the consent of GCI. Said consent shall not be unreasonably withheld. The intent of this clause is to prevent development which would adversely impact GCI's ability to "see" the satellite arc required in order to provide service to the community of Bethel .

4.0 Memorandum of Lease

A memorandum of lease may be recorded by GCI on all State and Municipal property records involving the Premises.

5.0 Taxes

Prime shall pay all property taxes except that GCI shall pay for taxes based on their improvements to the Premises.

6.0 Easements

Prime shall provide GCI with reasonable easement for access to the Premises and for all required utility and telephone hook ups.

7.0 Warranties and Hold Harmless

Prime gives and agrees to defend, and hold GCI harmless for any breach of the following warranties;

(a) The execution of this lease has been duly authorized and all necessary corporate proceedings of Prime, and all necessary consents, if any, have been obtained;

(b) No hazardous substances have been placed, released, or disposed of on the Premises.

GCI Lease Agreement

8.0 Hold Harmless

GCI shall defend and hold Prime harmless from any and all claims arising out of GCI's construction of the facilities and operation of the facilities and telecommunications equipment that shall be located on the lease parcel.

9.0 Termination of Lease

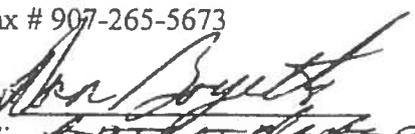
Either party may terminate for material breach of the terms and conditions contained herein. GCI may terminate this agreement upon thirty days notice, when, for whatever reason, the existing conditions render the Premises unusable for telecommunications.

10.0 Contingency

This lease is contingent upon GCI receiving approval from the various governmental bodies for any and all licenses, permits, and authorizations to construct and operate a two-way telecommunications site from the parcel.

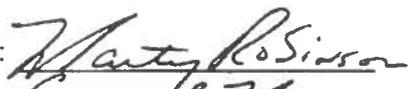
Dated this 1st day of August, 1996.

GCI Communication Corp.
2550 Denali Street
Suite 1000
Anchorage, Alaska 99503
Tel # 907-265-5600
Fax # 907-265-5673

By: 

Its: General Manager

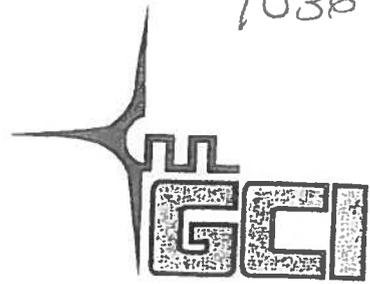
Property Owner:
Prime Cable Fund I, Inc., General Partner
Prime Cable of Alaska, L.P.
5151 Fairbanks
Anchorage, Alaska 99503
Tel # 907-786-9266
Fax # 907-786-9270

By: 

Its: General Manager

Exhibit B – GCI Renewal Letter

1036



November 17, 2003

City of Bethel
P.O. Box 388
Bethel, Alaska 99559
Attention: City Manager

1388

This communication is regard to a lease between the City of Bethel and General Communication, Inc. for the property known as:

Lot 5A, Block 9, USS 3230 B of the official plat of record,
Plat 98-06, Bethel Recording District, State If Alaska

It has come to my attention that the original term of the lease expired July 1, 2003. It is our attention that this lease be renewed for another term in accordance with Section 4 of said lease. I cannot locate any records in our files that lead me to believe that this lease renewal was initiated earlier. It is our desire to continue this lease arrangement. This lease period would be July 2, 2003, through July 1, 2004.

In addition, I understand that a notice should be filed at least 180 days prior to expiration of the current term. Please accept this letter of our notice of intent to renew an additional one-year term beyond the current year. The renewed lease term would be July 1, 2004, through July 1, 2005.

Please contact me at your earliest convenience at 907-868-5580 or via email to clima@gci.com.

Sincerely,

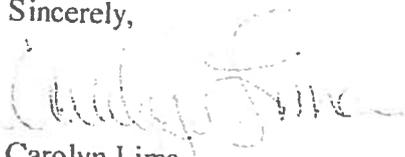

Carolyn Lima
Properties Manager

Exhibit C – Payment Records

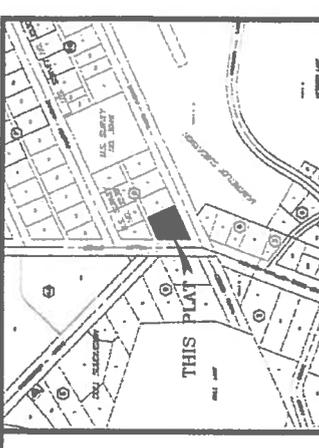
Invoice Date	Supplier Name	Supplier Sit	Invoice Num	Payment M	Invoice Amount	Description	GL Date
21-Oct-15	CITY OF BETHEL	LEASE	GCIRENTNOV15	Check	333.34	Description field: G.C.I.417	21-Oct-15
22-Sep-15	CITY OF BETHEL	LEASE	GCIRENTOCT15	Check	333.34	Description field: G.C.I.417	22-Sep-15
21-Aug-15	CITY OF BETHEL	LEASE	GCIRENTSEP15	Check	333.34	Description field: G.C.I.417	25-Aug-15
22-Jul-15	CITY OF BETHEL	LEASE	GCIRENTAUG15	Check	333.34	Description field: G.C.I.417	24-Jul-15
22-Jun-15	CITY OF BETHEL	LEASE	GCIRENTJUL15	Check	333.34	Description field: G.C.I.417	24-Jun-15
21-May-15	CITY OF BETHEL	LEASE	GCIRENTJUN15	Check	333.34	Description field: G.C.I.417	27-May-15
21-Apr-15	CITY OF BETHEL	LEASE	GCIRENTAPR2015	Check	333.34	Description field: G.C.I.417	22-Apr-15
20-Mar-15	CITY OF BETHEL	LEASE	GCIRENTAPR15	Check	333.34	Description field: G.C.I.417	23-Mar-15
20-Feb-15	CITY OF BETHEL	LEASE	GCIRENTMAR15	Check	333.34	Description field: G.C.I.417	23-Feb-15
21-Jan-15	CITY OF BETHEL	LEASE	GCIRENTFEB15	Check	333.34	Description field: G.C.I.417	21-Jan-15
22-Dec-14	CITY OF BETHEL	LEASE	GCIRENTJAN2015	Check	333.34	Description field: G.C.I.417	23-Dec-14
21-Nov-14	CITY OF BETHEL	LEASE	GCIRENTDEC2014	Check	333.34	Description field: G.C.I.417	24-Nov-14
22-Oct-14	CITY OF BETHEL	LEASE	GCIRENTNOV2014	Check	333.34	Description field: G.C.I.417	24-Oct-14
18-Sep-14	CITY OF BETHEL	LEASE	GCIRENTOCT2014	Check	333.34	Description field: G.C.I.417	22-Sep-14
22-Aug-14	CITY OF BETHEL	LEASE	GCIRENTSEP2014	Check	333.34	Description field: G.C.I.417	25-Aug-14
23-Jul-14	CITY OF BETHEL	LEASE	GCIRENTAUG2014	Check	333.34	Description field: G.C.I.417	25-Jul-14
23-Jun-14	CITY OF BETHEL	LEASE	GCIRENTJUL2014	Check	333.34	Description field: G.C.I.417	24-Jun-14
21-May-14	CITY OF BETHEL	LEASE	GCIRENTJUN14	Check	333.34	Description field: G.C.I.417	22-May-14
21-Apr-14	CITY OF BETHEL	LEASE	GCIRENTMAY2014	Check	333.34	Description field: G.C.I.417	22-Apr-14
21-Mar-14	CITY OF BETHEL	LEASE	GCIRENTAPR2014	Check	333.34	Description field: G.C.I.417	24-Mar-14
19-Feb-14	CITY OF BETHEL	LEASE	GCIRENTMAR2014	Check	333.34	Description field: G.C.I.417	21-Feb-14
22-Jan-14	CITY OF BETHEL	LEASE	RENTFEB2014	Check	333.34	Description field: G.C.I.417	24-Jan-14
23-Dec-13	CITY OF BETHEL	LEASE	RENTJAN2014	Check	333.34	Description field: G.C.I.417	23-Dec-13
22-Nov-13	CITY OF BETHEL	LEASE	RENTDEC2013	Check	333.34	Description field: G.C.I.417	26-Nov-13
23-Oct-13	CITY OF BETHEL	LEASE	RENTNOV2013	Check	333.34	Description field: G.C.I.417	24-Oct-13
23-Sep-13	CITY OF BETHEL	LEASE	RENTOCT2013	Check	333.34	Description field: G.C.I.417	25-Sep-13
23-Aug-13	CITY OF BETHEL	LEASE	RENTSEP2013	Check	333.34	G.C.I 417	27-Aug-13
24-Jul-13	CITY OF BETHEL	LEASE	RENTAUG2013	Check	333.34	G.C.I 417	29-Jul-13
14-Jun-13	CITY OF BETHEL	LEASE	RENTJUL2013	Check	333.34	G.C.I 417	19-Jun-13
22-May-13	CITY OF BETHEL	LEASE	RENTJUN2013	Check	333.34	G.C.I 417	22-May-13
22-Apr-13	CITY OF BETHEL	LEASE	RENTMAY2013	Check	333.34	G.C.I 417	24-Apr-13
22-Mar-13	CITY OF BETHEL	LEASE	RENTAPR2013	Check	333.34	G.C.I 417	25-Mar-13
21-Feb-13	CITY OF BETHEL	LEASE	RENTMAR2013	Check	333.34	G.C.I 417	22-Feb-13
22-Jan-13	CITY OF BETHEL	LEASE	RENTFEB2013	Check	333.34	G.C.I 417	23-Jan-13
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21-May-12	CITY OF BETHEL	LEASE	RENTJUN12	Check	333.34	G.C.I 417	22-May-12
20-Apr-12	CITY OF BETHEL	LEASE	RENTBMAY12	Check	333.34	G.C.I 417	24-Apr-12
21-Mar-12	CITY OF BETHEL	LEASE	RENTBAPR12	Check	333.34	G.C.I 417	22-Mar-12
21-Feb-12	CITY OF BETHEL	LEASE	RENTBMAR12	Check	333.34	G.C.I 417	22-Feb-12
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24-Oct-11	CITY OF BETHEL	LEASE	RENTBNOV11	Check	333.34	G.C.I 417	26-Oct-11
23-Sep-11	CITY OF BETHEL	LEASE	RENTBOCT11	Check	333.34	G.C.I 417	27-Sep-11
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23-May-11	CITY OF BETHEL	LEASE	RENTJUN11	Check	333.34	G.C.I.417	24-May-11
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24-May-10	CITY OF BETHEL	LEASE	RENTJUN10	Check	333.34	G.C.I.417	24-May-10
23-Apr-10	CITY OF BETHEL	LEASE	RENTMAY10	Check	333.34	G.C.I.417	23-Apr-10
22-Mar-10	CITY OF BETHEL	LEASE	RENTAPR10	Check	333.34	G.C.I.417	23-Mar-10
19-Feb-10	CITY OF BETHEL	LEASE	RENTMAR10	Check	333.34	G.C.I.417	22-Feb-10
25-Jan-10	CITY OF BETHEL	LEASE	RENTFEB10	Check	333.34	G.C.I.417	25-Jan-10
17-Dec-09	CITY OF BETHEL	LEASE	RENTJAN10	Check	333.34	G.C.I.417	22-Dec-09
16-Nov-09	CITY OF BETHEL	LEASE	RENT12/09	Check	333.34	G.C.I.417	16-Nov-09
22-Oct-09	CITY OF BETHEL	LEASE	RENTNOV09	Check	333.34	G.C.I.417	23-Oct-09
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23-Jun-09	CITY OF BETHEL	LEASE	RENTJUL09	Check	333.34	GCI417	25-Jun-09
21-May-09	CITY OF BETHEL	LEASE	RENTJUN09	Check	333.34	GCI 417	21-May-09
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25-Feb-09	CITY OF BETHEL	LEASE	RENTMAR09	Check	333.34	GCI 417	26-Feb-09
26-Jan-09	CITY OF BETHEL	LEASE	RENTFEB09	Check	333.34	GCI 417	26-Jan-09
22-Dec-08	CITY OF BETHEL	LEASE	RENTJAN09	Check	333.34	GCI 417	23-Dec-08
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22-Aug-07	CITY OF BETHEL	LEASE	RENT09/07	Check	333.34	G.C.I.417	23-Aug-07
17-Jul-07	CITY OF BETHEL	LEASE	RENT 08/07	Check	333.34	G.C.I.417	19-Jul-07
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20-Mar-07	CITY OF BETHEL	LEASE	RENT 4/2007 A	Check	333.34	G.C.I.417	20-Mar-07
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18-Oct-06	CITY OF BETHEL	LEASE	RENT 11/2006	Check	333.34	G.C.I.417	19-Oct-06
19-Sep-06	CITY OF BETHEL	LEASE	RENT 10/2006	Check	333.34	G.C.I. 147	20-Sep-06
16-Aug-06	CITY OF BETHEL	LEASE	RENT 9/2006	Check	333.34		18-Aug-06
14-Jul-06	CITY OF BETHEL	LEASE	RENT 8/2006	Check	333.34	G.C.I.417	20-Jul-06
16-Jun-06	CITY OF BETHEL	LEASE	RENT 7/2006	Check	333.34	G.C.I.417	20-Jun-06
19-May-06	CITY OF BETHEL	LEASE	RENT 6/2006	Check	333.34	GCI 417	19-May-06
19-Apr-06	CITY OF BETHEL	LEASE	RENT 5/2006	Check	333.34	GCI417	19-Apr-06
15-Mar-06	CITY OF BETHEL	LEASE	RENT 4/2006	Check	333.34	GCI 417	16-Mar-06
17-Feb-06	CITY OF BETHEL	LEASE	RENT 3/2006	Check	333.34	GCI 417	20-Feb-06
20-Jan-06	CITY OF BETHEL	LEASE	RENT 2/2006	Check	333.34	GCI 417	20-Jan-06
19-Dec-05	CITY OF BETHEL	LEASE	RENT 1/2006	Check	333.34	GCI 417	19-Dec-05
16-Nov-05	CITY OF BETHEL	LEASE	RENT 12/2005	Check	333.34	GCI417	17-Nov-05
18-Oct-05	CITY OF BETHEL	LEASE	RENT 11/2005	Check	333.34	GCI 417	18-Oct-05
20-Sep-05	CITY OF BETHEL	LEASE	RENT 10/2005	Check	333.34	GCI417	20-Sep-05
25-Aug-05	CITY OF BETHEL	LEASE	RENT 9/2005	Check	333.34	GCI 417	25-Aug-05
18-Jul-05	CITY OF BETHEL	LEASE	RENT 8/2005	Check	333.34		19-Jul-05
15-Jun-05	CITY OF BETHEL	LEASE	RENT 7/2005	Check	333.34	GCI 417	15-Jun-05
16-May-05	CITY OF BETHEL	LEASE	RENT 6/2005	Check	333.34	G.C.I.417	17-May-05
19-Apr-05	CITY OF BETHEL	LEASE	RENT 5/2005	Check	333.34	GCI 417	19-Apr-05
16-Mar-05	CITY OF BETHEL	LEASE	RENT 4/2005	Check	333.34	GCI 417	17-Mar-05
15-Feb-05	CITY OF BETHEL	LEASE	RENT 3/2005	Check	333.34	GCI 417	16-Feb-05
18-Jan-05	CITY OF BETHEL	LEASE	RENT 2/2005	Check	333.34	GCI417	18-Jan-05
13-Dec-04	CITY OF BETHEL	LEASE	RENT 1/2005	Check	333.34	GCI417	13-Dec-04

16-Nov-04	CITY OF BETHEL	LEASE	RENT 12/2004	Check	333.34	GCI 417	16-Nov-04
19-Oct-04	CITY OF BETHEL	LEASE	RENT 11/2004	Check	333.34	GCI417	20-Oct-04
17-Sep-04	CITY OF BETHEL	LEASE	RENT 10/2004	Check	333.34	GCI 417	17-Sep-04
17-Aug-04	CITY OF BETHEL	LEASE	RENT 9/2004	Check	333.34	GCI417	18-Aug-04
16-Jul-04	CITY OF BETHEL	LEASE	RENT 8/2004	Check	333.34	GCI417	19-Jul-04
17-Jun-04	CITY OF BETHEL	LEASE	RENT 7/2004	Check	333.34	GCI417	17-Jun-04
14-May-04	CITY OF BETHEL	LEASE	RENT 6/2004	Check	333.34	GCI417	14-May-04
15-Apr-04	CITY OF BETHEL	LEASE	RENT 5/2004	Check	333.34	GCI 417	19-Apr-04
16-Mar-04	CITY OF BETHEL	LEASE	RENT 4/2004	Check	333.34	GCI 417	18-Mar-04
19-Feb-04	CITY OF BETHEL	LEASE	RENT 3/2004	Check	333.34	GCI417	19-Feb-04
19-Jan-04	CITY OF BETHEL	LEASE	RENT 2/2004	Check	333.34	GCI 417	20-Jan-04
17-Dec-03	CITY OF BETHEL	LEASE	RENT 1/2004	Check	333.34	GCI 417	18-Dec-03
17-Nov-03	CITY OF BETHEL	LEASE	RENT 12/2003	Check	333.34	GCI 417	17-Nov-03
21-Oct-03	CITY OF BETHEL	LEASE	RENT 11/2003	Check	333.34	GCI417	21-Oct-03
18-Sep-03	CITY OF BETHEL	LEASE	RENT 10/2003	Check	333.34	GCI417	18-Sep-03
19-Aug-03	CITY OF BETHEL	LEASE	RENT 9/2003	Check	333.34	GCI417	19-Aug-03
21-Jul-03	CITY OF BETHEL	LEASE	RENT 8/2003	Check	333.34	GCI417	22-Jul-03
17-Jun-03	CITY OF BETHEL	LEASE	RENT 7/2003	Check	333.34	GCI 417	17-Jun-03
20-May-03	CITY OF BETHEL	LEASE	RENT 6/2003	Check	333.34	GCI 417	20-May-03
16-Apr-03	CITY OF BETHEL	LEASE	RENT 5/2003	Check	333.34	GCI 417	16-Apr-03
18-Mar-03	CITY OF BETHEL	LEASE	RENT 4/2003	Check	333.34	GCI417	20-Mar-03
18-Feb-03	CITY OF BETHEL	LEASE	RENT 3/2003	Check	333.34	GCI 417	18-Feb-03
20-Jan-03	CITY OF BETHEL	LEASE	RENT 2/2003	Check	333.34	GCI 417	20-Jan-03
18-Dec-02	CITY OF BETHEL	LEASE	RENT 1/2003	Check	333.34	G.C.I.417	19-Dec-02
7-Nov-02	CITY OF BETHEL	LEASE	RENT 12/2002	Check	333.34	GCI 417	14-Nov-02
16-Oct-02	CITY OF BETHEL	LEASE	RENT 11/2002	Check	333.34	GCI 417	17-Oct-02
18-Sep-02	CITY OF BETHEL	LEASE	RENT 10/2002	Check	333.34	G.C.I.417	19-Sep-02
19-Aug-02	CITY OF BETHEL	LEASE	RENT 9/2002	Check	333.34	G.C.I.417	22-Aug-02
22-Jul-02	CITY OF BETHEL	LEASE	RENT 8/2002	Check	333.34	GCI 417	23-Jul-02
18-Jun-02	CITY OF BETHEL	LEASE	RENT 7/2002	Check	333.34	GCI417	20-Jun-02
15-May-02	CITY OF BETHEL	LEASE	RENT 6/2002	Check	333.34	GCI 417	21-May-02
11-Apr-02	CITY OF BETHEL	LEASE	RENT 5/2002	Check	333.34	GCI 417	15-Apr-02
19-Mar-02	CITY OF BETHEL	LEASE	RENT 4/2002	Check	333.34	GCI 417	19-Mar-02
18-Feb-02	CITY OF BETHEL	LEASE	RENT 3/2002	Check	333.34	GCI 417	18-Feb-02
22-Jan-02	CITY OF BETHEL	LEASE	INV 01-02	Check	333.34	GCI 417	22-Jan-02
18-Dec-01	CITY OF BETHEL	LEASE	RENT 1/2002	Check	333.34	G.C.I.417	18-Dec-01
26-Nov-01	CITY OF BETHEL	LEASE	RENT 12/2001	Check	333.34		26-Nov-01
17-Oct-01	CITY OF BETHEL	LEASE	RENT 11/2001	Check	333.34	GCI 417	17-Oct-01
18-Sep-01	CITY OF BETHEL	LEASE	RENT 10/2001	Check	333.34	GCI 417	20-Sep-01
21-Aug-01	CITY OF BETHEL	LEASE	RENT 09-2001	Check	333.34		21-Aug-01
18-Jul-01	CITY OF BETHEL	LEASE	RENT 08-2001	Check	333.34	GCI 417	19-Jul-01
18-Jun-01	CITY OF BETHEL	LEASE	RENT 07/2001	Check	333.34	GCI 417	20-Jun-01
23-May-01	CITY OF BETHEL	LEASE	RENT 06-2001	Check	333.34	G.C.I.417	24-May-01
20-Apr-01	CITY OF BETHEL	LEASE	RENT 5/2001	Check	333.34	G.C.I. 417	20-Apr-01
21-Mar-01	CITY OF BETHEL	LEASE	RENT 04/2001A	Check	333.34		22-Mar-01
19-Feb-01	CITY OF BETHEL	LEASE	RENT 03/01	Check	333.34		23-Feb-01
19-Jan-01	CITY OF BETHEL	LEASE	RENT 02/2001	Check	333.34		22-Jan-01
20-Dec-00	CITY OF BETHEL	LEASE	RENT 01/2000	Check	333.34	GCI 1417	21-Dec-00
20-Nov-00	CITY OF BETHEL	LEASE	RENT 12/2000	Check	333.34	GCI 417	24-Nov-00
24-Oct-00	CITY OF BETHEL	LEASE	RENT 11/2000	Check	333.34	GCI 417	26-Oct-00
22-Sep-00	CITY OF BETHEL	LEASE	RENT 10/2000	Check	333.34	GCI 417	26-Sep-00
24-Aug-00	CITY OF BETHEL	LEASE	RENT 09/2000	Check	333.34	GCI 417	28-Aug-00
24-Jul-00	CITY OF BETHEL	LEASE	RENT 08/2000	Check	333.34	RENT INCREASE FOR 07/2000	25-Jul-00
23-Jun-00	CITY OF BETHEL	LEASE	RENT 07/2000	Check	333.34		27-Jun-00
24-May-00	CITY OF BETHEL	LEASE	RENT 05-00	Check	333.34	GCI 417	26-May-00
21-Apr-00	CITY OF BETHEL	LEASE	RENT 05/2000	Check	333.34	GCI 417	25-Apr-00
24-Mar-00	CITY OF BETHEL	LEASE	RENT 04/2000	Check	333.34	G.C.I. 417	27-Mar-00
24-Feb-00	CITY OF BETHEL	LEASE	RENT 02/00A	Check	333.34	GCI 417	28-Feb-00
24-Jan-00	CITY OF BETHEL	LEASE	RENT 02/00	Check	333.34	G.C.I. 417	26-Jan-00
27-Dec-99	CITY OF BETHEL	LEASE	RENT 01/00	Check	333.34	GCI 417	4-Jan-00
26-Nov-99	CITY OF BETHEL	LEASE	RENT 12/99	Check	333.34	G.C.I.417	26-Nov-99
15-Oct-99	CITY OF BETHEL	LEASE	RENT 11/99	Check	333.34	G.C.I.417	18-Oct-99
20-Sep-99	CITY OF BETHEL	LEASE	RENT 10/99	Check	333.34	GCI 417	20-Sep-99
25-Aug-99	CITY OF BETHEL	LEASE	RENT 09/99	Check	333.34	GCI 417	25-Aug-99
19-Jul-99	CITY OF BETHEL	LEASE	RENT 8-99	Check	333.34	G.C.1.417	19-Jul-99
24-Jun-99	CITY OF BETHEL	LEASE	RENT 07/99	Check	333.34	GCI 417	24-Jun-99

25-May-99	CITY OF BETHEL	LEASE	RENT 06/99	Check	333.34	G.C.I.417	25-May-99
27-Apr-99	CITY OF BETHEL	UTILITIES	RENT 05-99	Check	333.34		27-Apr-99

Exhibit D – Property Plat



SCALE: 1" = 400'

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE LAND SHOWN HEREON AND THAT WE HEREBY APPROVE THIS SURVEY AND DEDICATION.

OWNER, LOT 5A
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
 SUBSCRIBED AND SWORN TO before me, this 11th DAY
 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001

OWNER, LOT 5B
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
 SUBSCRIBED AND SWORN TO before me, this 11th DAY
 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001

OWNER, LOT 5A
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
 SUBSCRIBED AND SWORN TO before me, this 11th DAY
 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001

OWNER, LOT 5B
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
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 of October, 1997
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 Notary for the State of Alaska
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 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
 SUBSCRIBED AND SWORN TO before me, this 11th DAY
 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001

OWNER, LOT 5B
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

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 My Commission Expires: September 30, 2001

OWNER, LOT 5B
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

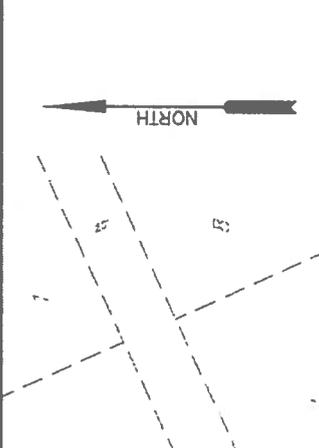
NOTARY'S ACKNOWLEDGEMENT
 SUBSCRIBED AND SWORN TO before me, this 11th DAY
 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001

OWNER, LOT 5A
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
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 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001

OWNER, LOT 5B
 TITLE: U.S. Survey No. 3230
 2550 DENALI STREET, SUITE 100
 ANCHORAGE, ALASKA 99503-2781

NOTARY'S ACKNOWLEDGEMENT
 SUBSCRIBED AND SWORN TO before me, this 11th DAY
 of October, 1997
 by Donald L. Kelly
 Notary for the State of Alaska
 My Commission Expires: September 30, 2001



CITY APPROVAL CERTIFICATE

THE CITY OF BETHEL HEREBY APPROVES THE SUBDIVISION SHOWN ON THIS MAP.

NAME: U.S. Survey No. 3230
 TITLE: U.S. Survey No. 3230
 DATE: 10/11/97
 FOR THE CITY OF BETHEL



TYPICAL ALUMINUM CAP MARKING

LEGEND
 FOUND PLASTIC CAP ON 5/8" HTBAR
 SET 7" ALUMINUM CAP ON 5/8" HTBAR
 REBAR
 ANTENNA
 UTILITY POLE
 TELEVISION POLE
 POST
 XX XX XX MEASURED DIMENSIONS
 (SEE SEE SEE) RECORD DIMENSIONS

NOTES
 1. BOUNDARIES OF LOT 5A HAVE BEEN DETERMINED BY WARRANTY DEED RECORDED JUNE 10, 1982, IN BOOK 32, PAGE 400, BETHEL RECORDING DISTRICT.
 2. IMPROVEMENTS SHOWN ON LOT 5B HAVE BEEN ASSESSED BY STATE ENGINEERING AND ASSOCIATES, INC. (SEE ATTACHED RECORDS). THESE IMPROVEMENTS MAY NOT REFLECT A COMPLETLY UP TO DATE PICTURE AS OF THE DATE OF FILING OF THIS SUBDIVISION.

RECORDED - FILED 20
 BETHEL REC. DIST 3
 98-6
 FILED 11-26-97
 BY NOTARY BETHEL

NOTARY PUBLIC
 BRUNO J. WARREN
 STATE OF ALASKA
 11/19/95
 11/19/95-5200

PLAT OF
 LOTS 5A & 5B, BLOCK 9
 U.S. SURVEY NO. 3230
 A RE SUBDIVISION OF
 LOT 5, BLOCK 9
 U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL, ALASKA
 SUBMITTED WITH
 SEC. 17, T 8 N, R 71 W, SEWARD MERIDIAN, ALASKA
 CONTAINING 20 LOTS 5A, 5B, 5C, 5D, 5E, 5F, 5G, 5H, 5I, 5J, 5K, 5L, 5M, 5N, 5O, 5P, 5Q, 5R, 5S, 5T, 5U, 5V, 5W, 5X, 5Y, 5Z

PREPARED BY
 MCLINTOCK LAND ASSOCIATES, INC.
 11940 BUSINESS BOWLEND, SUITE 200
 TUCUMCARI, NM 87567
 (505) 694-1488

PLAT NO. 30
 U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL, ALASKA
 PREPARED BY
 MCLINTOCK LAND ASSOCIATES, INC.
 11940 BUSINESS BOWLEND, SUITE 200
 TUCUMCARI, NM 87567
 (505) 694-1488

U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL

WILLOW STREET

THIRD AVENUE

BASES OF BEARING

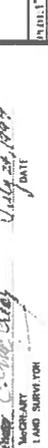
SCALE IN FEET

THIS PLAT NOT SUBJECT TO TAXATION AT THE TIME OF FILING

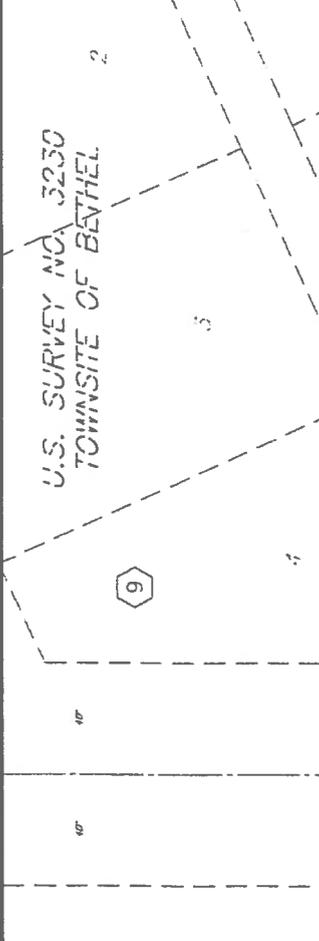
SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION.

WILLIAM C. WARRANT
 REGISTERED LAND SURVEYOR
 LS 2287



U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL



U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL

LOT 5A
 6,222 Sq. Ft.

LOT 5B
 13,969 Sq. Ft.

TWO STORY PHONE BUILDING

WILLOW STREET

THIRD AVENUE

BASES OF BEARING

SCALE IN FEET

THIS PLAT NOT SUBJECT TO TAXATION AT THE TIME OF FILING

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION.

WILLIAM C. WARRANT
 REGISTERED LAND SURVEYOR
 LS 2287



U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL

WILLOW STREET

THIRD AVENUE

BASES OF BEARING

SCALE IN FEET

THIS PLAT NOT SUBJECT TO TAXATION AT THE TIME OF FILING

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA AND THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION.

WILLIAM C. WARRANT
 REGISTERED LAND SURVEYOR
 LS 2287



U.S. SURVEY NO. 3230
 TOWNSITE OF BETHEL

3 AAC is amended by adding a new chapter to read:

Chapter 306. Regulation of Marijuana Industry.

Article	beginning page
1. Licensing, Fees (3 AAC 306.005 - 3AAC 306.100)	1
2. Local Options (3 AAC 306.200 - 3AAC 306.260)	28
3. Retail Marijuana Stores (3 AAC 306.300 - 3AAC 306.360)	34
4. Marijuana Cultivation Facilities (3 AAC 306.400 - 3AAC 306.480)	44
5. Marijuana Product Manufacturing Facilities (3 AAC 306.500 - 3AAC 306.570)	63
6. Marijuana Testing Facilities (3 AAC 306.600 - 3AAC 306.675)	80
7. Operating Requirements for All Marijuana Establishments (3 AAC 306.700 - 3AAC 306.755)	97
8. Enforcement, Civil Penalties (3 AAC 306.800 - 3AAC 306.850)	112
9. General Provisions (3 AAC 306.900 - 3AAC 306.990)	122

Article 1. Licensing, Fees.

Section

- 05. License required
- 10. License restrictions
- 15. License conditions
- 20. Application for new license
- 25. Application procedure
- 30. Petition for license in area with no local government
- 35. Application for renewal of license

- 40. Ownership change to be reported
- 45. Application for transfer of a license to another person
- 50. Relocation of licensed premises not allowed
- 55. Criminal justice information and records
- 60. Protest by local government
- 65. Public participation
- 70. Hearing on public protest
- 75. Procedure for action on license application
- 80. Denial of license application
- 85. Informal conference
- 90. Formal hearing
- 95. Appeals
- 100. Fees, refund

3 AAC 306.005. License required. A marijuana establishment may not operate in the state unless it has obtained the applicable marijuana establishment license from the board. The board will issue the following marijuana establishment licenses under this chapter:

(1) a retail marijuana store license, granting authority for activities allowed under AS 17.38.070(a), and subject to the provisions of 3 AAC 306.300 - 3 AAC 306.360 and 3 AAC 306.700 - 3AAC 306.755;

(2) a marijuana cultivation facility license, as described in 3 AAC 306.405 – 3 AAC 306.415, granting authority for activities allowed under AS 17.38.070(b), and subject to the provisions of 3 AAC 306.400 - 3 AAC 306.480 and 3 AAC 306.700 - 3AAC 306.755;

(3) a marijuana product manufacturing facility license, as described in 3 AAC

306.505 and 3 AAC 306.515, granting authority for activities allowed under AS 17.38.070(c), and subject to the provisions of 3 AAC 306.500 - 3 AAC 306.570 and 3 AAC 306.700 – 3 AAC 306.755; and

(4) a marijuana testing facility license, granting authority for activities allowed under AS 17.38.070(d), and subject to the provisions of 3 AAC 306.600 - 3 AAC 306.675 and 3 AAC 306.700 - 3AAC 306.755. (Eff. ___ / ___ / ____, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.010. License restrictions. (a) The board will not issue a marijuana establishment license if the licensed premises will be located within 500 feet of a school, a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer boundaries of the school, recreation or youth center, or the main public entrance of the building in which religious services are regularly conducted, or the correctional facility. This section does not prohibit the renewal of an existing marijuana establishment license or the transfer of an existing marijuana establishment license to another person if the licensed premises were in use before the school, recreation or youth center, the building in which religious services are regularly conducted, or the correctional facility began use of a site within 500 feet. If an existing marijuana establishment license for premises located within 500 feet of a school, a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility is revoked, or expires, the board will not issue another

marijuana establishment license for the same premises unless the school, the recreation or youth center, the building in which religious services are regularly conducted, or the correctional facility no longer occupies the site within 500 feet.

(b) The board will not issue a marijuana establishment license when a local government protests an application under 3 AAC 306.060 on the grounds that that the applicant's 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.

(c) The board will not issue a marijuana establishment license to a person that

(1) is prohibited under AS 17.38.100(i) from receiving a marijuana establishment license because of a conviction of a felony; if the applicant is a partnership, limited liability company, or corporation, the board will not issue a license if any person named in 3 AAC 306.020(b)(2) is prohibited under AS 17.38.100(i) from obtaining a license; in this paragraph, "conviction of a felony" includes a suspended imposition of sentence;

(2) has been found guilty of

(A) selling alcohol without a license in violation of AS 04.11.010; or

(B) selling alcohol to a minor in violation of AS 04.16.051 or

AS 04.16.052; or

(3) operated a marijuana delivery service, a marijuana club, or a marijuana establishment illegally without a license issued under this chapter, or otherwise violated AS 17.38, during the two years before the date the person files the application, unless the board finds that person has diligently worked with the board to comply with all current laws and regulations relating to marijuana. (Eff. ___/___/___, Register ___)

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.015. License conditions. (a) The board will issue each marijuana establishment license to a specific individual, to a partnership, including a limited partnership, to a limited liability company, to a corporation, or to a local government. A person other than a licensee may not have a direct or indirect financial interest in the business for which a marijuana establishment license is issued.

(b) The board will not issue a marijuana establishment license to

(1) an individual or a sole proprietorship unless the individual or proprietor is a resident of the state;

(2) a partnership unless each partner is a resident of the state;

(3) a limited liability company unless the limited liability company is qualified to do business in the state, and each member of the limited liability company is a resident of the state; or

(4) a corporation unless the corporation is incorporated or qualified to do business in the state, and each shareholder who owns the corporation's shares is a resident of the state.

(c) The board will issue each license for a specific location identified on the license as the licensed premises. A marijuana establishment must have a right to possession of its licensed premises at all times, and may not lease its licensed premises to another person for any reason. If a marijuana establishment wishes to reduce or expand the area of the licensed premises used for a marijuana establishment, the marijuana establishment must submit a new line drawing showing

the proposed changes to the premises, and must obtain the board's written approval. A marijuana establishment may not relocate its licensed premises to a different place. A marijuana establishment that proposes to operate in any new premises must apply for a new marijuana establishment license.

(d) The board will impose other conditions or restrictions on a license issued under this chapter when it finds that it is in the interests of the public to do so.

(e) In this section,

(1) "direct or indirect financial interest" means

(A) a legal or equitable interest in the operation of a business licensed under this chapter;

(B) does not include a person's right to receive

(i) rental charges on a graduated or percentage lease-rent agreement for real estate leased to a licensee; or

(ii) a consulting fee from a licensee for services that are allowed under this chapter;

(2) "resident of the state" means a person who meets the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which that person applies for a marijuana establishment license under this chapter. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.020. Application for new license. (a) An applicant for a new marijuana establishment license must file an application as provided in 3 AAC 306.025, on a form the

board prescribes, with the information and documents described in this section, along with the application fee and the annual license fee set out in 3 AAC 306.100, and the fingerprint cards and fees required by 3 AAC 306.055(a). The application must be initiated electronically; the completed application and fees may be filed electronically, or mailed or delivered to the director at the office of the board.

(b) An application for a new marijuana establishment license must include

(1) the name of the applicant and any business name the applicant will use for the proposed marijuana establishment, along with the applicant's state business license number issued under AS 43.70 and the federal employer identification number (EIN) for the proposed marijuana establishment;

(2) the name, mailing address, telephone number, and social security number of each proposed licensee and each affiliate of each proposed licensee; unless the context indicates otherwise, "licensee" means each individual named in an application that complies with this section; an individual to be identified as a "licensee" under this section includes

(A) if the applicant is an individual or a sole proprietor, the individual or sole proprietor;

(B) if the applicant is a partnership, including a limited partnership, each partner holding any interest in the partnership;

(C) if the applicant is a limited liability company, the limited liability company's registered agent, and each member holding any ownership interest; and

(D) if the applicant is a corporation, each owner of any of the corporation's stock

(E) if the applicant is a local government, an authorized official of the

local government.

(3) for each applicant that is not an individual, the applicable document and information as follows:

(A) for a partnership, including a limited partnership, the partnership agreement, the name of each general or managing partner, and a list of all partners with percentage of ownership of each partner;

(B) for a limited liability company, the limited liability company agreement, and a list of all members with the percentage of ownership of each member;

(C) for a corporation, the certificate of incorporation, the name of each corporate officer, and a list of all shareholders with percentage of ownership of each shareholder;

(D) for a local government, a resolution of the governing body approving the application and designating an official responsible for the proposed marijuana establishment.

(4) for each person listed in compliance with paragraph (2) of this subsection, a statement of financial interest on a form the board prescribes;

(5) for each applicant that is not an individual, the name of the individual licensee or designated government official listed in the application under paragraph (2) of this subsection who is responsible for

(A) management of the marijuana establishment; and

(B) compliance with all applicable laws;

(6) an electronic mail address at which the applicant agrees to receive any correspondence from the board before and after it receives a license; an applicant and a licensee must ensure that any electronic mail address provided to the board is current so that the board

can contact the applicant or licensee at any time;

(7) the type of license the applicant is requesting;

(8) the address of the premises where the applicant intends to operate a marijuana establishment; and a detailed diagram of the proposed licensed premises; the diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas;

(9) the title, lease, or other documentation showing the applicant's right to possession of the proposed licensed premises;

(10) an affidavit showing where and when the applicant posted notice of the application; and proof of advertising as required in 3 AAC 306.025(b); and

(11) additional information required by the board as follows:

(A) for a retail marijuana store, the information required under 3 AAC 306.315;

(B) for a marijuana cultivation facility, the information required under 3 AAC 306.420;

(C) for a marijuana product manufacturing facility, the information required under 3 AAC 306.520; and

(D) for a marijuana testing facility, the information required under 3 AAC 306.615.

(c) A marijuana establishment license application must include the applicant's operating plan, in a format the board prescribes, describing, to the board's satisfaction, the proposed marijuana establishment's plans for

(1) security;

(2) inventory tracking of all marijuana and marijuana product on the premises;

- (3) employee qualification and training;
 - (4) waste disposal;
 - (5) transportation and delivery of marijuana and marijuana products; and
 - (6) signage and advertising.
- (d) An application for a marijuana establishment license must be signed by
- (1) the applicant, if the applicant is an individual;
 - (2) an authorized general partner if the applicant is a partnership, including a limited partnership;
 - (3) the registered agent or a member who owns at least 10 percent of the limited liability company if the applicant is a limited liability company;
 - (4) the authorized officers of the corporation if the applicant is a corporation; or
 - (5) a designated official if the applicant is a local government.
- (e) Each person signing an application for a marijuana establishment license must declare under penalty of unsworn falsification that
- (1) the application is true, correct, and complete;
 - (2) the applicant has read and is familiar with AS 17.38 and this chapter; and
 - (3) the applicant will provide all information the board requires in support of the application. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

Editor's note: Forms and instructions for filing an application for a marijuana establishment license can be obtained online at the Marijuana Control Board's website or at the board's office. The board's Internet address is www.commerce.alaska.gov/web/abc/ and its office is at 550 West 7th Ave. Suite 1600, Anchorage, AK 99501. The board's telephone

number is (907)269-0350.

3 AAC 306.025. Application procedure. (a) An applicant shall initiate a new marijuana establishment license application on a form the board prescribes, using the board's electronic system.

(b) As soon as practical after initiating a new marijuana license application, the applicant shall give notice of the application to the public by

(1) posting a copy of the application, on the form the board prescribes, for 10 days at

(A) the location of the proposed licensed premises; and

(B) one other conspicuous location in the area of the proposed premises;

and

(2) publishing an announcement once a week for three consecutive weeks in a newspaper of general circulation in the area; in an area where no newspaper circulates, by announcements on a radio station serving the local area where the proposed licensee seeks to operate twice a week for three successive weeks during triple A advertising time; the newspaper or radio notice must state

(A) the name of the applicant;

(B) the name and location of the proposed premises;

(C) the type of license applied for along with a citation to a provision of this chapter authorizing that type of license; and

(D) a statement that any comment or objection may be submitted to the board; and

(3) submitting a copy of the application on the form the board prescribes to

(A) the local government; and

(B) any community council in the area of the proposed licensed premises.

(c) After the applicant completes the notice requirements in (b) of this section and submits each remaining application requirement listed in 3 AAC 306.020, the applicant shall pay the application and licensing fees set out in 3 AAC 306.100. The applicant must then use the board's electronic system to inform the board that the applicant has submitted a complete application.

(d) When the director receives an application for a marijuana establishment license, the director shall determine if the application is complete. Any application for a marijuana establishment license that the director receives without the application fee is incomplete. If the director determines the application is complete, the director shall immediately give written notice to

(1) the applicant;

(2) the local government in the area in which the applicant's proposed licensed premises are located;

(3) the community council if the proposed licensed premises are located within the boundary of a community council established by municipal charter or ordinance; and

(4) any nonprofit community organization that has requested notification in writing.

(e) If an application for a marijuana establishment license is incomplete, the director shall notify the applicant, and will either

(1) return an incomplete application in its entirety; or

(2) request the applicant to provide additional, identified items needed to

complete the application.

(f) When the director informs an applicant that its application is incomplete as provided in (e) of this section, the applicant must complete the application not later than 90 days after the date of the director's notice. If an applicant fails to complete its application during the 90 day period after the director's notice, the applicant shall file a new application and pay a new application fee to obtain a marijuana establishment license. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900
 AS 17.38.084

3 AAC 306.030. Petition for license in area with no local government. (a) The board will not approve a new license in an area outside, but within 50 miles of, the boundary of a local government unless the board receives a petition to issue the license signed by a majority of the permanent residents residing within one mile of the proposed premises.

(b) The board will not approve a new license in an area that is 50 miles or more from the boundary of a local government unless the board receives a petition to issue the license containing the signatures of two-thirds of the permanent residents residing within a radius of five miles of the United States post office station nearest to the proposed licensed premises. If there is no United States post office station within a radius of five miles of the proposed licensed premises, the petition must be signed by two-thirds of the permanent residents residing within a five mile radius of the proposed licensed premises.

(c) A petition authorized by this section must be on a form the board prescribes. The applicant must obtain the required signatures within the 90 day period immediately before submitting the petition to the board. A signature may not be added to or removed from the

petition after the board has approved the application.

(d) In this section, "permanent resident" means a person 21 years of age or older who has established a permanent place of abode. A person may be a permanent resident of only one place. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.035. Application for renewal of license. (a) On or before May 1 of each year, the director shall send notice that a marijuana establishment must file a renewal application not later than June 30 of the current year. The director shall send the notice to the marijuana establishment's electronic mailing address on file with the board. The notice will include a hyperlink for the marijuana establishment to access the electronic renewal application by means of the internet, along with instructions on using and submitting the form. The marijuana establishment must submit the completed renewal application electronically, along with the license renewal fee, to the director no later than June 30 of each year; if June 30 falls on a Saturday or Sunday, the deadline is extended to 4:30 p.m. on the first business day following June 30. A marijuana establishment must maintain a current electronic mailing address on file with the director. A marijuana establishment is not excused from filing a renewal application as required in this section even if the marijuana establishment fails to receive a renewal notice from the director.

(b) A marijuana establishment's renewal application must

(1) identify the license sought to be renewed by license number, license type, establishment name, and premises address;

(2) provide the information required for a new license application under 3 AAC 306.020(b)(1)-(9);

(3) report any change from the marijuana establishment's new license application or last renewal application, and pay the fee as provided in 3 AAC 306.100 for board review of any change in

(A) the name of the marijuana establishment business;

(B) the licensed premises from the last diagram submitted; and

(C) the marijuana establishment's operating plan;

(D) any new product a licensed marijuana product manufacturing facility wishes to produce;

(4) report, for each licensee listed in 3 AAC 306.020(b)(2),

(A) any criminal charge on which that licensee has been convicted in the previous two calendar years; and

(B) any civil violation of AS 04, AS 17.38, or this chapter in the previous two calendar years; and

(5) declare under penalty of unsworn falsification that

(A) the application is true, correct and complete;

(B) the applicant has read and is familiar with AS 17.38 and this chapter;

and

(C) the applicant will provide all information the board requires in support of the renewal application.

(c) If the director determines that the renewal application is complete, the director shall immediately give written notice of a renewal application to

- (1) the applicant;
- (2) the local government in the area in which the applicant's proposed licensed premises are located;
- (3) the community council if the proposed licensed premises are located within the boundary of a community council established by municipal charter or ordinance; and
- (4) any nonprofit community organization that has requested notification in writing.

(d) The director may require an applicant for renewal of a license under this chapter to submit fingerprints and pay fees as required by 3 AAC 306.055(a).

(e) A licensee that does not deliver a renewal application to the director on or before June 30 of each year is delinquent, and must pay a non-refundable \$1,000 late renewal application fee with the renewal application.

(f) On or before August 15 of each year, the director shall deliver a notice of expiration to each marijuana establishment that has not filed a complete application for renewal of a license, along with any applicable affidavit and the required fee, unless the marijuana establishment has notified the director that it does not intend to seek a renewal of its license. The director shall deliver the notice of expiration to the electronic mail address the marijuana establishment has provided to the director. A marijuana establishment is not excused from filing a license renewal application not later than August 31 of each year even if the marijuana establishment does not receive the notice of expiration described in this section.

(g) If a marijuana establishment fails to deliver a complete license renewal application, or fails to pay the required renewal fee and the late renewal application fee on or before August 31 of each year, that marijuana establishment license expires at 12:00 midnight on August 31 of

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

that year. A holder of an expired license shall immediately return the license to the board. Any holder of an expired license that seeks authority to operate must file a complete new application under 3 AAC 306.020, and 3 AAC 306.025, along with the required fees. The board will not issue a new license for the same premises to the holder of an expired license unless the expired license holder's new application contains proof satisfactory to the board of good cause for the failure to file a license renewal application. (Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.040. Ownership change to be reported. (a) A licensed marijuana establishment shall, not later than 10 days after an ownership change as described in this section, report the change on a form prescribed by the board. In this section, an ownership change means

- (1) if the licensee is a partnership, including a limited partnership, any change in the identity of the partners, or in the ownership percentages held by any partners;
- (2) if the licensee is a limited liability company, any change in the identity of the members, or in the ownership percentage held by any member; or
- (3) if the licensee is a corporation, any sale of corporate stock to a person not currently an owner, or any change of the percentage ownership of an existing shareholder.

(b) If any change required to be reported under this section will result in a change in controlling interest of the marijuana establishment license, the marijuana establishment must file an application for transfer of license to another person under 3 AAC 306.045. (Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

AS 17.38.084

3 AAC 306.045. Application for transfer of a license to another person. (a) A person may not receive or transfer a marijuana establishment license or a controlling interest in a marijuana establishment license issued to a partnership, including a limited partnership, a limited liability company, a corporation or a local government, without applying for and receiving the written consent of the board. Transfer of a license includes a sale of all or part of the interest of an individual owner.

(b) An application for transfer of a marijuana establishment license, or of a controlling interest in a marijuana establishment license issued to a partnership, a limited liability company, a corporation or a local government, must be filed in writing on a form the board prescribes, in compliance with the application procedure set out in 3 AAC 306.025. The application must name the current holder of the marijuana establishment license and the proposed transferee, including all persons listed in 3 AAC 306.020 if the transferee is a partnership, limited liability company, a corporation, or a local government. The application must contain the following information:

(1) the same information about each transferee as is required of an applicant for a new license under 3 AAC 306.020;

(2) a statement, under oath, executed by the current holder of the marijuana establishment license, listing all debts of the business, all taxes the business owes, current contact information for each creditor, and an affirmation that the current holder of the marijuana establishment license has submitted a copy of the transfer application to all creditors; and

(3) any other information required by the board for the type of marijuana

establishment license sought to be transferred.

(c) When the board receives a complete application for transfer of a license to another person, the director shall immediately send written notice of the proposed transfer to

- (1) each listed creditor of the current holder of the marijuana establishment license, along with the amount shown as owed to that creditor;
- (2) the local government in the area in which the licensed premises are located;
- (3) the community council if the licensed premises are located within the boundary of a community council established by municipal charter or ordinance; and
- (4) any nonprofit community organization that has requested notification in writing.

(d) A current holder of a marijuana establishment license must submit a license renewal application before or at the same time as an application for a transfer of a marijuana establishment license that is submitted after April 30 and before July 1. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.050. Relocation of licensed premises not allowed. A marijuana establishment license may not be relocated to any other premises. A holder of a marijuana establishment license that wishes to operate a marijuana establishment at a different location must submit a new application for any new premises, and must surrender an existing license for any premises where the marijuana establishment does not intend to continue its operation. (Eff. ___/___/___, Register ___)

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.055. Criminal justice information and records. (a) When filing an application for a new marijuana establishment license or transfer of a license, the applicant, including each individual listed in 3 AAC 306.020(b)(2), must submit the person's fingerprints and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information and a national criminal history record check.

(b) The director shall submit the fingerprints to the Department of Public Safety to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400. The board will use the information obtained under this section to determine if an applicant is qualified for a marijuana establishment license.

(c) In this section, "criminal justice information" has the meaning given in AS 12.62.900.
(Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.060. Protest by local government. (a) Not later than 60 days after the director sends notice of an application for a new marijuana establishment license, renewal of a marijuana establishment license, or transfer of a marijuana establishment license to another person, a local government may protest the application by sending the director and the applicant a written protest and the reasons for the protest. The director may not accept a protest received after the 60-day period. If a local government protests an application for a new or renewal

license or for a transfer of a license to another person, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

(b) A local government may recommend that the board approve an application for a new license, renewal of a license, or transfer of a license to another person subject to a condition. The board will impose a condition a local government recommends unless the board finds the recommended condition is arbitrary, capricious, and unreasonable. If the board imposes a condition a local government recommends, the local government shall assume responsibility for monitoring compliance with the condition unless the board provides otherwise.

(c) If a local government determines that a marijuana establishment has violated a provision of AS 17.38, this chapter, or a condition the board has imposed on the licensee, the local government may notify the board. Unless the director finds that the local government's notice is arbitrary, capricious, and unreasonable, the director will prepare the determination as an accusation against the licensee under AS 44.62.360 and conduct proceedings to resolve the matter as provided under 3 AAC 306.820. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.065. Public participation. A person may object to an application for a new license, renewal of a license, or transfer of a license to another person by submitting a written statement of reasons for the objection to the board and the applicant not later than 30 days after notice of the application, but no later than the deadline for objections stated in a posted or published notice of the application. The objection must be sent to the applicant at the mailing address or electronic mail address provided in the notice of application. If the board determines

to conduct a public hearing under this section, an interested person may give oral testimony at the public hearing. (Eff. ___/___/___, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.070. Hearing on public protest. The board may, on its own initiative or in response to an objection or protest, hold a hearing to ascertain the reaction of the public or a local government to an application. The director will send notice of a hearing not later than 20 days before the hearing date to each person that has filed an objection, to each local government that has filed a protest, to each community council in the area of the proposed premises, and to any nonprofit community organization that has requested notice. Any interested person may be heard at a hearing under this subsection. Unless the applicant and the board waive this requirement, the board will hold the hearing in the area where the proposed licensed premises are located, or will arrange for telephonic appearances. (Eff. ___/___/___, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.075. Procedure for action on license application. (a) The board will decide whether to grant or deny an application not later than 90 days after receiving the complete application. However, the board will not grant or deny the application before

- (1) the time allowed for a protest under 3 AAC 306.060, unless the local government waives its right to protest; or
- (2) the time allowed for an objection under 3 AAC 306.065 has elapsed.

(b) Not later than 7 days before the date set for board action on an application for a new license, renewal of a license, or transfer of a license to another person, the director will post a meeting agenda listing the matters scheduled for action at that meeting. The board may review an application for a new license, renewal of a license, or transfer of a license to another person, without additional notice to the applicant.

(c) The board will consider any written objection, protest, suggested condition, or petition, and any testimony received at a hearing on public protest held under 3 AAC 306.070 when it considers the application. The director will retain the written objection, protest, or suggested condition or petition, and the hearing record as part of the permanent record of the board's review of an application. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900
 AS 17.38.084

3 AAC 306.080. Denial of license application. (a) After review of the application, including the applicant's proposed operating plan and all relevant information, the board will deny an application for a new license if the board finds that

- (1) the application is not complete as required under the applicable provisions of 3 AAC 306.020 - 3 AAC 306.055, or contains any false statement of material fact; or
- (2) the license would violate any restriction in 3 AAC 306.010; or
- (3) the license would violate any restriction applicable to the particular license type authorized under this chapter;
- (4) the license is prohibited under this chapter as a result of an ordinance or election conducted under AS 17.38.110, 3 AAC 306.200, or 3 AAC 306.230;

(5) the board finds that the operating plan does not adequately demonstrate that the applicant will comply with applicable provisions of this chapter; or

(6) the license would not be in the interest of the public.

(b) After review of the application and all relevant information, the board will deny an application for renewal of a marijuana establishment license if the board finds

(1) any cause listed in (a) of this section;

(2) that the license has been revoked for any cause;

(3) that the license has been operated in violation of a condition or restriction the board previously imposed; or

(4) that the applicant is delinquent in the payment of taxes due in whole or in part from operation of the licensed business.

(c) After review of the application and all relevant information, the board will deny an application for transfer of license to another person if the board finds

(1) any cause listed in (a) of this section;

(2) that the transferor has not paid all debts or taxes arising from the operation of the business licensed under this chapter unless the transferor gives security for the payment of the debts or taxes satisfactory to the creditor or taxing authority;

(3) that transfer of the license to another person would result in violation of the provisions of this chapter relating to identity of licensees and financing of licensees; or

(4) that the prospective transferee does not have the qualifications of an original applicant required under this chapter.

(d) If the board denies an application for a new license, renewal of a license, or transfer of a license to another person, the board will, not later than 15 days after the board meeting at

which the application was denied, furnish a written statement of issues to the applicant, explaining the reason for the denial in clear and concise language, and identifying any statute or regulation on which the denial is based. The notice of denial will inform the applicant of the right to an informal conference under 3 AAC 306.085, and to a formal hearing under 3 AAC 306.090. (Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.085. Informal conference. (a) An applicant for a new license, renewal of a license, or transfer of a license to another person that is aggrieved by an action of the board denying the application may, no later than 15 days after the date of the written notice of denial, request an informal conference with the director or the board. An informal conference requested under this section must be held at a time and place convenient to the applicant and the board, but not later than the next scheduled meeting of the board. An informal conference may be conducted telephonically.

(b) If the informal conference does not resolve the matter to the applicant's satisfaction, the applicant may, within 15 days after the last day of the informal conference, request a formal hearing under 3 AAC 306.090 by filing a notice of defense in compliance with AS 44.62.380(b). (Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.090. Formal hearing. An applicant for a new license, renewal of a license,

or transfer of a license that is aggrieved by an action of the board denying the application may request a formal hearing by filing a notice of defense in compliance with AS 44.62.380 within 15 days after the date of the written notice of the denial, or as provided in 3 AAC 306.085(b) if the applicant requested and participated in an informal conference. Failure to file a notice of defense as provided in this section constitutes a waiver of the right to a formal hearing.

(b) When an aggrieved person requests a hearing under the section, the Office of Administrative Hearings will conduct the hearing in compliance with due process, the Alaska Administrative Procedure Act, AS 44.62.330 – AS 44.62.630, and the applicable regulations adopted by the Office of Administrative Hearings at 2 AAC 64.100 - 2 AAC 64.990. (Eff.

___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.095. Appeals. (a) An aggrieved applicant or marijuana establishment license holder may appeal to the board regarding any action of the director, or an employee or agent of the board regarding an application for a new license, a license renewal, or a transfer of license to another person.

(b) An applicant or marijuana establishment license holder aggrieved by a final decision of the board regarding an application for a new license, a license renewal, or a transfer of license to another person may appeal to the superior court under AS 44.62.560. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

AS 17.38.084

3 AAC 306.100. Fees, refund. (a) The non-refundable application fee for a new marijuana establishment license or an application to transfer a license to another person is \$1000.

(b) The non-refundable application fee for a license renewal application is \$600; if a renewal application is late as provided under 3 AAC 306.035(e), an additional late renewal application fee is \$1000.

(c) The nonrefundable fee to request board approval of a change in a licensed marijuana establishment's business name, licensed premises diagram, operating plan, or proposed new marijuana product is \$250; a change fee does not apply to an application for transfer of a license to another person.

(d) The annual license fee, to be paid with each application for a new marijuana establishment facility license and each license renewal application is

- (1) for a marijuana retailer license, \$5000;
- (2) for a limited marijuana cultivation facility license, \$1000;
- (3) for a marijuana cultivation facility license, \$5000;
- (4) for a marijuana cultivator's broker license, \$5000;
- (5) for a marijuana extract only manufacturing facility license, \$1000;
- (6) for a marijuana product manufacturing facility license, \$5000;
- (7) for a marijuana testing facility license, \$1000.

(e) The fee for a marijuana handler permit card is \$50.

(f) If the board denies an application for a license or for renewal of a license, the board will refund the annual license fee. The board will not refund a license fee after the license has been issued.

(g) Processing fees for late renewal after failure to pay taxes are as follows:

(1) if a licensee pays its delinquent tax after a local government protests renewal of the license, but before the board denies license renewal, \$200;

(2) if a licensee pays its delinquent tax after appealing the board's denial of a license renewal, but before a hearing officer is appointed to hear the applicant's appeal, \$500;

(3) if a licensee pays its delinquent tax after appealing the board's denial of a license renewal, but before the administrative hearing begins, \$5000; and

(4) if a licensee pays its delinquent tax after an administrative hearing that results in a hearing officer recommendation to deny the license renewal, \$10,000. (Eff. ___ / ___ / ___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

Article 2. Local Options.

Section

200. Local options

210. Change of local option

220. Removal of local option

230. Procedure for local option election

240. Prohibition of importation or purchase after election

250. Effect on licenses of restriction on sale

260. Notice of the results of a local option election

3 AAC 306.200. Local options. (a) If a majority of the persons voting on the question

vote to approve the option, or if a local government's assembly or city council passes an ordinance to the same effect, the local government shall adopt a local option to prohibit

- (1) the sale of marijuana and any marijuana product;
- (2) the operation of any marijuana establishment, including one or more of the

following license types:

- (A) a retail marijuana store;
- (B) a marijuana cultivation facility;
- (C) a marijuana product manufacturing facility; or
- (D) a marijuana testing facility;

- (3) the sale or importation for sale of marijuana and any marijuana product.

(b) A ballot question to adopt a local option under this section must at least contain language substantially similar to: "Shall (name of local government) adopt a local option to prohibit (local option under (a) of this section)? (yes or no)."

(c) The ballot for an election on the options set out in (a)(2) of this section must include a brief explanation of the activity that each license type on the ballot may carry out.

(d) If a local government dissolves under AS 29.06.450, any marijuana establishment license issued to that local government expires when the local government dissolves.

(e) A local government may not prohibit the personal use and possession of marijuana and marijuana products as authorized under AS 17.38.020.

(f) Nothing in 3 AAC 306.200 – 3 AAC 306.260 precludes a local government from applying for a marijuana establishment license under other provisions of this chapter. (Eff.

___/___/___, Register ___)

Authority: AS 17.38.020 AS 17.38.100 AS 17.38.900

AS 17.38.090

AS 17.38.110

3 AAC 306.210. Change of local option. If a majority of persons voting on the question vote to approve a local option different from one previously adopted under this section and currently in effect, or if the local government's assembly or city council passes an ordinance to the same effect, the local government shall change the local option to the newly approved option. A ballot question to change a local option under this section must at least contain language substantially similar to: "Shall (name of local government) change the local option currently in effect, that prohibits (current local option), and adopt in its place a local option to prohibit (proposed local option)? (yes or no)." (Eff. ___/___/___, Register ___)

Authority: AS 17.38.020

AS 17.38.100

AS 17.38.900

AS 17.38.090

AS 17.38.110

3 AAC 306.220. Removal of local option. (a) If a majority of the persons voting on the question vote to remove a local option previously adopted under this section and currently in effect, or if a local government's assembly or city council passes an ordinance to the same effect, that local option is repealed effective the first day of the month after the election is certified. A ballot question to remove a local option under this section must at least contain language substantially similar to: "Shall (name of local government) remove the local option currently in effect, that prohibits (current local option), so that no local option continues in effect? (yes or no)."

(b) When issuing a license within the boundaries of a local government that has removed a local option, the board will give priority to any formerly licensed applicant whose license was not renewed because of the results of the previous local option election. However, an applicant described in this subsection does not have a legal right to a license and the board is not required

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

to approve the application. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.020 AS 17.38.100 AS 17.38.900
AS 17.38.090 AS 17.38.110

3 AAC 306.230. Procedure for local option election. (a) When a local government receives a petition to adopt, change, or remove a local option, and the petition is signed by a number of registered voters equal to 25 percent or more of the number of votes cast at the last regular municipal election, the local government shall place the issue that is the subject of the petition on a separate ballot at the next regular election, or hold a special election. The local government shall conduct the election in compliance with its election ordinance.

(b) In a general law local government, AS 29.26.110 – AS 29.26.160 apply to a petition under (a) of this section except that

(1) an application filed under AS 29.26.110 must at least contain language substantially similar to the questions set out under 3 AAC 306.200(b), 3 AAC 306.210, or 3 AAC 306.220(a) rather than language of an ordinance or resolution;

(2) a petition must at least contain language substantially similar to the questions set out under 3 AAC 306.200(b), 3 AAC 306.210, or 3 AAC 306.220(a) rather than material required under AS 29.26.120(a)(1) and (2).

(c) Notwithstanding any other provisions of law, a local government may not conduct an election to change to a less restrictive option under 3 AAC 306.210, or to remove a local option under 3 AAC 306.220, or pass an ordinance to the same effect, during the first 24 months after the local option was adopted or more than once in a 36-month period, except that if an original prohibition was passed by ordinance, an election as set forth in this article to change the ordinance may be conducted within the 36 month period following the passage of the ordinance.

(d) Notwithstanding AS 29.26.140(a), after a petition has been certified as sufficient to meet the requirements of (a) or (b) of this section, no other petition may be filed or certified until after the question presented in the first petition has been voted on or the local government has passed an ordinance to the same effect. Only one local option question may be presented in an election. (Eff. ___ / ___ / ___, Register ____)

Authority: AS 17.38.020 AS 17.38.100 AS 17.38.900
AS 17.38.090 AS 17.38.110

3 AAC 306.240. Prohibition of importation or purchase after election. (a) If a majority of the voters vote to prohibit the importation for sale of marijuana and any marijuana product under 3 AAC 306.200(a)(3), or if the local government's assembly or city council passes an ordinance to the same effect, a person, beginning on the first day of the month after the results of the election are certified, may not knowingly bring, send, or transport marijuana or marijuana products for sale into the area within the boundary of the local government.

(b) A person who resides within the boundary of a local government that has adopted a local option under 3 AAC 306.200(a) may not purchase marijuana or a marijuana product from another person that has brought, sent, or transported marijuana or a marijuana product into the local government for sale in violation of the local option.

(c) Notwithstanding (a) or (b) of this section, a licensed marijuana establishment may transport marijuana or any marijuana product through the boundaries of a local government that has prohibited importation or purchase of marijuana if the marijuana or marijuana product is shipped with an attached transport manifest created in compliance with 3 AAC 306.750 and documenting that the shipment originates and terminates in a place that does not prohibit importation and purchase of marijuana or a marijuana product.

(d) In this section,

(1) "bring" means to carry or convey or to attempt or solicit to carry or convey;

(2) "send" means to cause to be taken or distributed or to attempt or solicit or cause to be taken or distributed, and includes use of the United States Postal Service;

(3) "transport" means to ship by any method, and includes delivering or transferring or attempting or soliciting to deliver or transfer marijuana or marijuana products to be shipped to, delivered to, or left or held for pickup by any person. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.020 AS 17.38.100 AS 17.38.900
AS 17.38.090 AS 17.38.110

3 AAC 306.250. Effect on licenses of restriction on sale. If a majority of the voters vote under 3 AAC 306.200(a) to prohibit sale of marijuana and marijuana products or the operation of marijuana establishments, or if the assembly or city council passes an ordinance to the same effect, the board may not issue, renew, or transfer to another person, a license for a marijuana establishment with premises located within the boundary of the local government or in the unincorporated area within ten miles of the boundaries of the local government. A license for a marijuana establishment within the boundary of the local government or in the unincorporated area within ten miles of the boundary of the local government is void 90 days after the results of the election are certified. A license that expires during the 90 days after the certification of a local option election may be extended until it is void under this section, by payment of a prorated portion of the annual license fee. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.020 AS 17.38.100 AS 17.38.900
AS 17.38.090 AS 17.38.110

3 AAC 306.260. Notice of the results of a local option election. (a) If a majority of the voters vote to adopt, change, or remove a local option under 3 AAC 306.200 - 3 AAC 306.220 or if the assembly or city council passes an ordinance to the same effect:

(1) the clerk of the local government shall notify the board of the results of the election or of the passage of the ordinance immediately after the results of the election are certified or the ordinance is formally adopted;

(2) the local government shall post public notice of the prohibition in a central location within the boundary of the local government before the date the prohibition becomes effective; and

(3) the board shall immediately notify the Department of Law and the Department of Public Safety of the results of the election. (Eff. ___/___/____, Register ___)

Authority: AS 17.38.020 AS 17.38.100 AS 17.38.900
AS 17.38.090 AS 17.38.110

Article 3. Retail Marijuana Stores.

Section

- 300. Retail marijuana store license required
- 305. Retail marijuana store privileges
- 310. Acts prohibited at retail marijuana store
- 315. Application for retail marijuana store license
- 320. Marijuana handler permit required
- 325. Access restricted at marijuana retail store
- 330. Marijuana inventory tracking system

- 335. Health and safety requirements
- 340. Testing required for marijuana and marijuana products
- 345. Packaging and labeling
- 350. Identification requirement to prevent sale to person under 21
- 355. Limit on quantity sold
- 360. Restriction on advertising of marijuana and marijuana products

3 AAC 306.300. Retail marijuana store license required. (a) Except as permitted under AS 17.38.020, a person may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or any marijuana product to a consumer unless the person has obtained a retail marijuana store license from the board in compliance with this chapter, or is an employee or agent acting for a licensed retail marijuana store operating in compliance with this chapter. A person seeking a retail marijuana store license must

(1) submit an application for a retail marijuana store license on a form the board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC 306.315; and

(2) demonstrate, to the board's satisfaction, that the applicant will operate in compliance with

(A) each applicable provision of 3 AAC 306.300 - 3 AAC 306.360 and 3 AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(b) A licensee of any retail marijuana store, or an employee or agent of a retail marijuana store, may not have an ownership interest in, or a direct or indirect financial interest in any

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

licensed marijuana testing facility. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.305. Retail marijuana store privileges. (a) A licensed retail marijuana store is authorized to

(1) sell marijuana purchased from a licensed marijuana cultivation facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.470, and 3 AAC 306.475 in an amount not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed premises for consumption off the licensed premises;

(2) sell a marijuana product purchased from a licensed marijuana product manufacturing facility, packaged and labeled as required under 3 AAC 306.345, 3 AAC 306.565, and 3 AAC 306.570, in an amount not exceeding the limit set out in 3 AAC 306.355, to an individual on the licensed premises for consumption off the licensed premises;

(3) store marijuana and marijuana products on the licensed premises in a manner consistent with 3 AAC 306.710 – 3 AAC 306.720.

(b) This section does not prohibit a licensed retail store from refusing to sell marijuana or marijuana product to any consumer. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.310. Acts prohibited at retail marijuana store. (a) A licensed retail marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver,

marijuana or any marijuana product

- (1) to any person under the age of 21;
- (2) that is not labeled and packaged as required in 3 AAC 306.345, and in 3 AAC 306.470 and 3 AAC 306.475 or 3 AAC 306.565 and 3 AAC 306.570;
- (3) in a quantity exceeding the limit set out in 3 AAC 306.355;
- (4) over the internet; a licensed retail marijuana store may only sell marijuana or marijuana product to a consumer who is physically present on the licensed premises;
- (5) after the expiration date shown on the label of the marijuana or marijuana product.

(b) A licensed retail marijuana store may not

- (1) conduct any business on, or allow any consumer to access, the retail marijuana store's licensed premises between the hours of 5:00 a.m. and 8:00 a.m. each day;
- (2) allow any person to consume marijuana or any marijuana product on the retail marijuana store's licensed premises;
- (3) offer or deliver to a consumer, as a marketing promotion or for any other reason:

- (A) free marijuana or marijuana product, including a sample; or
- (B) a consumable product other than marijuana, including cigarettes, tobacco products, alcoholic or non alcoholic beverages, or food, free or for compensation.

(c) A retail marijuana store may not purchase any marijuana or marijuana product for resale without a certificate showing the tax due under AS 43.61.010 has been paid to the state.

(Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.315. Application for retail marijuana store license. A person seeking a new retail marijuana store license must submit an application on a form the board prescribes including the information required under 3 AAC 306.020, and the following

- (1) a copy of the food safety permit required under 18 AAC 31.020(a);
- (2) in the operating plan required under 3 AAC 306.020(c), a description of the

way marijuana and marijuana products at the retail store will be displayed and sold. (Eff.

___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.320. Marijuana handler permit required. A retail marijuana store shall ensure that

- (1) each licensee, employee, or agent obtains a marijuana handler permit as provided in 3 AAC 306.700 before being licensed or employed at a retail marijuana store; and

- (2) each licensee, employee, or agent has that person's marijuana handler permit card in that person's immediate possession when on the licensed premises of the retail marijuana store. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.325. Access restricted at retail marijuana store. (a) A person under the

age of 21 may not enter a retail marijuana store.

(b) Each entry to a retail marijuana store must be posted with a sign that says “No one under 21 years of age allowed.” The sign must be not less than 12 inches long and 12 inches wide, with letters at least one half inch in height in high contrast to the background of the sign.

(c) An area of a retail marijuana store’s licensed premises where marijuana or any marijuana product is stocked for sale, or dispensed for sale, is a restricted access area. The retail marijuana store must post signs, require identification, and escort visitors in compliance with 3 AAC 306.710. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900
 AS 17.38.084

3 AAC 306.330. Marijuana inventory tracking system. (a) A retail marijuana store shall use an inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana and marijuana product in the store’s possession is identified and tracked from the time the retail marijuana store receives any batch of marijuana or lot of marijuana product through the sale, transfer to another licensed marijuana establishment, or disposal of the batch of marijuana or lot of marijuana product.

(b) When any marijuana from a marijuana cultivation facility or marijuana product from a marijuana product manufacturing facility is delivered or transported to the licensed premises of a retail marijuana store, the retail marijuana store shall immediately enter identification information for that batch of marijuana or lot of marijuana product into the retail marijuana store’s inventory tracking system. A retail marijuana store may not accept any marijuana or marijuana product that does not have a valid transport manifest generated from the inventory

tracking system of the marijuana establishment that originated the delivery.

(c) A retail marijuana store shall reconcile each transaction from the store's point of sale system and current inventory to its inventory tracking system at the close of business each day.

(d) A retail marijuana store shall account for any variance in the quantity of marijuana or marijuana product the store received and the quantity the store sold, transferred, or disposed of.

(Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.335. Health and safety requirements. A retail marijuana store must comply with each applicable health and safety requirement set out in 3 AAC 306.735. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.340. Testing required for marijuana and marijuana products. (a) A retail marijuana store may not sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver, marijuana or any marijuana product until all laboratory testing required under 3 AAC 306.645 has been completed, and the label required under 3 AAC 306.475 or 3 AAC 306.570 is affixed. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.345. Packaging and labeling. (a) A retail marijuana store shall assure that

(1) any marijuana sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475, except that 3 AAC 306.470(b)(2) does not apply to the packaging of wholesale flower and bud sold by weight to a consumer; and

(2) any marijuana product sold on its licensed premises is packaged and labeled in compliance with 3 AAC 306.565 and 3 AAC 306.570, except that 3 AAC 306.565(b)(2) does not apply to the packaging of wholesale marijuana products that are not edible marijuana products.

(b) In addition to labeling requirements provided in (a) of this section, a retail marijuana store shall affix a label to each package of marijuana or marijuana product that

(1) identifies the marijuana retail store selling the marijuana product by name or distinctive logo and marijuana establishment license number; and

(2) contains the following statements:

(A) "Marijuana has intoxicating effects and may be habit forming;"

(B) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"

(C) "There may be health risks associated with consumption of marijuana;" and

(D) "For use only by adults twenty-one and older. Keep out of the reach of children"

(E) "Marijuana should not be used by women who are pregnant or breast feeding." (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

AS 17.38.070

AS 17.38.090

AS 17.38.900

AS 17.38.084

3 AAC 306.350. Identification requirement to prevent sale to person under 21. (a)

A licensed retail marijuana store shall refuse to sell marijuana or a marijuana product to any person who does not produce a form of valid identification showing that person is 21 years of age or older.

(b) A valid form of identification includes:

(1) an unexpired, unaltered passport;

(2) an unexpired, unaltered driver's license; instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a province of Canada;

(3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

AS 17.38.084

3 AAC 306.355. Limit on quantity sold. (a) A licensed retail marijuana store shall not sell more than the following quantity of marijuana or marijuana product in a single transaction:

(1) one ounce of usable marijuana;

(2) sixteen ounces of marijuana-infused product in solid form;

(3) seven grams of marijuana-infused extract for inhalation, or

(4) seventy-two ounces of marijuana-infused product in liquid form. (Eff.

___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.360. Restriction on advertising of marijuana and marijuana products.

(a) A retail marijuana store may have no more than three signs, visible to the general public from the public right of way, that identify the store by its business name. A sign may be placed in the store's window or attached to the outside of the licensed premises. The size of each sign may not exceed 4800 square inches.

(b) An advertisement for marijuana or marijuana product may not contain any statement or illustration that

- (1) is false or misleading;
- (2) promotes excessive consumption;
- (3) represents that the use of marijuana has curative or therapeutic effects;
- (4) depicts a person under the age of 21 consuming marijuana; or
- (5) 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.

(c) A retail marijuana store may not place an advertisement for marijuana or a marijuana product, except as provided in (a) of this section,

(1) within one thousand feet of the perimeter of any child-centered facility, including a school, daycare 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;

- (2) on or in a public transit vehicle or public transit shelter; or
- (3) on or in a publicly owned or operated property;
- (4) within 1000 feet of a substance or treatment facility; or
- (5) on a college campus.

(d) A retail marijuana store may not use giveaway coupons, or distribute branded merchandise as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products.

(e) All advertising for marijuana or any marijuana product must contain the following warnings:

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

(Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

Article 4. Marijuana Cultivation Facilities.

Section

- 400. Marijuana cultivation facility license required
- 405. Standard marijuana cultivation facility: privileges and prohibited acts
- 410. Limited marijuana cultivation facility: privileges and prohibited acts
- 415. Marijuana cultivation broker facility: privileges and prohibited acts
- 420. Application for marijuana cultivation facility license
- 425. Marijuana handler permit required
- 430. Restricted access area
- 435. Marijuana inventory tracking system
- 440. Health and safety requirements
- 445. Standards for cultivation and preparation
- 450. Production of marijuana concentrate prohibited
- 455. Required laboratory testing
- 460. Samples
- 465. Random sampling
- 470. Packaging of marijuana
- 475. Labeling of marijuana
- 480. Marijuana tax to be paid

3 AAC 306.400. Marijuana cultivation facility license required. (a) Except as provided under AS 17.38.020, a person may not plant, propagate, cultivate, harvest, trim, dry, cure, or package, label, or sell marijuana grown at a place under that person's control, directly or through a marijuana cultivation broker facility, to any marijuana establishment unless the person has obtained a marijuana cultivation facility license from the board in compliance with this chapter, or is an employee or agent acting for a licensed marijuana cultivation facility. The

board will issue the following types of marijuana cultivation facility licenses, with the privileges and subject to the prohibitions set out in sections 3 AAC 306.405 - 3 AAC 306.415:

- (1) a standard marijuana cultivation facility license;
- (2) a limited marijuana cultivation facility license to a person operating a marijuana cultivation facility with fewer than 500 square feet under cultivation; and
- (3) a marijuana cultivation broker facility license for a person providing essential business functions of a limited marijuana cultivation facility, including storing marijuana, purchasing or arranging the purchase of the limited marijuana cultivation facility's marijuana crop, arranging testing and transportation of marijuana, and filing the reports and paying the marijuana excise tax required under AS 43.61.010 and AS 43.61.020.

(b) A person seeking any type of marijuana cultivation facility license as provided in (a) of this section must

- (1) submit an application for the applicable marijuana cultivation facility license on a form the board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC 306.420; and

- (2) demonstrate to the board's satisfaction that it will operate in compliance with

- (A) each applicable provision of 3 AAC 306.400 - 3 AAC 306.480 and 3 AAC 306.700 - 3 AAC 306.755; and

- (B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(c) A licensee of any marijuana cultivation facility, or an employee or agent of a marijuana cultivation facility, may not have an ownership interest in, or a direct or indirect

financial interest in any licensed marijuana testing facility. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.030 AS 17.38.090 AS 17.38.900
AS 17.38.070

3 AAC 306.405. Standard marijuana cultivation facility: privileges and prohibited

acts. (a) A licensed standard marijuana cultivation facility is authorized to

- (1) propagate, cultivate, harvest, prepare, cure, package, store and label marijuana;
- (2) sell marijuana only to a licensed retail marijuana store, to another licensed marijuana cultivation facility, or to a licensed marijuana product manufacturing facility;
- (3) provide samples to a licensed marijuana testing lab for testing;
- (4) store inventory on the licensed premises; any stored inventory must be secured in a restricted access area and accounted for in the marijuana cultivation facility's inventory tracking system as required under 3 AAC 306.730;
- (5) transport marijuana in compliance with 3 AAC 306.750;
- (6) conduct in-house testing for the marijuana cultivation facility's own use;
- (7) provide marijuana samples to a licensed retail marijuana store or marijuana product manufacturing facility for the purpose of negotiating a sale.

(b) A licensed standard marijuana cultivation facility may also apply for a marijuana product manufacturing facility license and a retail marijuana store license. A standard marijuana cultivation facility that obtains any other marijuana establishment license shall

- (1) conduct any product manufacturing or retail marijuana store operation in a room completely separated from the cultivation facility by a secure door when co-located; and

(2) comply with each provision of this chapter that applies to any other type of marijuana establishment license that the standard marijuana cultivation facility licensee obtains.

(c) A licensed standard marijuana cultivation facility may not

(1) sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation;

(2) allow any person, including a licensee, employee, or agent, to consume marijuana or a marijuana product on the licensed premises or within 20 feet of the exterior of any building or outdoor cultivation facility on the licensed premises;

(3) treat or otherwise adulterate marijuana with any organic or nonorganic chemical or other compound to alter the color, appearance, weight, or odor of the marijuana;

(4) except as permitted under a marijuana product manufacturing facility license, extract marijuana concentrate, using any process described in 3AAC 306.555, at the licensed premises;

(5) sell marijuana that is not packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475; or

(6) sell marijuana that has not been reported to the Department of Revenue with excise tax paid as required under AS 43.61.010 and AS 43.61.020. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.410. Limited marijuana cultivation facility: privileges and prohibited acts. (a) A licensed limited cultivation facility is authorized to

(1) propagate, cultivate, harvest, and prepare marijuana for sale in a marijuana

cultivation facility with fewer than 500 square feet under cultivation;

(2) provide marijuana samples to a licensed marijuana cultivation broker facility for the purpose of negotiating a sale;

(3) sell marijuana only to a licensed marijuana cultivation broker facility with which the limited cultivation facility has a written agreement that

(A) assigns responsibility for

(i) arranging transportation and testing by a licensed marijuana testing facility; and for

(ii) other services as agreed between the parties; and

(B) requires the marijuana cultivation broker facility to file reports and pay the excise tax as required under AS 43.61.010 and AS 43.61.020 for all marijuana the marijuana cultivation broker facility purchases from the limited marijuana cultivation facility;

(4) if a written agreement as provided in paragraph (a)(3) of this section does not provide for the marijuana cultivation broker facility to provide these services:

(A) arrange for testing by a licensed marijuana testing facility; and

(B) transport marijuana to a licensed marijuana testing facility or the marijuana cultivation broker facility with which the limited marijuana cultivation facility has an agreement under (a)(3) of this section.

(b) A licensed limited marijuana cultivation facility may not

(1) do any act prohibited under 3 AAC 306.405(c);

(2) hold any other type of marijuana establishment license;

(3) sell directly to a consumer,

(4) sell to any marijuana establishment except through a marijuana cultivation broker facility; and

(5) sell marijuana to a marijuana cultivation broker facility without a written agreement in which the marijuana cultivation broker facility agrees to file each report and pay the excise tax required under AS 43.61.010 and AS 43.61.020. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.090 AS 43.61.010
AS 17.38.070 AS 17.38.100 AS 43.61.020
AS 17.38.084 AS 17.38.900

3 AAC 306.415. Marijuana cultivation broker facility: privileges and prohibited

acts. (a) A licensed marijuana cultivation broker facility is authorized to

(1) purchase marijuana from any number of licensed limited marijuana cultivation facilities;

(2) sell marijuana only to a licensed retail marijuana store, to another licensed marijuana cultivation facility, or to a licensed marijuana product manufacturing facility;

(3) arrange laboratory testing of marijuana obtained from a limited cultivation facility, and provide the necessary testing samples to a licensed marijuana testing facility;

(4) arrange transportation of marijuana to a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store; and

(5) submit to the Department of Revenue the monthly statements and pay the excise tax specified under AS 43.61.010 and AS 43.61.020 on all marijuana the marijuana cultivation broker facility purchases from a limited marijuana cultivation facility.

(b) A licensed marijuana cultivation broker facility may apply for a marijuana product

manufacturing facility license and a retail marijuana store license. A marijuana cultivation broker facility that obtains any other marijuana establishment license shall

(1) conduct any product manufacturing and retail marijuana store operation in a room completely separated from the cultivation broker facility by a secure door; and

(2) comply with each provision of this chapter that applies to any other type of marijuana establishment license that the cultivation broker facility has obtained.

(c) A licensed marijuana cultivation broker facility may not

(1) do any act prohibited under 3 AAC 306.405(c);

(2) grow marijuana;

(3) extract concentrate from marijuana unless the broker facility has obtained a marijuana manufacturing facility license;

(4) sell marijuana that is not packaged and labeled in compliance with 3 AAC 306.470 and 3 AAC 306.475; or

(5) sell marijuana that has not been reported to the Department of Revenue with excise tax paid as required under AS 43.61.010 and AS 43.61.020. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.090	AS 43.61.010
	AS 17.38.070	AS 17.38.100	AS 43.61.020
	AS 17.38.084	AS 17.38.900	

3 AAC 306.420. Application for marijuana cultivation facility license. (a) An applicant for a new standard marijuana cultivation facility license or a new limited marijuana cultivation facility shall file an application on a form the board prescribes, including

(1) the information required under 3 AAC 306.020; and

(2) the proposed marijuana cultivation facility's operating plan, including, in addition to the information required under 3 AAC 306.020(c):

- (A) the size of the space intended to be under cultivation;
- (B) the growing medium to be used;
- (C) fertilizers, chemicals, gases, and delivery systems, including CO2 management, to be used;
- (D) the irrigation and waste water systems to be used;
- (E) waste disposal arrangements;
- (F) odor control; and
- (G) the testing procedure and protocols the marijuana cultivation facility will follow.

(b) An applicant for a limited marijuana cultivation facility license must submit the information required for a new marijuana establishment license set out in 3 AAC 306.020, and (a)(2) of this section.

(c) An applicant for a marijuana cultivation broker facility license must

(1) submit the information required for a new marijuana establishment license under 3 AAC 306.020;

(2) agree to submit the monthly reports and pay the excise tax specified under AS 43.61.010 and AS 43.61.020 on all marijuana it purchases; and

(3) provide other services the marijuana cultivation broker facility offers to a limited marijuana cultivation facility. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

Editor's note: The form for an application for a marijuana cultivation facility license or a marijuana cultivation broker facility license is available online as provided in the editor's note under 3 AAC 306.020.

3 AAC 306.425. Marijuana handler permit required. A marijuana cultivation facility must ensure that each licensee, employee, or agent

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before being present or employed at the marijuana cultivation facility's licensed premises; and

(2) has the marijuana handler permit card in the person's immediate possession at all times while on the marijuana cultivation facility's licensed premises. (Eff. ___ / ___ / ___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.430. Restricted access area. (a) A marijuana cultivation facility shall conduct any operation in a restricted area in compliance with 3 AAC 306.710 and this section.

(b) A marijuana cultivation facility shall conduct any marijuana growing operation within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors. Where not prohibited by local government, outdoor production may take place in non-rigid greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a physical barrier. To obscure public view of the premises, outdoor production must be enclosed by a sight obscuring wall or fence at least six feet high.

(c) A marijuana cultivation facility shall ensure that any marijuana at the cultivation facility

(1) cannot be observed by the public from outside the cultivation facility; and

(2) does not emit an odor that is detectable by the public from outside the

cultivation facility except as allowed by a local government conditional use permit process.

(d) A marijuana cultivation facility shall have full video surveillance of the licensed premises as required under 3 AAC 306.720, including any area where marijuana is grown, processed, packaged, or stored, or where marijuana waste is destroyed. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.435. Marijuana inventory tracking system. (a) A marijuana cultivation facility shall use an inventory tracking system in compliance with 3 AAC 306.730 to ensure all marijuana propagated, grown, or cultivated on the marijuana cultivation facility's premises is identified and tracked from the time the marijuana is propagated through transfer to another licensed marijuana establishment or destruction. The marijuana cultivation facility must assign a tracking number to each plant over 8 inches tall. When harvested, bud and flowers, clones or cuttings, or leaves and trim may be combined in harvest batches of distinct strains, not exceeding five pounds; each harvest batch must be given an inventory tracking number. Clones or cuttings must be limited to 50 or fewer plants and identified by a batch tracking number.

(b) A marijuana cultivation facility shall record each sale and transport of each batch in its marijuana inventory tracking system, and shall generate a valid transport manifest to accompany each transported batch.

(c) A marijuana cultivation facility shall record in its marijuana inventory tracking system all marijuana used to provide a sample authorized under 3 AAC 306.460 for the purpose of negotiating sales, including

(1) the amount of each sample;

(2) the retail marijuana store or marijuana product manufacturing facility that received the sample; and

(3) the disposal of any expired or outdated promotional sample returned to the marijuana cultivation facility. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.440. Health and safety requirements. (a) A marijuana cultivation facility must comply with all applicable health and safety requirements set out in 3 AAC 306.735, and the additional requirements set out in this section.

(b) A marijuana cultivation facility shall ensure that any licensee, employee, or agent who is present at the marijuana cultivation facility and in contact with any marijuana

(1) wears clean clothing appropriate for the duties that person performs;

(2) wears protective apparel, such as head, face, hand and arm coverings, as necessary to protect marijuana from contamination; and

(3) practices good sanitation and health habits. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.445. Standards for cultivation and preparation. A marijuana cultivation facility shall use certified scales in compliance with AS 45.75.080 and 3 AAC 306.745. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.450. Production of marijuana concentrate prohibited. A marijuana cultivation facility may not produce or possess marijuana concentrate that was extracted using any process described in 3 AAC 306.455 on its licensed premises unless the marijuana cultivation facility also has a marijuana product manufacturing facility license. Any extraction or production of marijuana concentrate on the premises of a licensed marijuana cultivation facility must

(1) be in a separate room that

(A) is physically separated by a secure door from any cultivation area;

and

(B) has a sign that clearly identifies the room as a marijuana concentrate production area, and warns unauthorized persons to stay out; and

(2) comply with all applicable provisions of 3 AAC 306.500 - 3 AAC 306.570.

(Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.455. Required laboratory testing. (a) Except as provided in (d) of this section, a marijuana cultivation facility shall provide a sample of each harvest batch of marijuana produced at the facility to a marijuana testing facility, and may not sell or transport any marijuana until all laboratory testing required by 3 AAC 306.645 has been completed.

(b) To comply with (a) of this section, a marijuana cultivation facility shall

(1) collect a random, homogenous sample for testing by segregating harvested marijuana into batches of individual strains of bud and flower, then selecting a random sample from each batch in an amount required by the marijuana testing facility;

(2) designate an individual responsible for collecting each sample; that individual shall

(A) prepare a signed statement showing that each sample has been randomly selected for testing;

(B) provide the signed statement to the marijuana testing facility; and

(C) maintain a copy as a business record under 3 AAC 306.755;

(3) transport the sample to the marijuana testing facility's licensed premises in compliance with 3 AAC 306.750.

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

(d) A limited marijuana cultivation facility may contract with a marijuana cultivation broker facility to arrange the laboratory testing required in this section, and transportation of marijuana to the marijuana testing facility. A marijuana cultivation broker facility's contract to perform these services must be in writing and must be maintained in the limited marijuana cultivation facility's business records. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

3 AAC 306.460. Samples. (a) A marijuana cultivation facility may provide a free sample of marijuana to a retail marijuana store if packaged in a sample jar containing no more than 3 1/2 grams of marijuana and protected by a plastic or metal mesh screen to allow customers to smell the product before purchase.

(b) A marijuana cultivation facility may provide a free sample of marijuana to a retail marijuana store or marijuana product manufacturing facility as follows:

(1) a sample provided for the purpose of negotiating a sale may be no more than one ounce;

(2) a marijuana cultivation facility may not provide any one licensed retail marijuana store or marijuana product manufacturing facility with more than one ounce of marijuana per month free of charge for the purpose of negotiating a sale.

(c) A retail marijuana store that receives a marijuana sample may not sell the marijuana sample to a customer; and shall either

(1) return the marijuana sample to the cultivation facility that provided the sample; or

(2) destroy the marijuana sample after use and document the destruction in its marijuana inventory control system. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010

AS 17.38.084

AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

3 AAC 306.465. Random sampling. (a) The board or the director will from time to time require a standard or limited marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for

random compliance checks. The sample may be screened for pesticides and chemical residues, unsafe levels of metals, and used for other laboratory tests the director finds to be in the interests of the public. The marijuana cultivation facility shall bear all costs of testing under this subsection.

(b) When the board or the director orders random sampling under this section, the director will identify a licensed marijuana testing facility to perform the testing. The marijuana testing facility will collect the test samples; the marijuana cultivation facility shall cooperate to facilitate the collection of samples. (Eff. ___ / ___ / ___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.470. Packaging of marijuana. (a) A licensed marijuana cultivation facility, including a marijuana cultivation broker facility, shall package its marijuana bud and flower for sale as follows:

(1) to a retail marijuana store, either

(A) in a package not exceeding one ounce for resale to consumers without additional handling by the retail marijuana store except to add the retail marijuana store's own identifying name or logo and license number; or

(B) 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.

(b) When a licensed marijuana cultivation facility packages marijuana for a retail

marijuana store to sell to a consumer without re-packaging, the packaging must be designed or constructed in compliance with 16 C.F.R. 1700.01 – 1700.20, as amended Dec.30, 1983 to be significantly difficult for children under five years of age to open; but not normally difficult for adults to use properly. The packaging may not have any printed images, including cartoon characters, that specifically target individuals under the age of 21. In addition, the packaging must

(1) protect the product from contamination and must not impart any toxic or damaging substance to the marijuana;

(2) be four mil or greater thickness plastic, heat sealed, and with no easy-open corner, dimple or flap;

(3) be opaque so that the product cannot be seen without opening the packaging material.

(c) Each package prepared in compliance with this section must be identified by a tracking label generated for tracking by the marijuana cultivation facility's marijuana inventory control system.

(d) A marijuana cultivation facility shall prepare marijuana for transport or transfer to another marijuana establishment by

(1) placing marijuana packaged in compliance with (a) - (c) of this section within a sealed, tamper-evident shipping container;

(2) affixing a label in compliance with 3 AAC 306.475 to the shipping container;
and

(3) generating a transport manifest from the marijuana cultivation facility's marijuana inventory system; the transport manifest must remain with the marijuana at all times

while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.475. Labeling of marijuana. (a) When a licensed marijuana cultivation facility packages marijuana for a retail marijuana store to sell to a consumer without re-packaging, the marijuana cultivation facility shall affix a label to each package of marijuana or marijuana product that contains the following statements:

(1) "Marijuana has intoxicating effects and may be habit forming;"

(2) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"

(3) "There may be health risks associated with consumption of marijuana;" and

(4) "For use only by adults twenty-one and older. Keep out of the reach of children"

(5) "Marijuana should not be used by women who are pregnant or breast feeding."

(b) With each harvest batch of marijuana sold, a marijuana cultivation facility must disclose in writing

(1) each soil amendment, fertilizer, and other crop production aid applied to the growing medium or marijuana plant included in the batch; and

(2) the name of the licensed marijuana testing facility that performed any required laboratory test and the results of each required laboratory test.

(c) A marijuana cultivation facility may not label marijuana as organic unless permitted by the United States Department of Agriculture in accordance with 7 U.S.C. 6501 (Organic

Foods Production Act of 1990).

(d) A marijuana cultivation facility shall affix a label containing the following information to each package of marijuana sold to another marijuana establishment.

(1) the name and license number of the marijuana cultivation facility where the marijuana was grown;

(2) the harvest batch number assigned to the marijuana in the package;

(3) the net weight of the marijuana in the package, not including weight of the shipping container, using a standard of measure compatible with the inventory tracking system; and

(4) a complete list of all pesticides, fungicides, and herbicides used in cultivation of the marijuana.

(e) If a marijuana cultivation facility transports wholesale marijuana to another marijuana establishment for sale at retail or for use in manufacturing a marijuana product, then a label must be affixed to the shipping container showing that a licensed marijuana testing facility has tested each harvest batch in the shipment as provided in 3 AAC 306.645. The label must report the test results, including the following information:

(1) a cannabinoid potency profile expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that strain of marijuana from the same marijuana cultivation facility within the last three months;

(2) a statement listing the results of microbial testing required by 3 AAC 306.645(b)(2);

(3) a statement listing the results of residual solvent testing required by 3 AAC

306.645(b)(3), if applicable;

(4) a statement listing any of the following contaminants for which the product was tested:

(A) molds, mildew and filth, in addition to the testing required by 3 AAC 306.645(b)(2);

(B) herbicides, pesticides, and fungicides; and

(C) harmful chemicals.

(f) If a marijuana cultivation facility ships wholesale marijuana from a harvest batch that has not been tested for each contaminant listed in (e)(4) of this section, the label for that batch must include a statement identifying each contaminant listed in (e)(4) of this section for which that harvest batch has not been tested. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.480. Marijuana tax to be paid. (a) A standard marijuana cultivation facility shall submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and AS 43.61.020 on all marijuana sold, or provided as a sample to any marijuana establishment.

(b) A marijuana cultivation broker facility shall submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and AS 43.61.020 on all marijuana it has obtained from a limited marijuana cultivation facility, including any sample provided to any other marijuana establishment. The broker shall agree to comply with this section in a written agreement with each limited marijuana cultivation facility from which it purchases marijuana, and shall provide a copy of the monthly report required under AS

43.61.020 to each limited marijuana cultivation facility from which it purchases marijuana. If a marijuana cultivation broker facility fails to pay the required tax, the limited marijuana cultivation facility shall pay the required tax.

(c) When a marijuana cultivation facility, including a marijuana cultivation broker facility, sells or distributes any marijuana to a retail marijuana store or a marijuana product manufacturing facility, the marijuana cultivation facility or marijuana cultivation broker must provide verification of tax payment to the purchaser. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.900
	AS 17.38.030	AS 17.38.090	AS 43.61.010
	AS 17.38.070	AS 17.38.100	AS 43.61.020

Article 5. Marijuana Product Manufacturing Facilities.

Section

- 500. Marijuana product manufacturing facility license required
- 505. Marijuana product manufacturing facility privileges
- 510. Acts prohibited at marijuana product manufacturing facility
- 515. Marijuana concentrate manufacturing facility license
- 520. Application for marijuana product manufacturing facility license
- 525. Approval of concentrates and marijuana products
- 530. Marijuana handler permit and food safety worker training
- 535. Restricted access and storage areas
- 540. Marijuana inventory tracking system
- 545. Health and safety standards

- 550. Required laboratory testing
- 555. Production of marijuana concentrate
- 560. Potency limits per serving and transaction for edible marijuana products
- 565. Packaging of marijuana products
- 570. Labeling of marijuana products

3 AAC 306.500. Marijuana product manufacturing facility license required. (a) A person may not extract marijuana concentrate for sale, or formulate or manufacture any marijuana product for sale unless that person has obtained a marijuana product manufacturing facility license from the board in compliance with this chapter, or is an employee or agent acting for a licensed marijuana product manufacturing facility. The board will issue

- (1) a standard marijuana product manufacturing facility license; and
- (2) a marijuana concentrate manufacturing facility license.

(b) A person seeking any type of marijuana product manufacturing facility license must

(1) submit an application for a marijuana product manufacturing facility license on a form the board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC 306.520; and

(2) demonstrate to the board's satisfaction that it will operate in compliance with

(A) each applicable provision of 3 AAC 306.500 - 3 AAC 306.570 and 3 AAC 306-700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(c) A licensee of any marijuana product manufacturing facility, or an employee or agent

of a marijuana product manufacturing facility, may not have an ownership interest in, or a direct or indirect financial interest in any licensed marijuana testing facility. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.505. Marijuana product manufacturing facility privileges. (a) Except as provided in 3 AAC 306.515, a licensed marijuana product manufacturing facility, including a marijuana concentrate manufacturing facility, is authorized to

(1) purchase marijuana from a marijuana cultivation facility including a marijuana cultivation broker facility, or from another marijuana product manufacturing facility;

(2) extract marijuana concentrate in compliance with 3 AAC 306.555;

(3) manufacture, refine, process, cook, package, label, and store marijuana products approved under 3 AAC 306.525, including

(A) marijuana concentrate; or

(B) any product intended for consumption or use on the body that is comprised of marijuana and other ingredients, including edible products, ointments, salves, patches, or tinctures;

(4) sell, distribute, or deliver marijuana extract or any marijuana product only to a licensed retail marijuana store or to another licensed marijuana product manufacturing facility;

(5) provide and transport samples of marijuana concentrate or other marijuana product to a certified marijuana testing lab for testing;

(6) provide a sample of marijuana concentrate or a marijuana product approved under 3 AAC 306.525 to a licensed retail marijuana store for the purpose of negotiating a sale;

(7) store inventory in a restricted access area on the licensed premises as provided in 3 AAC 306.535; and

(8) transport marijuana in compliance with 3 AAC 306.750; or

(9) conduct in-house testing for the marijuana product manufacturing facility's own use. (Eff. ___/___/___, Register ____)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.510. Acts prohibited at marijuana product manufacturing facility. (a)

A licensed marijuana product manufacturing facility, including a licensed marijuana concentrate manufacturing facility, may not

(1) sell, deliver, distribute, or transfer marijuana, marijuana concentrate, or a marijuana product directly to a consumer, with or without compensation;

(2) sell marijuana, marijuana concentrate, or a marijuana product that is not manufactured, packaged, and labeled in compliance with 3 AAC 306.500 – 3 AAC 306.570;

(3) allow any person, including a licensee, employee, or agent, to consume marijuana, marijuana concentrate, or a marijuana product on its licensed premises;

(4) manufacture or sell any product that

(A) is an adulterated food or drink;

(B) is a marijuana product containing any food that requires temperature-controlled storage to keep it safe for human consumption;

(C) closely resembles any familiar food or drink item including candy; or

(D) is packaged to look like candy, or in bright colors or with cartoon characters or other pictures or images that would appeal to children; and

(5) operate in a location that is a retail or wholesale food establishment.

(b) In this section, “closely resemble” or “look like” means the product or its packaging has a shape, color, markings, or decorative patterns that are familiar to the public from a widely distributed branded food product, so that the marijuana product could easily be mistaken for that branded product, especially by children.

(c) A marijuana product manufacturing facility may not accept any marijuana from a marijuana cultivation facility or another marijuana product manufacturing facility unless

(1) all marijuana in the shipment is properly identified with a label generated in the marijuana inventory tracking system of the licensed marijuana establishment that provided the marijuana; and

(2) a valid transport manifest showing the source and destination of the marijuana is attached to the shipment.

(d) A marijuana product manufacturing facility may not purchase or receive any marijuana from a marijuana cultivation facility, or another marijuana product manufacturing facility unless it receives evidence that tax due under AS 43.61.010 has been paid. If a marijuana product manufacturing facility has marijuana on its premises without a certificate showing the excise tax imposed under AS 43.61.010 has been paid on that marijuana, the marijuana product manufacturing facility is liable for payment of the tax. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.090 AS 17.38.900
AS 17.38.070 AS 17.38.100 AS 43.61.010
AS 17.38.084

3 AAC 306.515. Marijuana concentrate manufacturing facility license. A licensed marijuana concentrate manufacturing facility has the privileges set out in 3 AAC 306.505, except

that it may not

(1) manufacture, refine, process, cook, package, label or store any marijuana product other than marijuana concentrate;

(2) sell, distribute, or deliver any marijuana product other than marijuana concentrate to a retail marijuana store or to another marijuana product manufacturing facility;

(3) provide and transport a sample of any marijuana product other than marijuana concentrate to a licensed marijuana testing lab for testing; or

(4) provide samples of any product other than marijuana concentrate to a licensed retail marijuana store for purposes of negotiating a sale. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.520. Application for marijuana product manufacturing facility license.

An applicant for a marijuana product manufacturing facility license, including a marijuana concentrate manufacturing facility, must file an application on a form the board prescribes, and provide the information required under 3 AAC 306.020 and the following:

(1) a copy of a food safety permit if required under 18 AAC 31.020;

(2) a diagram of the proposed licensed premises required in 3 AAC 306.020(b), identifying the area where

(A) in-house testing, if any, will occur; and

(B) marijuana and any marijuana product, including marijuana concentrate, will be stored;

(3) in the applicant's operating plan required under 3 AAC 306.020(c), a description of

(A) the equipment and solvents, gases, chemicals, and other compounds used to create concentrates and the processes to be used;

(B) each marijuana product the applicant intends to process at this location; the product description must include the color, shape, texture, ingredients and standard production procedure to be used and the additional information required for product approval in 3 AAC 306.525;

(C) the packaging to be used for each type of product; and

(D) sample labels showing how the labeling information required in 3 AAC 306.570 will be set out; and

(E) the applicant's plan for disposal of waste. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

Editor's note: The form for an application for a marijuana product manufacturing facility license or a marijuana concentrate manufacturing license is available online as provided in the editor's note under 3 AAC 306.020.

3 AAC 306.525. Approval of concentrates and marijuana products. (a) A marijuana product manufacturing facility, including a marijuana concentrate manufacturing facility, must obtain the board's approval for each product it will manufacture for sale or transfer to another licensed marijuana establishment. The board will not approve

(1) any marijuana concentrate or product intended for sale directly to a consumer if the concentrate or product will have THC potency equal to or greater than 76 percent; or

(2) any product that is prohibited under 3 AAC 306.510(a)(4).

(b) An applicant for a marijuana product manufacturing facility license may request the

board's approval of its intended products with a new license application by including, in its operating plan

(1) a photograph, drawing, or graphic representation of the expected appearance of each final product; and

(2) the proposed standard production procedure and detailed manufacturing process for each product.

(c) A licensed marijuana product manufacturing facility may at any time submit a new product approval request to the board on a form the board prescribes along with a fee of \$250.

(d) A licensed marijuana product manufacturing facility shall keep its ingredient list and potency limits for any food product containing marijuana on file at the marijuana product manufacturing facility's licensed premises. The ingredient list and potency limits for any product manufactured at the facility must be made available for inspection on request by the director, or an employee or agent of the board. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.530. Marijuana handler permit and food safety worker training. (a) A marijuana product manufacturing facility shall ensure that each licensee, employee, or agent

(1) obtains a marijuana handler permit as provided in 3 AAC 306.700 before being present or employed at the marijuana product manufacturing facility's licensed premises; and

(2) has the marijuana handler permit card in the person's immediate possession at all times while on the marijuana product manufacturing facility's licensed premises.

(b) A licensee, employee, or agent of a licensed marijuana product manufacturing

facility who handles marijuana at the facility shall obtain a food safety worker card in compliance with AS 18.31.330, and keep that card in that person's possession at all times while on the licensed premises of the marijuana product manufacturing facility. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.535. Restricted access and storage areas. (a) A marijuana product manufacturing facility shall conduct any extraction or product manufacturing operation in a restricted area in compliance with 3 AAC 306.710.

(b) A marijuana product manufacturing facility shall have full video surveillance of the licensed premises as provided in 3 AAC 306.720, including any area where

- (1) marijuana concentrate is produced;
- (2) any operation involved in manufacturing any product containing marijuana occurs,
- (3) marijuana or a marijuana product is stored or stockpiled; or
- (4) marijuana waste is destroyed.

(c) Any area where marijuana or a marijuana product is stored must be moisture and temperature controlled and protected from pests and vermin. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.540. Marijuana inventory tracking system. (a) A marijuana product manufacturing facility shall use a marijuana inventory tracking system as provided in 3 AAC

306.730 to ensure that the marijuana product manufacturing facility identifies and tracks any marijuana or marijuana product from the time the marijuana or marijuana product is received, through

(1) use of the marijuana or marijuana product in manufacturing any other marijuana product;

(2) sale or transfer of the marijuana or marijuana product originally received, or any marijuana product manufactured at that marijuana product manufacturing facility to another licensed marijuana establishment; and

(3) disposal of any expired or outdated marijuana or marijuana product that is not sold or transferred to another licensed marijuana establishment.

(b) When marijuana from a marijuana cultivation facility or marijuana product from another marijuana product manufacturing facility is delivered or transported to the licensed premises of a marijuana product manufacturing facility, the marijuana product manufacturing facility shall immediately enter tracking information for that marijuana or marijuana product into the inventory tracking system. A marijuana product manufacturing facility may not accept any marijuana or marijuana product that does not have a valid transport manifest generated from the marijuana inventory tracking system of the licensed marijuana establishment that supplies the marijuana or marijuana product.

(c) A marijuana product manufacturing facility shall track any received marijuana or marijuana product to its use in a marijuana product, and shall reconcile each transaction to its inventory tracking system at the close of business each day.

(d) A marijuana product manufacturing facility shall account for any variance in the quantity of marijuana or marijuana product the facility received, and the quantity the facility

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

sold, transferred, or disposed of. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.545. Health and safety standards. (a) A marijuana product manufacturing facility shall comply with the health and safety standards set out in 3 AAC 306.735, the Alaska Food Safety Code, 18 AAC 31, if applicable, and any local kitchen-related health and safety standards for retail food establishments.

(b) In addition to inspection by the director or an employee or agent of the board, a marijuana product manufacturing facility is subject to inspection by local safety officials, including a local fire department, building inspector, or code enforcement officer. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.550. Required laboratory testing. (a) A marijuana product manufacturing facility shall provide a sample of each marijuana product manufactured at the facility to a licensed marijuana testing facility, and may not sell or transport any marijuana product until all laboratory testing required by 3 AAC 306.645 has been completed.

(b) To comply with (a) of this section, a marijuana product manufacturing facility shall

(1) collect a random sample for testing by selecting a product from each production lot in an amount required by the marijuana testing facility;

(2) designate an individual responsible for collecting each sample; that individual shall

(A) prepare a signed statement showing that each sample has been

randomly selected for testing;

(B) provide the signed statement to the marijuana testing facility; and

(C) maintain a copy as a business record under 3 AAC 306.755, and

(3) transport the sample to the marijuana testing facility in compliance with 3 AAC 306.750.

(c) After collecting and transporting a sample for testing, a marijuana product manufacturing facility shall segregate the entire production lot from which the testing sample was selected until the marijuana testing facility reports the results from its tests. During this period of segregation, the marijuana product manufacturing facility that provided the sample shall maintain the production lot in a secure, cool, and dry location to prevent the marijuana product from becoming contaminated or losing its efficacy. The marijuana product manufacturing facility may not sell or transport any marijuana product from the segregated lot until the marijuana testing facility has completed its testing and analysis and provided those results, in writing, to the marijuana product manufacturing facility that provided the sample. The marijuana product manufacturing facility shall maintain the testing results as part of its business records. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.555. Production of marijuana concentrate. (a) Before producing any marijuana concentrate for sale, a marijuana product manufacturing facility shall develop standard operating procedures, good manufacturing practices, a safety plan, and a training plan for each individual employed in an extraction process.

(b) A marijuana product manufacturing facility may create marijuana concentrates only

as follows:

- (1) water-based marijuana concentrate may be produced by extracting cannabinoids from marijuana by using only water, ice or dry ice;
 - (2) food-based marijuana concentrate may be produced by extracting cannabinoids from marijuana through the use of propylene glycol, glycerin, butter, olive oil, or other typical cooking fats; infused dairy butter and oils or fats derived from natural sources may be used to prepare infused edible products, but may not be prepared as stand-alone edible products for sale;
 - (3) solvent-based marijuana concentrate may be produced using the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases the board approves that exhibit low to minimal potential human health-related toxicity; approved solvents must be of at least ninety-nine percent purity and must be used
 - (A) in a professional grade closed loop extraction system designed to recover the solvents;
 - (B) in an environment with proper ventilation; and
 - (C) with control of all sources of ignition if a flammable atmosphere is or may be present.
- (c) A marijuana product manufacturing facility using a professional grade closed loop gas extraction system must ensure that
- (1) every vessel is used in compliance with the manufacturer's stated pressure ratings;
 - (2) any CO2 used is of at least ninety-nine percent purity;
 - (3) any person using a solvent or gas to extract marijuana concentrate in the

closed looped system must be fully trained on how to use the system, have direct access to applicable material safety data sheets, and handle and store the solvent and gas safely;

(4) a licensed engineer has certified that the professional grade closed loop system was commercially manufactured, is safe for its intended use, and is built to codes of recognized and generally accepted engineering practices;

(5) any professional grade closed loop system, and other equipment and facilities used in the extraction process must be approved for their use by the local fire code official and must meet any applicable fire, safety, and building code requirements.

(d) A marijuana product manufacturing facility may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(e) A marijuana product manufacturing facility may use food grade glycerin, ethanol, and propylene glycol solvents to create extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere. (Eff.

___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

3 AAC 306.560. Potency limits per serving and transaction for edible marijuana products. (a) A marijuana product manufacturing facility may not prepare any product with potency levels exceeding the following, as tested in compliance with 3 AAC 306.645:

(1) for a single serving of marijuana product, five milligrams active tetrahydrocannabinol (THC) or Delta 9;

(2) in a single packaged unit of marijuana product to be eaten or swallowed, not more than ten servings, or fifty milligrams of active THC or Delta 9; the THC content must be homogenous, or evenly distributed throughout the marijuana infused product. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.565. Packaging of marijuana products. (a) A marijuana product manufacturing facility shall observe the potency limits set out in 3 AAC 306.560 in packaging each product for resale by a retail marijuana store.

(b) A container or packaging for any edible marijuana product produced by a marijuana product manufacturing facility must be designed or constructed in compliance with 16 C.F.R. 1700.01 – 1700.20, as amended Dec. 30, 1983 to be significantly difficult for children under five years of age to open; but not normally difficult for adults to use properly. The container or packaging may not have any printed images, including cartoon characters, that specifically target individuals under the age of 21. In addition, the packaging must

(1) protect the product from contamination and not impart any toxic or damaging substance to the product;

(2) be four mil or greater thickness plastic, heat sealed and with no easy-open corner, dimple or flap; marijuana product in liquid form may also be sealed using a metal crown product;

(3) be opaque so that the product cannot be seen without opening the packaging material;

(4) if the marijuana package contains multiple servings or is intended for more

than a single use, the packaging must be resealable to childproof standards in compliance with C.F.R. 1700.01 – 1700.20, as amended Dec. 30, 198; and

(5) if the marijuana product contains multiple servings, the product itself must have markings or demarcations clearly delineating each serving of the product. For liquid marijuana products with multiple servings the packaging must indicate the number and size of individual servings.

(c) A licensed marijuana product manufacturing facility may transfer marijuana products that are not edible marijuana products to another licensed facility in wholesale packages not to exceed 5 pounds.

(d) Each packaged marijuana product must be identified by a tracking label generated by the marijuana product manufacturing facility's marijuana inventory control system.

(e) A licensed marijuana product manufacturing facility shall prepare marijuana products for transfer to another marijuana establishment by

(1) placing marijuana products within a sealed, tamper-evident shipping container;

(2) affixing a label that complies with 3 AAC 306.570(d) to the shipping container; and

(3) generating a transport manifest from the marijuana product manufacturing facility's marijuana inventory system; the transport manifest must remain with the marijuana products at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.570. Labeling of marijuana products. (a) With each production lot of marijuana product sold, a marijuana product manufacturing facility must disclose in writing the name of the licensed marijuana testing facility that performed any required test and the results of each required test.

(b) A marijuana product may not be labeled as organic unless permitted by the United States Department of Agriculture in compliance with 7 U.S.C. 6501 (Organic Foods Production Act of 1990).

(c) A marijuana product manufacturing facility shall affix a label containing the following information to each package of marijuana product sold to a retail store for resale to a consumer:

(1) the name and license number of the marijuana product manufacturing facility where the marijuana product was prepared;

(2) the production lot number assigned to the product in the package;

(3) the net weight of the product in the package, not including weight of packaging, using a standard of measure compatible with the inventory tracking system;

(4) a label containing the following statements:

(A) "Marijuana has intoxicating effects and may be habit forming;"

(B) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence;"

(C) "There may be health risks associated with consumption of marijuana;" and

(D) "For use only by adults twenty-one and older. Keep out of the reach of children"

(E) “Marijuana should not be used by women who are pregnant or breast feeding.”

(d) A marijuana product manufacturing facility transporting marijuana product to a retail marijuana store shall affix a label to the shipping container showing that a licensed marijuana testing facility has tested each lot of marijuana product in the shipment and giving the test results, including the following information:

(1) a cannabinoid potency profile expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that production lot from the same marijuana product manufacturing facility within the last three months;

(2) a statement listing the results of microbial testing required by 3 AAC 306.645(b)(2);

(3) a statement listing the results of residual solvent testing required by 3 AAC 306.645(b)(3), if applicable;

(4) a statement listing any of the following contaminants for which the product was tested:

(A) molds, mildew and filth, in addition to the testing required by 3 AAC 306.645(b)(2);

(B) herbicides, pesticides, and fungicides, and

(C) harmful chemicals.

(e) If a marijuana product manufacturing facility ships wholesale marijuana product from a production lot of marijuana product that has not been tested for each contaminant listed in (d)(4) of this section, the label for that lot must include a statement identifying each contaminant

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

listed in (d)(4) of this section for which that lot has not been tested. (Eff. ___/___/___,

Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

Article 6. Marijuana Testing Facilities.

Section

- 600. Applicability
- 605. Marijuana testing facility license required
- 610. Marijuana testing facilities: privileges and prohibitions
- 615. Application for marijuana testing facility license
- 620. Approval of testing facility
- 625. Proficiency testing program
- 630. Scientific director
- 635. Testing methodologies
- 640. Standard operating procedure manual
- 645. Laboratory testing of marijuana and marijuana products
- 650. Chain of custody
- 655. Marijuana inventory tracking system
- 660. Failed materials, retests
- 665. Supplemental marijuana quality testing
- 670. Reporting, verification
- 675. Records retention

3 AAC 306.600. Applicability. (a) The provisions of 3 AAC 306.600 - 3 AAC 306.675 apply to any person offering any service testing, analyzing, or certifying potency, moisture content, pesticide or solvent residue, mold, mildew, bacteria, or other contaminant in marijuana or any marijuana product to any other person including a marijuana establishment or any member of the public, whether for compensation or not, as a independent or third party testing facility.

(b) The provisions of 3 AAC 306.600 - 3 AAC 306.675 do not apply to any licensed marijuana establishment that controls marijuana testing equipment used solely for its own in-house testing of its own cultivated crop, of products produced or manufactured at its own facility, or of retail products placed or offered for sale in its marijuana retail store. (Eff. ___ / ___ / ___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.605. Marijuana testing facility license required. (a) A person may not offer or provide any marijuana testing service or test results unless the person has obtained a marijuana testing facility license from the board in compliance with this chapter, or is an employee or agent acting for a licensed marijuana testing facility.

(b) A person seeking a marijuana testing facility license must

(1) submit an application for a marijuana testing facility license on a form the board prescribes, including the information set out at 3 AAC 306.020 and 3 AAC 306.615; and

(2) demonstrate to the board's satisfaction that the applicant will operate in compliance with

(A) each applicable provision of 3 AAC 306.600 – 3 AAC 306.675, and

3 AAC 306.700 - 3 AAC 306.755; and

(B) each applicable public health, fire, safety, and tax code and ordinance of the state and the local government in which the applicant's proposed licensed premises are located.

(C) does not hold any marijuana establishment license in Alaska other than a testing facility license, or have any financial interest in common with any person who is a licensee of a marijuana establishment in Alaska other than a testing facility license; and

(D) meets the board's standards for approval as set out in 3 AAC 306.620 - 3 AAC 306.625.

(c) A licensee of any marijuana testing facility, or an employee or agent of a licensed marijuana testing facility may not have an ownership interest in, or a direct or indirect financial interest in any other licensed marijuana establishment. (Eff. ___ / ___ / ___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.610. Marijuana testing facilities: privileges and prohibitions. (a) A licensed marijuana testing facility may have any amount of marijuana and marijuana product on its premises at any given time provided that the testing facility's marijuana inventory tracking system and other records document that all marijuana and marijuana products are on the premises only for the testing purposes described in 3 AAC 306.600 – 3 AAC 3306.675.

(b) A licensed marijuana testing facility may not

(1) have any licensee, employee, or agent who holds any type of marijuana establishment license other than a marijuana testing facility license issued under this chapter;

(2) sell, deliver, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation; or

(3) allow any person to consume marijuana or marijuana product on its licensed premises. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.615. Application for marijuana testing facility license. An applicant for a new marijuana testing facility license must file an application on a form the board prescribes, including

(1) the information required under 3 AAC 306.020; and

(2) the proposed marijuana testing facility's operating plan, including, in addition to the information required under 3 AAC 306.020(c), the following:

(A) each test the marijuana testing facility will offer;

(B) the facility's standard operating procedure for each test the facility will offer; and

(C) the acceptable range of results for each test the facility will offer.

(Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.620. Approval of testing facility. (a) A person seeking a marijuana testing facility license must first obtain the approval of the board or the board's contractor by showing competence to perform each test the licensee will offer as an independent third party testing facility, including tests to identify

- (1) THC, THCA, CBD, CBDA and CBN potency;
- (2) harmful microbials including E. coli or salmonella;
- (3) residual solvents;
- (4) poisons or toxins;
- (5) harmful chemicals;
- (6) dangerous molds, mildew or filth;
- (7) pesticides.

(b) In evaluating whether a person has shown competence in testing under this section, the board or the board's contractor may

- (1) conduct an on-site inspection of the applicant's premises;
- (2) require the applicant to demonstrate proficiency in testing; and
- (3) examine compliance with any applicable requirement of 3 AAC 306.630 -

3AAC 306.675, and 3 AAC 306.700 - 3AAC 306.755, including

- (A) qualifications of personnel;
- (B) standard operating procedure for each testing methodology the facility will use;
- (C) proficiency testing results;
- (D) quality control and quality assurance;
- (E) security;
- (F) chain of custody;
- (G) specimen retention;
- (H) space;
- (I) records; and

(J) reporting of results.

(c) In this section, “approval” means the board or its contractor has examined the qualifications and procedures of the marijuana testing facility license applicant and found them generally in compliance with good laboratory practices; “approval” does not mean the board guarantees that the testing facility can or will protect the public from all potential hazards of marijuana including microbials, poisons or toxins, residual solvents, pesticides, or other contaminants. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.625. Proficiency testing program. (a) When an accredited proficiency testing program becomes available in the state, the board may require an applicant for a marijuana testing facility license to participate successfully in a proficiency testing program within 12 months before receiving a license. The proficiency testing program must require an applicant for a marijuana testing facility license or a participating licensed marijuana testing facility to analyze test samples using the same procedures with the same number of replicate analyses, standards, testing analysts, and equipment that will be used for product testing. Successful participation means the positive identification of 80 percent of the target analytes that the testing facility reports, and must include quantitative results when applicable. Any false positive results reported will be considered an unsatisfactory score for the proficiency test.

(b) Before renewing the license of a marijuana testing facility, the board may require the facility to participate in a proficiency testing program with documentation of continued performance satisfactory to the board. The license of a marijuana testing facility may be limited, suspended, or revoked if the facility fails to participate and receive a passing score in a

proficiency testing program.

(c) The scientific director and each testing analyst of an applicant for a marijuana testing facility license and a licensed marijuana testing facility that participated in a proficiency test shall sign a corresponding attestation statement. The scientific director must review and evaluate each proficiency test result.

(d) An applicant for a marijuana testing facility license, and a licensed marijuana testing facility participating in the proficiency testing program, shall take and document remedial action when the applicant or the facility meets the standards of (a) of this section, but scores less than 100 percent in a proficiency test. "Remedial action" means the marijuana testing facility's scientific director shall, at a minimum, review all samples tested and results reported after the date of the marijuana testing facility's last successful proficiency test. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.630. Scientific director. (a) A marijuana testing facility must employ a scientific director who must be responsible for

- (1) overseeing and directing the laboratory's scientific methods;
- (2) ensuring that the laboratory achieves and maintains quality standards of practice; and
- (3) supervising all staff of the laboratory.

(b) The scientific director of a marijuana testing facility must have the following qualifications:

- (1) a doctorate degree in chemical or biological sciences from an accredited

college or university and have at least 2 years of post-degree laboratory experience;

(2) a master's degree in chemical or biological sciences from an accredited college or university and have at least 4 years of post-degree laboratory experience; or

(3) a bachelor's degree in chemical or biological sciences from an accredited college or university and have at least 6 years of post-degree laboratory experience. (Eff.

___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.635. Testing methodologies. (a) An applicant for a marijuana testing facility license and a licensed marijuana testing facility shall

(1) use the following materials, which are hereby adopted by reference, as guidelines or references for testing methodologies:

(A) *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control, Revision 2014* published by the American Herbal Pharmacopoeia; and

(B) United Nations Office on Drugs and Crime: Recommended methods for the identification and analysis of cannabis and cannabis products: Manual for use by national drug analysis laboratories (2009).

(2) notify the board of any alternative scientifically valid testing methodology the facility proposes to use for any laboratory test it conducts; the board may require third-party validation of any monograph, peer reviewed scientific journal article, or analytical method the marijuana testing facility proposes to follow to ensure the methodology produces comparable and accurate results.

(b) An applicant for a marijuana testing facility license and the holder of a marijuana

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

testing facility license must be familiar with, and to the extent possible, integrate into the facility's operations the good laboratory practices set out in the following materials, hereby adopted by reference

(1) 21 C.F.R. 58, as revised as of Dec. 22, 1978; and

(2) *Principles of Good Laboratory Practice and Compliance Monitoring*

published by the Organization for Economic Co-operation and Development (OECD), as revised as of 1999.

(c) The board or the board's contractor may inspect the practices, procedures, and programs adopted, followed, and maintained by the applicant or the licensed marijuana testing facility; and may examine all records of the applicant or the licensed marijuana testing facility that are related to the inspection. The board may require an applicant or a licensed marijuana testing facility to have an independent third party inspect and monitor laboratory operations to assess testing competency and the facility's compliance with its quality program. The board may require random validation of a marijuana testing facility's execution of all testing methodologies the facility uses. The marijuana testing facility must pay all costs of validation. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

Editor's note: *Cannabis Inflorescence: Standards of Identity, Analysis, and Quality Control, Revision 2014*, published by the American Herbal Pharmacopoeia may be obtained from the American Herbal Pharmacopoeia, P.O. Box 66809, Scotts Valley, California 95067, or at the Internet address <http://www.herbal-ahp.org/>

United Nations Office on Drugs and Crime: Recommended methods for the identification and analysis of cannabis and cannabis products: Manual for use by national drug analysis laboratories (2009).is available at the internet address <https://www.unodc.org/documents/scientific/ST-NAR-40-Ebook.pdf>

OECD Principles of Good Laboratory Practice and Compliance Monitoring published by the Organisation for Economic Co-operation and Development as revised as of 1997 is available at the internet address

3 AAC 306.640. Standard operating procedure manual. (a) An applicant for a marijuana testing facility license and a licensed marijuana testing facility must have a written procedures manual with detailed instructions explaining how to perform each testing method the applicant or marijuana testing facility uses, and minimum standards for each test. The written procedures manual must be available to each employee of the marijuana testing facility at all times. A standard operating procedures manual must cover at least the following procedures:

- (1) sample preparation;
- (2) reagent, solution, and reference standard preparation;
- (3) instrument setup, where applicable;
- (4) standardization of volumetric reagent solutions, as applicable;
- (5) data acquisition; and
- (6) calculation of results.

(b) The scientific director of a licensed marijuana testing facility shall approve, sign, and date each standard operating procedure, and each revision to any standard operating procedure.

(Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

3 AAC 306.645. Laboratory Testing of Marijuana and Marijuana Products. (a) A licensed marijuana testing facility must use the general body of required laboratory tests for marijuana plant material, any extract or concentrate of marijuana, and any edible marijuana products as listed in the tables in this section. Required tests may include potency analysis,

moisture content, foreign matter inspection, microbial screening, pesticide, other chemical residue, and metals screening, and residual solvents levels. A marijuana testing facility shall establish a schedule of fees and sample size required for each test it offers.

(b) The tests required for each marijuana type or marijuana product, are as follows:

(1) potency testing is required on marijuana bud and flower, marijuana concentrate, and marijuana product, and is subject to the following rules:

(A) required cannabinoid potency test must at least determine the concentration of THC, THCA, CBD, CBDA and CBN cannabinoids; a marijuana testing facility may test and report results for any additional cannabinoid provided the test is conducted in compliance with a validated method;

(B) a marijuana testing facility shall report potency test results as follows:

(i) for a potency test on marijuana and marijuana concentrate, by listing for each required cannabinoid a single percentage concentration that represents an average of all samples within the test batch; alternatively, the sum of THC + THCA may be reported as total THC; the sum of CBD + CBDA may be reported as total CBD;

(ii) for a potency test on a marijuana product, whether conducted on each individual production lot or using process validation, by listing for each cannabinoid the total number of milligrams contained within a single retail marijuana product unit for sale; and

(iii) for testing whether the THC content is homogenous, the THC content of each single serving in a multi-unit package must be reported, and must be within 20% of the manufacturer's target; for example, in a 25 mg total THC

package with 5 servings, each serving must contain between 4 and 6 mg of THC;

(C) edible marijuana products will be considered to have failed potency testing if:

(i) an individually packaged edible retail marijuana product contained within a test lot is determined to have more than 50 mg of THC within it, then the test batch is considered to have failed potency testing;

(ii) if the THC content of an edible marijuana product is not homogenous, then it is considered to have failed potency testing;

(2) microbial testing for the listed substances on the listed marijuana products is required as follows:

Substance	Acceptable Limits Per Gram	Product to be Tested
-Shiga-toxin producing Escherichia coli (STEC)*- Bacteria	< 1 Colony Forming Unit (CFU/g)	Flower; Retail Marijuana Products; Water- and Food-Based Concentrates
Salmonella species* – Bacteria	< 1 Colony Forming Unit (CFU/g)	
Aspergillus fumigatus, Aspergillus flavus, Aspergillus niger - Fungus	< 1 Colony Forming Unit (CFU/g)	

(3) testing for the listed residual solvents and metals on the listed marijuana products is required as follows:

Substance	Acceptable Limits Per Gram	Product to be Tested
Butanes	< 800 Parts Per Million (PPM)	Solvent-Based Concentrates
Heptanes	< 500 Parts Per Million (PPM)	
Benzene**	< 1 Parts Per Million (PPM)	
Toluene**	< 1 Parts Per Million (PPM)	
Hexane**	< 10 Parts Per Million (PPM)	
Total Xylenes (m,p, o-xylenes)**	< 1 Parts Per Million (PPM)	
Any solvent not permitted for use pursuant to Rule R 605.	None Detected	

(Eff. ___ / ___ / ___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.650. Chain of custody. A marijuana testing facility must establish an

adequate chain of custody and sample requirement instructions that include

- (1) issuing instructions for the minimum sample requirements and storage requirements;
- (2) documenting the condition of the external package and integrity seals utilized to prevent contamination of, or tampering with, the sample;
- (3) documenting the condition and amount of sample provided at the time the sample is received at the facility;
- (4) documenting each person handling the original samples, aliquots, and extracts;
- (5) documenting any transfer of samples, aliquots, and extracts to another marijuana testing facility for additional testing or at the request of the marijuana cultivation facility or marijuana product manufacturer that provided the testing sample;
- (6) maintaining a current list of authorized personnel and restricting entry to the facility to those authorized persons;
- (7) securing the facility during non-working hours;
- (8) securing short-term and long-term storage areas when not in use;
- (9) using a secured area to log in and aliquot samples;
- (10) ensuring samples are stored appropriately; and
- (11) documenting the disposal of samples, aliquots, and extracts. (Eff. ___/___

/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.084	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

3 AAC 306.655. Marijuana inventory tracking system. (a) A marijuana testing

facility shall use an inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana transported to the marijuana testing facility's premises is identified and tracked from the time the marijuana arrives at the testing facility to the use and destruction of the marijuana in testing, or disposal in compliance with 3 AAC 306.740.

(b) When a marijuana testing facility completes any testing, use, or research, it shall immediately dispose of any sample received under this section. If a marijuana testing facility disposes of a sample received under this section, the testing facility shall document the disposal of the sample using its inventory control system. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.660. Failed materials, retests. (a) If a sample tested by a marijuana testing facility does not pass the required tests based on the standards set out in 3 AAC 306.645, the facility that provided the sample shall

- (1) dispose of the entire harvest batch or production lot from which the sample was taken; and
- (2) document the disposal of the sample using its marijuana inventory control system.

(b) If a sample of marijuana fails a required test, any marijuana plant trim, leaf, and other usable material from the same plants automatically fails the required test. The board may approve a request to allow a batch of marijuana that fails a required test to be used to make a CO2 or solvent-based extract. After processing, the CO2 or solvent-based extract must pass all required tests.

(c) If a marijuana cultivation facility or a marijuana product manufacturing facility

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

petitions for a re-test of marijuana or a marijuana product that failed a required test, the board may authorize a retest to validate the test results. The marijuana cultivation facility or a marijuana product manufacturing facility must pay all costs of a retest. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.665. Supplemental marijuana quality testing. (a) The board or director may at any time determine that the interests of the public require random supplemental testing of marijuana or a marijuana product. When the board or director requires random supplemental marijuana testing, the board or director will direct the marijuana cultivation facility that produced the marijuana, or the marijuana product manufacturing facility that manufactured the product, to submit a specified sample, batch, or packaged product to a designated marijuana testing facility. The material must be packaged in a manner that ensures the testing facility will be able to confirm that it has received and is testing the correct supplemental sample.

(b) When a marijuana testing facility receives a sample for supplemental laboratory testing under this section, the marijuana testing facility shall

- (1) perform any required laboratory test the board requests; and
- (2) report its results to the board or director and the facility that provided the

sample.

(c) A marijuana testing facility that conducts laboratory testing under this section shall bill all costs directly to the marijuana cultivation facility or the marijuana product manufacturing facility that provided the samples for testing. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

3 AAC 306.670. Reporting, verification. (a) A marijuana testing facility must report the result of each required laboratory test directly into its marijuana inventory control system within twenty-four hours after the test is completed. A marijuana testing facility must provide the final report

- (1) to the facility that submitted the sample in a timely manner; and
- (2) to the director within 72 hours when results of tested samples exceed

allowable levels.

(b) A marijuana testing facility shall establish procedures to ensure that reported results are accurate, precise, and scientifically valid. To ensure reported results are valid, a marijuana testing facility must include in all final reports:

- (1) the name and location of the marijuana testing facility;
- (2) the unique sample identifier assigned by the testing facility;
- (3) the marijuana establishment or other person that submitted the testing sample;
- (4) the sample identifier provided by the person that submitted the testing

sample;

- (5) the date the facility received the sample;
- (6) the chain of custody identifier;
- (7) the date of report;
- (8) the type of product tested;
- (9) the test results;
- (10) the units of measure; and

(11) any other information or qualifiers needed for interpretation of the test method and the results being reported, including any identified and documented discrepancy.

(c) A marijuana testing facility may amend a final report for clerical purposes except that test results may not be amended. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.675. Records retention. A marijuana testing facility shall maintain the business records required under 3 AAC 306.755 for the period of time specified in that section.

The books and records required under 3 AAC 306.755(a)(1) include:

- (1) test results;
- (2) quality control and quality assurance records;
- (3) standard operating procedures;
- (4) chain of custody records;
- (5) proficiency testing records;
- (6) analytical data to include printouts generated by the instrumentation;
- (7) accession numbers;
- (8) specimen type;
- (9) raw data of calibration standards and curves, controls and subject results;
- (10) final and amended reports;
- (11) acceptable reference range parameters;
- (12) identity of analyst; and
- (13) date of analysis. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

Article 7. Operating Requirements for All Marijuana Establishments.

Section

- 700. Marijuana handler permit
- 705. Licensed premises, alteration
- 710. Restricted access areas
- 715. Security alarm systems and lock standards
- 720. Video surveillance
- 725. Inspection of licensed premises
- 730. Marijuana inventory tracking system
- 735. Health and safety standards
- 740. Waste disposal
- 745. Standardized scales
- 750. Transportation
- 755. Business records

3 AAC 306.700. Marijuana handler permit. (a) 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.

(b) To obtain a marijuana handler permit, a person shall complete a marijuana handler permit education course approved by the board, pass a written test demonstrating an

understanding of the course material, and obtain a certificate of course completion from the course provider. An approved marijuana handler permit education course must cover at least the following topics:

- (1) AS 17.37, AS 17.38, and this chapter;
- (2) the effects of consumption of marijuana and marijuana products;
- (3) how to identify a person impaired by consumption of marijuana;
- (3) how to determine valid identification;
- (4) how to intervene to prevent unlawful marijuana consumption; and
- (5) the penalty for an unlawful act by a licensee, an employee, or an agent of a

marijuana establishment.

(c) To obtain a marijuana handler permit, a person who has completed the marijuana handler permit course described under (b) of this section shall present the course completion certificate, along with a report of criminal justice information obtained from the Department of Public Safety under AS 12.62.160 to the director. The director shall issue a marijuana handler permit card valid for three years from the date of issue. A person may renew a card issued under this section by passing a written test demonstrating an understanding of the course subjects.

(d) A licensee, employee, or agent of a marijuana establishment shall keep the marijuana handler permit card described in (c) of this section in that person's immediate possession when on the licensed premises of the retail marijuana store.

(e) The board will review an approved marijuana handler permit education course at least once every three years, and may rescind approval of the course if the board finds that the education course contents are insufficient or inaccurate. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

AS 17.38.084

3 AAC 306.705. Licensed premises, alteration. (a) A marijuana establishment license will be issued for a specific licensed premises, which is a place clearly designated in a license application and described by a line drawing submitted with the license application. The licensed premises must

(1) have adequate space for its approved operations, including growing, manufacturing, processing, packaging, or storing marijuana or marijuana products; and

(2) be located and constructed to facilitate cleaning, maintenance, and proper operation.

(b) A marijuana establishment's license must be posted in a conspicuous place within the licensed premises.

(c) A holder of a marijuana establishment license may not alter the functional floor plan or reduce or expand the area of the licensed premises without first obtaining the director's written approval. A marijuana establishment license holder seeking to change or modify the licensed premises shall submit a request for approval of the change on a form prescribed by the board, along with

(1) the fee prescribed in 3 AAC 306.100;

(2) a drawing showing the proposed change;

(3) evidence that the proposed change conforms to any local restrictions; and

(4) evidence that the licensee has obtained any applicable local building permit.

(Eff. ___/___/___, Register ___)

Authority: AS 17.38.010

AS 17.38.087

AS 17.38.100

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

AS 17.38.070

AS 17.38.090

AS 17.38.900

AS 17.38.084

3 AAC 306.710. Restricted access areas. (a) A marijuana establishment shall restrict access to any part of the licensed premises where marijuana or a marijuana product is grown, processed, tested, stored, or stocked.

(b) Except as provided in 3 AAC 306.325 for a marijuana retail store, each entrance to a restricted access area must be marked by a sign that says “Restricted access area. Visitors must be escorted.” A marijuana establishment shall limit the number of visitors to not more than five visitors for each licensee, employee, or agent of the licensee who is actively engaged in supervising those visitors.

(c) In a restricted access area, any licensee, employee, and agent of the marijuana establishment shall wear a current identification badge bearing the person’s photograph. A person under the age of 21 may not enter any restricted access area. Any visitor to the restricted area must

(1) show identification as required in 3 AAC 306.350 to prove that person is not under the age of 21;

(2) obtain a visitor identification badge before entering the restricted access area;
and

(3) be escorted at all times by a licensee, or an employee or an agent of the marijuana establishment. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010

AS 17.38.087

AS 17.38.100

AS 17.38.070

AS 17.38.090

AS 17.38.900

AS 17.38.084

3 AAC 306.715. Security alarm systems and lock standards. (a) Each licensee, employee, or agent of a marijuana establishment shall display an identification badge issued by the marijuana establishment at all times when on the marijuana establishment's licensed premises.

(b) The licensed premises of a marijuana establishment must have

- (1) exterior lighting to facilitate surveillance;
- (2) a security alarm system on all exterior doors and windows; and
- (3) continuous video monitoring as provided in 3 AAC 306.720.

(c) A marijuana establishment shall have policies and procedures that

- (1) are designed to prevent diversion of marijuana or marijuana product;
- (2) prevent loitering;
- (3) describe 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 its licensed premises; and

(4) describe the actions to be taken by a licensee, employee, or agent of the marijuana establishment when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security.

(d) A marijuana establishment must use commercial grade, non-residential door locks on all exterior entry points to the licensed premises. Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.720. Video surveillance. (a) A marijuana establishment shall install and

maintain a video surveillance and camera recording system as provided in this section. The video system must cover

(1) each restricted access area and each entrance to a restricted access area within the licensed premises;

(2) each entrance to the exterior of the licensed premises;

(3) each point-of-sale (POS) area.

(b) At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

(c) Any area where marijuana is grown, cured, or manufactured, or where marijuana waste is destroyed, must have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height which will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in order to allow for the clear and certain identification of any person and activity in the area at all times.

(d) Surveillance recording equipment and video surveillance records must be housed in a locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board. A marijuana establishment may use an offsite monitoring service and offsite storage of video surveillance records as long as security requirements at the offsite facility are at least as strict as onsite security requirements as described in this section.

(e) Each surveillance recording must be preserved for a minimum of 40 days, in a format

that can be easily accessed for viewing. All recorded images must clearly and accurately display the time and date, and must be archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated. After 40 days, a marijuana establishment may erase video recordings, unless the licensee knows or should know of any pending criminal, civil, or administrative investigation for which the video recording may contain relevant information. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.725. Inspection of licensed premises. (a) A marijuana establishment or an applicant for a marijuana establishment license under this chapter shall, upon request, make the licensed premises or the proposed licensed premises, including any place for storage, available for inspection by the director, an employee or agent of the board, or an officer charged with the enforcement of this chapter. The board or the director may also request a local fire protection agency or any other state agency with health and safety responsibilities to inspect licensed premises or proposed licensed premises.

(b) Inspection under this section includes inspection of the premises, facilities, qualifications of personnel, methods of operation, business and financial records, marijuana inventory tracking system, policies, and purposes of any marijuana establishment and of any applicant for a marijuana establishment license. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

3 AAC 306.730. Marijuana inventory tracking system. (a) A marijuana establishment shall 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 is 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.

(b) All marijuana delivered to a marijuana establishment must be weighed on a scale certified in compliance with 3 AAC 306.745. (Eff. ___/___/____, Register ____)

(Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
 AS 17.38.070 AS 17.38.090 AS 17.38.900
 AS 17.38.084

3 AAC 306.735. Health and safety standards. (a) A marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that no health or safety concerns are present.

(b) A marijuana establishment shall take all reasonable measures and precautions to ensure that

(1) any person who has an illness, an open sore or infected wound, or other potential source of infection may not come in contact with marijuana or a marijuana product while the illness or source of infection persists;

(2) the licensed premises have

(A) adequate and readily accessible toilet facilities that are maintained in

good repair and sanitary condition; and

(B) convenient hand-washing facilities with running water at a suitable temperature; the marijuana establishment shall require employees to wash or sanitize their hands, and must provide effective hand-cleaning, sanitizing preparations, and drying devices;

(3) each person working in direct contact with marijuana or a marijuana product shall conform to good hygienic practices while on duty, including

(A) maintaining adequate personal cleanliness; and

(B) washing hands thoroughly in an adequate hand-washing area before starting work, after using toilet facilities, and at any other time when the person's hands may have become soiled or contaminated;

(4) litter, waste, and rubbish are properly removed; the waste disposal equipment must be maintained and adequate to

(A) avoid contaminating any area where marijuana or any marijuana product is stored, displayed, or sold; and

(B) prevent causing odors or attracting pests;

(5) floors, walls, and ceilings must be constructed to allow adequate cleaning, and must be kept clean and in good repair;

(6) adequate lighting is installed in any area where marijuana or a marijuana product is stored, displayed, or sold, and where any equipment or utensil is cleaned;

(7) screening or other protection adequately protects against the entry of pests;

(8) any building, fixture, and other facility is maintained in sanitary condition;

(9) any toxic cleaning compound, sanitizing agent, and pesticide chemical must

be identified and stored in a safe manner to protect against contamination of marijuana or marijuana product and in compliance with any applicable local, state, or federal law;

(10) adequate sanitation principles are used in any receiving, inspecting, transporting, and storing of marijuana or marijuana product; and

(11) any marijuana or marijuana product must be held in a manner that prevents the growth of bacteria, microbes, or other undesirable microorganisms.

(c) A marijuana establishment shall ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace; in this section, "stored improperly" means being exposed to extremes in temperature, humidity, smoke, fumes, pressure, or radiation due to a natural disaster, fire, accident, or equipment failure.

(d) If a marijuana establishment does not have reliable information about the age or storage conditions of marijuana or a marijuana product in its possession, the marijuana establishment may salvage the marijuana only if:

(1) a licensed marijuana testing facility determines from quality assurance testing that the marijuana or marijuana product meets all applicable standards of moisture, potency, and contaminants;

(2) inspection of the premises where a disaster or accident occurred shows that the marijuana or marijuana product stored there was not adversely affected by the disaster or accident; and

(3) the marijuana establishment maintains a record of the salvaged marijuana or marijuana product in its marijuana inventory tracking system, including the name, lot number and final disposition. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.740. Waste disposal. (a) A marijuana establishment shall store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation production, processing, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations.

(b) Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves a marijuana establishment. Marijuana waste includes:

- (1) marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent;
- (2) solid marijuana sample plant waste in the possession of a marijuana testing facility; and
- (3) other waste as determined by the board.

(c) A marijuana establishment shall

- (1) 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; except that the director may authorize immediate disposal on an emergency basis; and
- (2) keep a record of the final destination of marijuana waste made unusable.

(d) Marijuana plant waste must be made unusable by grinding the marijuana plant waste and mixing it with at least an equal amount of other compostable or non-compostable materials. A marijuana establishment may use other methods to make marijuana waste unusable if the board approves the method in advance. Material that may be mixed with the marijuana waste

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

includes

(1) compostable materials including food waste, yard waste, vegetable based grease or oils, or other wastes approved by the board when the mixed material can be used as compost feedstock or in another organic waste method such as an anaerobic digester with approval of any applicable local government entity; or

(2) non-compostable materials including paper waste, cardboard waste, plastic waste, oil, or other wastes approved by the board when the mixed material may be delivered to a permitted solid waste facility, incinerator, or other facility with approval of any applicable local government entity.

(e) When marijuana or a marijuana product is found by, or surrendered to, a law enforcement officer including an airport security officer, the officer may dispose of the marijuana or marijuana product as provided in this section or by any method that is allowed under any applicable local ordinance. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.745. Standardized scales. A marijuana establishment shall use certified scales in compliance with AS 45.75.080, the Alaska Weights and Measures Act. A marijuana establishment shall

(1) maintain registration and inspection reports of certified scales; and

(2) upon request by the board or the director, provide a copy of the registration and inspection reports of the certified scales to the board or the director for review. (Eff. ___/___/___, Register ___)

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

Authority: AS 17.38.010 AS 17.38.087 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900
AS 17.38.084

3 AAC 306.750. Transportation. (a) A licensed marijuana establishment shall transport marijuana as follows:

(1) a marijuana cultivation facility may transport marijuana to a marijuana cultivator's broker, another marijuana cultivation facility, a marijuana product manufacturing facility, a marijuana testing facility, or a marijuana retail store;

(2) a marijuana broker may transport marijuana to the broker's own storage area, a marijuana product manufacturing facility, a marijuana testing facility, or a marijuana retail store;

(3) a marijuana product manufacturing facility may transport a marijuana product to another marijuana product manufacturing facility, a marijuana testing facility, or a marijuana retail store;

(4) a marijuana testing facility may transport marijuana or a marijuana product to the facility from which it received the marijuana or another marijuana testing facility; and

(5) a marijuana retail store may transport marijuana or a marijuana product to another marijuana retail store.

(b) A marijuana establishment from which a shipment of marijuana or marijuana product originates is responsible for preparing, packaging, and securing the marijuana or marijuana product during shipment, for recording the transfer in the marijuana inventory tracking system, and for preparing the transport manifest. Any individual transporting marijuana in compliance with this section shall have a marijuana handler permit required under 3 AAC 306.700.

(c) When any marijuana or marijuana product is transported, the marijuana establishment that originates the transport shall use the marijuana 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. A complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times.

(d) During transport, any marijuana or marijuana product must be in a sealed package or container in a locked, safe and secure storage compartment in the vehicle transporting the marijuana or marijuana product. The sealed package may not be opened during transport. Any vehicle transporting marijuana or marijuana product must travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and must not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment.

(e) When a marijuana establishment receives marijuana or a marijuana product transported in compliance with this section, the recipient of the shipment shall use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received. The licensed recipient shall refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

(f) A marijuana establishment must keep records of all marijuana or marijuana product shipped from or received at that marijuana establishment as required under 3 AAC 306.755.

(Eff. ___ / ___ / ___, Register ___)

Authority:	AS 17.38.010	AS 17.38.087	AS 17.38.100
	AS 17.38.070	AS 17.38.090	AS 17.38.900

AS 17.38.084

3 AAC 306.755. Business records. (a) A marijuana establishment shall maintain, in a format that is readily understood by a reasonably prudent business person, the following information:

(1) 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 must be maintained on the marijuana establishment's licensed premises; older records may be archived on or off premises;

(2) 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;

(3) the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;

(4) records related to advertising and marketing;

(5) a current diagram of the licensed premises including each restricted access area;

(6) a log recording the name, and date and time of entry of each visitor permitted in a restricted access area;

(7) all records normally retained for tax purposes;

(8) 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; and

(9) transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f).

(b) A marijuana establishment shall provide any record required to be kept on the licensed premises to an employee of the board upon request. Any record kept off premises must be provided to the board's employees within three business days after a request for the record.

(c) A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Loss of records and data, including electronically maintained records, will not be considered an excuse for a violation of this rule. Failure to retain records required under this section may be interpreted by the board as a license violation affecting public safety. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.085	AS 17.38.100
	AS 17.38.070	AS 17.38.087	AS 17.38.900
	AS 17.38.084	AS 17.38.090	

Article 8. Enforcement and Civil Penalties.

Section

- 800. Inspection and investigation
- 805. Report or notice of violation
- 810. Suspension or revocation of license
- 815. Suspension or revocation based on act of employee
- 820. Procedure for action on license suspension or revocation
- 825. Summary suspension to protect public health, safety, or welfare.
- 830. Seizure of marijuana or marijuana product
- 835. Hearing
- 840. Civil fines

845. Appeal

850. Surrender or destruction of license

3 AAC 306.800. Inspection and investigation. (a) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, may

(1) inspect the licensed premises of any marijuana establishment, including any marijuana and marijuana product on the premises, equipment used in cultivating, processing, testing, or storing marijuana, the marijuana establishment's inventory tracking system, business records, and computers, at any reasonable time and in a reasonable manner;

(2) issue a report or notice as provided in 3 AAC 306.805; and

(3) as authorized under AS 17.38.085, exercise peace officer powers and take any other action the director determines is necessary.

(b) A marijuana establishment, and any licensee, employee, or agent in charge shall cooperate with the director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, to enforce the laws related to marijuana, including

(1) permitting entry upon and inspection of the licensed premises; and

(2) providing access to business records at reasonable times when requested by the director, an enforcement agent, an employee of the board, or a peace officer. (Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.085	AS 17.38.100
	AS 17.38.070	AS 17.38.087	AS 17.38.900
	AS 17.38.084	AS 17.38.090	

3 AAC 306.805. Report or notice of violation. (a) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, may issue an

inspection report, an advisory report, or a notice of violation before taking action to suspend or revoke a marijuana establishment license.

(b) An inspection report documents an investigator's inspection of licensed premises.

An inspection report must be prepared on a form the board prescribes and include information prescribed by statute, regulation, or the board.

(c) The director, an enforcement agent, an employee of the board, or a peace officer may issue an advisory notice when an incident occurs or a defect is noted that could result in a violation of a statute, regulation, or municipal ordinance. An advisory notice may result from an inspection report, but is not a basis for administrative action unless the incident or defect continues or is not corrected.

(d) The director, an enforcement agent, an employee of the board, or a peace officer may issue a notice of violation when an inspection report or other credible information shows a marijuana establishment is in violation of AS 17.38, this chapter, or other law relating to marijuana. The notice of violation must be delivered to the marijuana establishment at its licensed premises, and to the board. The notice must describe any violation, and cite the applicable statute, regulation, or order of the board. A marijuana establishment that receives a notice of violation may respond to the notice orally or in writing, and may, within ten days after receiving the notice, request an opportunity to appear before the board. A notice of violation may be the basis of a proceeding to suspend or revoke a marijuana establishment's license as provided under 3 AAC 306.810. (Eff. ___ / ___ / ___, Register ___)

Authority:	AS 17.38.010	AS 17.38.085	AS 17.38.100
	AS 17.38.070	AS 17.38.087	AS 17.38.900
	AS 17.38.084	AS 17.38.090	

3 AAC 306.810. Suspension or revocation of license. (a) The board will suspend or revoke a marijuana establishment license issued under this chapter if any licensee is convicted of a felony, or if the board becomes aware that a licensee did not disclose a previous felony conviction.

(b) The board may suspend or revoke a license issued under this chapter, refuse to renew a license, or impose a civil fine, if the board finds that a licensee for any marijuana establishment

(1) misrepresented a material fact on an application for a marijuana establishment license, or an affidavit, report, or signed statement under AS 17.38 or this chapter; or

(2) is following any practice or procedure that is contrary to the best interests of the public, including

(A) using any process not approved by the board for extracting or manufacturing marijuana concentrate or products; or

(B) selling or distributing any marijuana concentrate or product that has not been approved by the board;

(3) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of

(A) AS 17.38 or this chapter;

(B) a condition or restriction imposed by the board; or

(C) other applicable law;

(4) knowingly allowed an employee or agent to violate AS 17.38, this chapter, or a condition or restriction imposed by the board;

(5) failed to comply with any applicable public health, fire, safety, or tax law or regulation in the state; or

(6) used the licensed premises for any illegal purpose including gambling, possession or use of narcotics other than marijuana, prostitution, or sex trafficking.

(c) A local government may notify the director if it obtains evidence that a marijuana establishment has violated a provision of AS 17.38, this chapter, or a condition the board has imposed on the marijuana establishment. Unless the board finds that the local government's notice is arbitrary, capricious, and unreasonable, the director will prepare the notice and supporting evidence as an accusation against the marijuana establishment under AS 44.62.360, and conduct proceedings to resolve the matter as described under 3 AAC 306.820. (Eff. ___ / ___ / ___, Register ___)

Authority:	AS 17.38.010	AS 17.38.085	AS 17.38.100
	AS 17.38.070	AS 17.38.087	AS 17.38.900
	AS 17.38.084	AS 17.38.090	

3 AAC 306.815. Suspension or revocation based on act of employee. If, in a proceeding to suspend or revoke a marijuana establishment license under 3 AAC 306.810 and 3 AAC 306.820, evidence shows that an employee or agent of a licensed marijuana establishment was responsible for an act that would justify suspension or revocation of the marijuana establishment's license if committed by a licensee, the board may find that licensee knowingly allowed the act if

(1) the licensee was physically present when the violation occurred, and knew or should have known, the violation was occurring and took no action to stop it;

(2) the licensee failed to adequately supervise the agent or employee;

(3) the licensee failed to adequately train the agent or employee in the requirements of AS 17.38 and this chapter relating to marijuana; or

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

(4) the licensee was reckless or careless in hiring the agent or employee. (Eff.

___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.820. Procedure for action on license suspension or revocation. A proceeding to suspend or revoke a license must be initiated by service of an accusation on the marijuana establishment in compliance with AS 44.62.360 and AS 44.62.380, and conducted in compliance with AS 44.62.330 – AS 44.62.630. The accusation must be served at the address of the licensed premises, or at the address of the licensee who is responsible for management and compliance with laws as listed in the marijuana establishment license application in compliance with 3 AAC 306.020(b)(5). The marijuana establishment is entitled to a hearing as provided under AS 44.62.390. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.825. Summary suspension to protect public health, safety, or welfare.

(a) If the director finds that a person holding a marijuana establishment license has acted and appears to be continuing to act in a way that constitutes an immediate threat to the public health, safety or welfare, the director may issue an order immediately suspending the license of that person, and ordering an immediate stop to the activity that constitutes the threat to the public health, safety, or welfare.

(b) When the director issues a summary suspension under this section, the director shall

immediately give the marijuana establishment subject to the summary suspension order notice of the reasons for the summary suspension, and of the time and place for an expedited hearing before the board. Unless the marijuana establishment subject to the summary suspension order requests a delay, the hearing will be held within five days after the director gives notice of the reasons for the summary suspension and the scheduled hearing. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.830. Seizure of marijuana or marijuana product. (a) The director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, may seize marijuana or any marijuana product from a licensed marijuana establishment if the marijuana establishment has

(1) any marijuana or marijuana product not properly logged into the marijuana establishment's marijuana inventory tracking system;

(2) any adulterated marijuana food or drink product forbidden under 3 AAC 306.510(a)(4); or

(3) any marijuana or marijuana product that is not properly packaged and labeled as provided in 3 AAC 306.465 and 3 AAC 306.470 or 3 AAC 306.565 and 3 AAC 306.570.

(b) If the director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, seizes marijuana or a marijuana product under this section, the director shall update the marijuana inventory control tracking system to reflect the seizure and ensure that the seized items are stored in a reasonable manner. The director shall immediately

give the marijuana establishment from which the marijuana or marijuana product was seized notice of the reasons for the seizure and the time and place of a hearing before the board. Unless the marijuana establishment from which the marijuana or marijuana product was seized requests a delay, the hearing will be held within ten days after the director gives notice of the reasons for seizure and the scheduled hearing. If the seizure occurs in connection with a summary suspension under 3 AAC 306.825, the hearing will be combined with a hearing on the summary suspension.

(c) If the marijuana establishment from which the marijuana or marijuana product was seized does not request or participate in a hearing under this section, or if, after a hearing the board finds that seizure of the marijuana or marijuana product was justified, the marijuana or marijuana product will be destroyed by burning, crushing, or mixing with other material to make the marijuana or marijuana product unusable as provided in 3 AAC 306.740.

(d) If a seizure under this section is of marijuana plants in place in a licensed standard or limited marijuana cultivation facility, the seizure order may direct the cultivation facility to continue care of the plants until the hearing, but prohibit any transfer, sale, or other commercial activity related to the plants. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.835. Hearing. (a) Except as provided in 3 AAC 306.825 or 3 AAC 306.830, any person aggrieved by an action of the director, an enforcement agent, or an employee of the board, may request a hearing in compliance with AS 44.62.390 by filing a notice of defense within 15 days after receiving a written accusation. Failure to file a notice of

defense as provided in this section constitutes a waiver of the right to a hearing.

(b) The Office of Administrative Hearings will conduct the hearing in compliance with due process, the Alaska Administrative Procedure Act, AS 44.62.330 – AS 44.62.630, and the applicable regulations adopted by the Office of Administrative Hearings at 2 AAC 64.100 - 2 AAC 64.990. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.840. Civil fines. (a) The board may, in addition to any other penalties imposed under this title, impose a civil fine on a marijuana establishment, licensee, or person that the board determines has violated a provision of AS 17.38 or this chapter.

(b) In a proceeding under 3 AAC 306.810 – 3 AAC 306.830, the board may impose a civil fine, not to exceed the greater of

(1) an amount that is three times the monetary gain realized by the marijuana establishment, licensee, or person as a result of the violation, as determined by the board;

(2) \$10,000 for the first violation;

(3) \$30,000 for the second violation; or

(4) \$50,000 for the third or subsequent violation. (Eff. ___/___/___, Register

___)

Authority: AS 17.38.010 AS 17.38.085 AS 17.38.100
AS 17.38.070 AS 17.38.087 AS 17.38.900
AS 17.38.084 AS 17.38.090

3 AAC 306.845. Appeal. (a) An aggrieved party may appeal to the board regarding any

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

action of the director, an enforcement agent, or an employee of the board charged with enforcing AS 17.38 or this chapter, including suspending or revoking a license, seizing marijuana or a marijuana product, or imposing a civil fine.

(b) A person aggrieved by a final decision of the board suspending or revoking a license under this chapter, or imposing a civil fine may appeal to the superior court under AS 44.62.560.

(Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.085	AS 17.38.100
	AS 17.38.070	AS 17.38.087	AS 17.38.900
	AS 17.38.084	AS 17.38.090	

3 AAC 306.850. Surrender or destruction of license. A license issued under this chapter must be surrendered to the director, an enforcement agent, or an employee of the board on demand if the director or board so orders. A license issued under this chapter must be surrendered within 10 days after the marijuana establishment loses or vacates the licensed premises. If a license is destroyed, the marijuana establishment shall promptly notify the board.

(Eff. ___/___/___, Register ___)

Authority:	AS 17.38.010	AS 17.38.085	AS 17.38.100
	AS 17.38.070	AS 17.38.087	AS 17.38.900
	AS 17.38.084	AS 17.38.090	

Article 9. General Provisions.

Section

900. Marijuana clubs prohibited

905. Public records

910. Refusal to sell marijuana

915. Exercise of authority

920. Death of licensee

990. Definitions

3 AAC 306.900. Marijuana clubs prohibited. (a) A person may not maintain a place where marijuana or marijuana products are received or kept, or to which marijuana or marijuana products are brought for consumption by the public or by members of a club, association, or corporation unless the person is authorized to do so under this title.

(b) A person may not maintain, operate, or lease premises for the purpose of providing a place for consuming marijuana or marijuana products for consideration by members of the public or other persons, unless the person is authorized to do so under this title.

(c) In this section, "consideration" includes a membership fee, a cover charge, the sale of food, ice, mixers, or other drinks, or the furnishing of marijuana accessories for use in the consumption of marijuana or any marijuana product.

(d) A person violating this section is subject to a civil fine as provided in 3 AAC 306.840. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.905. Public records. Marijuana establishment applications are public records. The board may, at the request of any applicant, designate materials confidential if they

(1) contain proprietary information including trade secrets; or

(2) are required to be kept confidential by any federal or state law or regulation.

(Eff. ___/___/___, Register ___)

Register _____, _____ 2016
10/1/2015

COMMERCE, COMMUNITY, AND EC. DEV.

Authority: AS 17.38.010 AS 17.38.090 AS 17.38.900
AS 17.38.070 AS 17.38.100 AS 40.25.110
AS 17.38.084

3 AAC 306.910. Refusal to sell marijuana. Nothing in this chapter prohibits a licensee from refusing to sell marijuana or marijuana products to any person unless that refusal is a violation of AS 18.80.210. (Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.915. Exercise of authority. Until a marijuana establishment surrenders its license to the board, and so long as business is conducted under the license on the licensed premises, the person holding the license, whether an individual, a partnership, a limited liability company, a corporation, or a local government, is responsible and liable for the conduct of the business. Any individual exercising actual authority over the conduct of business on the licensed premises must be the holder of the marijuana establishment license, or an agent or employee of that person unless the board has approved a transfer of the license to a different person. (Eff. ___/___/____, Register ____)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.920. Death of licensee. (a) If an individual who is the sole licensee of a marijuana establishment dies, the marijuana establishment shall cease operation. A personal representative appointed by the superior court for the estate of the deceased licensee may submit to the director a written request to reopen the business, along with a copy of the court order appointing the personal representative. If the licensed marijuana establishment is in good

standing, and the personal representative is not a person prohibited from holding a marijuana establishment by AS 17.38.100(i), the director shall grant permission to the personal representative to operate the business on the licensed premises subject to (b) of this section. In this section, "good standing" means the marijuana establishment

- (1) has a valid current license;
- (2) has paid all fees due under this chapter, and all local taxes due; and
- (3) has no unresolved suspension or revocation proceedings against it.

(b) A personal representative authorized to operate a marijuana establishment under (a) of this section must submit an application for a transfer of ownership to another person in compliance with 3 AAC 306.045 within 90 days after obtaining the director's approval to operate. The board may extend the time allowed in this section for another 90 days if the personal representative requests the additional time.

(c) This section does not authorize the transfer of a marijuana establishment license unless the board approves the personal representative's application for transfer of license to another person. (Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.084 AS 17.38.100
AS 17.38.070 AS 17.38.090 AS 17.38.900

3 AAC 306.990. Definitions. (a) In AS 17.38 and this chapter,

(1) "affiliate" means a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, a partnership, limited liability company, or corporation subject to this chapter;

(2) "assisting" does not include

(A) using, displaying, purchasing, or transporting marijuana in excess of

the amount allowed in AS 17.38.020;

(B) possessing, growing, processing, or transporting marijuana plants in excess of the number allowed in AS 17.38.020;

(C) growing marijuana plants for another person in a place other than

(i) that other person's primary residence; or

(ii) a garage, shed, or similar place under the other person's

control;

(3) "delivering"

(A) means handing to a person who purchases the product on licensed premises only;

(B) does not include transferring or transporting to a consumer off licensed premises;

(4) "flowering" means a marijuana plant that has visible crystals, buds, or flowers, or for which the exposure to light is scheduled with the intent to produce crystals, buds, or flowers;

(5) "immature" means a marijuana plant with no visible crystals, buds, or flowers, and in which the exposure to light is scheduled with the intent to prevent formation of crystals, buds, or flowers;

(6) "personal cultivation" does not include

(A) using, displaying, purchasing, or transporting marijuana in excess of the amount allowed in AS 17.38.020;

(B) possessing, growing, processing, or transporting marijuana plants in excess of the number allowed in AS 17.38.020;

- (C) growing marijuana plants for another person in a place other than
 - (i) that other person's primary residence; or
 - (ii) a garage, shed, or similar place under the other person's control;
- (7) "possess" means having physical possession or control over property;
- (8) "registration" means "licensure," or "license;"
- (9) "transport" or "transfer" means to deliver between licensed marijuana establishments as provided in 3 AAC 306.750.

(b) In this chapter, unless the context requires otherwise,

(1) "adulterated food or drink product"

(A) means a product that is intended to be consumed orally and that existed without marijuana in a form ready for consumption before marijuana was added by any process;

(B) does not include raw ingredients that are combined with marijuana in a manufacturing process;

(2) "agent"

(A) means a representative who is authorized to act for a licensee, the board, or the director;

(B) includes a contractor or subcontractor;

(3) "batch" or "harvest batch" means a specifically identified quantity of plant trim, leaf, and other usable product from marijuana plants that are uniform in strain, cultivated in one place and under the same conditions, using the same medium and agricultural chemicals including pesticides and fungicides, and harvested at the same time;

- (4) "bud and flower" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;
- (5) "business day" means a day other than a Saturday, Sunday, or a state holiday;
- (6) "CBN" means cannabiniol;
- (7) "CBD" means cannabidiol;
- (8) "CBDA" means CBD Acid;
- (9) "clones" or "cuttings" means small starter plants
- (A) shorter than eight inches tall; and
 - (B) used to propagate marijuana plants;
- (10) "compensation"
- (A) means money, bartered objects or services, or anything else of value, whether given as payment or voluntarily as a donation, when accepted by a person who gives, distributes, or delivers marijuana to another;
 - (B) includes a cover charge, a delivery charge, and a packaging charge;
- (11) "concentrate" or "marijuana concentrate" means resin, oil, wax, or any other substance produced by extracting or isolating cannabinoids, THC, or other components from a marijuana plant or from materials harvested from a marijuana plant;
- (12) "consumer"
- (A) means an individual who purchases and uses marijuana or a marijuana product; and
 - (B) does not include any marijuana establishment that re-sells marijuana or incorporates marijuana into a manufactured product;
- (13) "contaminant" means one or more of the following:

(A) harmful microbials, including *Escherichia coli* (*E. coli*), or *Salmonella* species;

(B) residual solvents;

(C) poisons or toxins;

(D) harmful chemicals, including pesticides;

(E) dangerous molds, mildew, or filth;

(14) "controlling interest" means ownership or control of

(A) 50 percent or more of the ownership interest or voting shares of a corporation; or

(B) less than 50 percent if a person and family members jointly exert actual control as demonstrated by

(i) making decisions for the corporation without independent participation of other owners;

(ii) exercising day-to-day control over the corporation's affairs;

(iii) disregarding formal legal requirements;

(iv) using corporation funds for personal expenses or investments, or intermingling corporation finances with personal finances; or

(v) taking other actions that indicate the corporation is a mere instrumentality of the individual;

(15) "distribute" means spread out or pass out among several or many members of a group;

(16) "edible" and "edible marijuana product"

(A) means a marijuana product that is intended to be consumed orally,

whether as food or drink;

(B) does not include an adulterated food or drink product;

(17) "extraction" or "marijuana extraction" means production of marijuana concentrate by any water-based, food-based, or solvent-based method;

(18) "homogenous" means a component or quality, such as THC, is spread evenly throughout the product, or can be found in equal amounts in each part of a multi-serving unit;

(19) "individual" means a natural person;

(20) "in-house testing"

(A) means laboratory testing as provided in 3 AAC 306.635;

(B) does not include consumption of any marijuana or marijuana product on the licensed premises;

(20) "licensed"

(A) means holding a current and valid license that the board has issued under this chapter;

(B) does not include holding a formerly valid license that has expired or that the board has suspended or revoked;

(21) "licensee" means each individual identified in 3 AAC 306.020 who must be listed in an application for a marijuana establishment license under this chapter;

(22) "licensed premises" means any or all designated portions of a building or structure, or rooms or enclosures in the building or structure, at the specific address for which a marijuana establishment license is issued, and used, controlled, or operated by the marijuana establishment to carry out the business for which it is licensed;

(23) "lot" or "production lot" means a group of marijuana products that were prepared at the same time from the same batch of marijuana, using the same recipe or process;

(24) "marijuana" has the meaning given in AS 17.38.900;

(25) "marijuana cultivation facility" has the meaning given in AS 17.38.900;

(26) "marijuana plant" means a living organism of the genus *Cannabis* capable of absorbing water and inorganic substances through its roots, and synthesizing nutrients in its leaves by photosynthesis;

(27) "marijuana product" has the meaning given in AS 17.38.900;

(28) "marijuana product manufacturing facility" has the meaning given in AS 17.38.900;

(29) "peace officer" has the meaning given in AS 01.10.060;

(30) "person" has the meaning given in AS 01.10.060;

(31) "process" or "processing" means harvesting, curing, drying, trimming of a marijuana plant;

(32) "propagate" means to cause a marijuana plant to grow by planting clones or cuttings, and nurturing them into viable plants up to 8 inches in height;

(33) "recreation or youth center" means a building, structure, athletic playing field, or playground

(A) run or created by a local government or the state to provide athletic, recreational, or leisure activities for minors; or

(B) operated by a public or private organization licensed to provide shelter, training, or guidance for minors;

(34) "retail marijuana store" has the meaning given in AS 17.38.900;

(35) "square feet under cultivation"

(A) means an area of the licensed premises of a standard or limited marijuana cultivation facility that is used for growing marijuana, measured from the perimeter of the floor or growing space for marijuana;

(B) does not include a processing or storage area, an equipment storage area, an office, a hallway, or another area, if that area is not used for growing marijuana;

(36) "THC" means *tetrahydrocannabinol*, the main psychoactive substance found in marijuana;

(37) "THCA" means THC Acid;

(38) "transaction" means one single occurrence in which marijuana or a marijuana product not exceeding the limits set out in 3 AAC 306.355 is passed from a licensed marijuana establishment to another person. Eff. ___/___/___, Register ___)

Authority: AS 17.38.010 AS 17.38.070 AS 17.38.084
AS 17.38.090 AS 17.38.100 AS 17.38.900

Introduced by: Council Member Maczynski
Introduction Date: September 22, 2015
Public Hearing: October 13, 2015
November 24, 2015
Action:
Vote:

CITY OF BETHEL, ALASKA

Ordinance #15-29

AN ORDINANCE BY THE BETHEL CITY COUNCIL AMENDING BETHEL MUNICIPAL CODE 4.08, ACQUISITION AND DISPOSAL OF LAND

WHEREAS, the City's Planning Commission has a vital role in all the City's land use planning and regulations;

WHEREAS, the City of Bethel, City Council recognizes and values the role of the Planning Commission in developing and recommending the City's 2035 Comprehensive Plan as well as numerous other land use documents, and

WHEREAS, SEC. 4.08.050(C) Lease procedures, a notice to renew the lease must be provided by the lessee to the City Clerk's Office at least 180 days prior to the expiration of a lease agreement made between the City of Bethel and the Lessee; and

WHEREAS, the requirement to have the Planning Commission approve all lease renewals by a vote of the Planning Commission and the City Council creates a redundancy in these procedures, and

WHEREAS, the requirement to have the Planning Commission's recommendation on any sale, lease or exchange of city land could negatively impact the city's ability to timely engage in property transfer due to the Planning Commissions quorum requirements;

NOW, THEREFORE BE IT ENACTED by the City Council of Bethel Alaska as follows:

SECTION 1. Classification. This ordinance is of permanent nature and shall be codified within the Bethel Municipal Code.

SECTION 2. Amendment. The Bethel Municipal Code Chapter 4.08 is amended as follows (new language is underlined and ~~old language is stricken out~~):

Introduced by: Council Member Maczynski
Introduction Date: September 22, 2015
Public Hearing: October 13, 2015
Action:
Vote:

Chapter 4.08 ACQUISITION AND DISPOSAL OF LAND

4.08.010 Rights and powers of City.

The city shall have and may exercise all rights and powers in the acquisition, ownership, holding and disposal of any interest in real property not prohibited by law.

A. Any sale, ~~lease or exchange~~ or purchase (acquisition) of City land shall be approved by the city council by ordinance after consideration of the recommendations of the Planning Commission.

B. Any lease, lease renewal or exchange of city land shall be approved by the city council by ordinance.

4.08.020 Acquisition.

A. The city may acquire any interest in real property by purchase, lease, exchange, transfer, donation or any other method. All acquisitions not otherwise provided for by law shall be by ordinance enacted by a majority vote of the city council.

B. Real property shall be held in the name of the "city of Bethel."

4.08.030 Disposal.

A. Property No Longer Necessary for Municipal Purposes. The city council may, by ordinance, provide for the disposal of an interest in any real property which is no longer necessary for municipal purposes. All such disposals shall be by sealed bid to the highest bidder and shall be made at least at current assessed value or at current appraised value unless otherwise determined by ordinance.

B. Disposal to Entity Providing Necessary Public Service. The city council may, by ordinance, provide for the disposal of an interest in real property to a municipal, borough, state, or federal or other appropriate entity providing a necessary public service without seeking bids and for less than the current assessed value or current appraised value of that interest in real property. All disposals made pursuant to this subsection for less than the current assessed value or current appraised value shall include a condition requiring that the interest of the city being disposed of shall revert to the city in the event the real property disposed of is not being used to provide the necessary public service justifying the original disposal.

C. Disposal in Furtherance of Development of Local Trade or Industry. The city council may, by ordinance, provide for the disposal of an interest in real property to any person or entity in furtherance of the development of local trade or industry without seeking competitive bids but not for less than the current assessed value or current appraised value, whichever is higher, of that interest in real property. All disposals made pursuant to this subsection shall include a condition requiring that the interest of the city being disposed of revert to the city in the event that the real property disposed of is not being used in furtherance of the development of local trade or industry justifying the original disposal.

Introduced by: Council Member Maczynski
Introduction Date: September 22, 2015
Public Hearing: October 13, 2015
November 24, 2015
Action:
Vote:

D. Disposal to Compromise Claim. The city council may, by ordinance, compromise disputed claims of litigation by authorizing disposal of an interest in real property.

E. Disposal to Individual With Equitable Claim. The city council may, by ordinance, provide for the disposal of an interest in real property to an individual with an equitable claim of an interest in the property by reason of their occupancy of the property as their principal place of residence prior to January 1, 1963, and their continued occupancy of the property as their principal place of residence after its transfer to the city by the federal townsite trustee without seeking bids and for less than the current assessed value or current appraised value of that property.

F. Disposal to Native Tribal Council. All disposals made by the city to a native tribal council shall include a requirement that the native tribal council waive any immunity from suit for the purpose of enforcing any conditions attached to the disposal of the city's interest in the real property to the native tribal council.

4.08.040 Notice of disposal.

A notice of the proposed disposal of any interest in real property shall be posted in three (3) conspicuous public places within the city for not less than thirty (30) days and published in a newspaper with general circulation for three (3) weeks before the date of the bid opening or not less than thirty (30) days before the date of the passage of the ordinance authorizing the disposal. The notice shall include:

- A. A legal description of the property including the square footage contained therein;
- B. A description of the city's interest being disposed of;
- C. The method of disposal;
- D. The value of the city's interest being disposed of, according to current assessment or current appraisal;
- E. The date of the proposed disposal; and
- F. The time, place and manner in which the proposed disposal shall occur.

4.08.050 Lease procedures.

A. General Regulations. In addition to the regulations governing disposal of property, the following regulations shall apply specifically to leases. The city may renew a lease without public bid and during the renewal process, the city may change any term or condition contained in the original lease.

B. Expiration. Unless the lease is terminated beforehand, or renewed as stated above, the lessee shall peaceably and quietly leave, surrender and yield up to the lessor all the leased land on the last day of the term of that lease.

C. Renewal. If the lessee wishes to renew the lease, the lessee shall make written application to the city clerk for renewal of the lease at least one hundred eighty (180) days prior to the expiration of the lease. The written renewal application shall contain terms of the proposed renewal. The city manager shall, upon majority vote of the ~~planning commission and~~ city council after a public hearing, after the recommendation of the planning commission, if available, issue a renewal of the lease to the lessee.

Introduced by: Council Member Maczynski
Introduction Date: September 22, 2015
Public Hearing: October 13, 2015
Action:
Vote:

D. Subdivision Regulations. All leased property shall be subject to the land use and subdivision regulations of the city.

4.08.055 Use permit procedures.

In addition to the regulations governing disposal of property, the following regulations shall apply specifically to the issuance of use permits:

A. Use Permits. The city may issue revocable use permits allowing for short term or seasonal uses of city property not to exceed six (6) months. The use permit shall include a provision that it is revocable by the city at any time during the term of the permit without liability to the city save for a pro-rata refund of any prepaid permit fees.

B. Land Use Regulations. All property disposed of by use permit shall be subject to the land use regulations of the city. All property disposed of by use permit shall not be subject to the subdivision regulations of the city.

4.08.060 Definitions.

In this chapter, unless otherwise provided or the context otherwise requires:

A. Appropriate Entity. A determination shall be made by the city council as to whether or not the entity in question will further the public interest.

B. "Interest in real property" includes, but is not limited to, fee simple ownership, a lease, an easement, and the possibility of reverter.

C. "Necessary public service" includes, but is not limited to, police protection; fire protection; public health and safety; public education; electric, water and sewer utilities; and marine, land or air transportation.

D. "Shall" is considered mandatory.

SECTION 3. Effective Date. This ordinance shall become effective upon passage by the Bethel City Council.

ENACTED THIS __ DAY OF SEPTEMBER 2015, BY A VOTE OF _ IN FAVOR AND _ OPPOSED.

ATTEST:

Richard Robb, Mayor

Lori Strickler, City Clerk

Chapter 4.08 ACQUISITION AND DISPOSAL OF LAND

Sections:

- 4.08.010 Rights and powers of city.
- 4.08.020 Acquisition.
- 4.08.030 Disposal.
- 4.08.040 Notice of disposal.
- 4.08.050 Lease procedures.
- 4.08.055 Use permit procedures.
- 4.08.060 Definitions.

4.08.010 Rights and powers of city.

The city shall have and may exercise all rights and powers in the acquisition, ownership, holding and disposal of any interest in real property not prohibited by law. Any sale, lease or exchange of city land shall be approved by the city council by ordinance after consideration of the recommendations of the planning commission. [Ord. 182, 1988.]

4.08.020 Acquisition.

A. The city may acquire any interest in real property by purchase, lease, exchange, transfer, donation or any other method. All acquisitions not otherwise provided for by law shall be by ordinance enacted by a majority vote of the city council.

B. Real property shall be held in the name of the "city of Bethel." [Ord. 182, 1988.]

4.08.030 Disposal.

A. Property No Longer Necessary for Municipal Purposes. The city council may, by ordinance, provide for the disposal of an interest in any real property which is no longer necessary for municipal purposes. All such disposals shall be by sealed bid to the highest bidder and shall be made at least at current assessed value or at current appraised value unless otherwise determined by ordinance.

B. Disposal to Entity Providing Necessary Public Service. The city council may, by ordinance, provide for the disposal of an interest in real property to a municipal, borough, state, or federal or other appropriate entity providing a necessary public service without seeking bids and for less than the current assessed value or current appraised value of that interest in real property. All disposals made pursuant to this subsection for less than the current assessed value or current appraised value shall include a condition requiring that the interest of the city being disposed of shall revert to the city in the event the real property disposed of is not being used to provide the necessary public service justifying the original disposal.

C. Disposal in Furtherance of Development of Local Trade or Industry. The city council may, by ordinance, provide for the disposal of an interest in real property to any person or entity in furtherance of the development of local trade or industry without seeking competitive bids but not for less than the current assessed value or current appraised value, whichever is higher, of that interest in real property. All disposals made pursuant to this subsection shall include a condition requiring that the interest of the city being disposed of revert to the city in the event that the real property disposed of is not being used in furtherance of the development of local trade or industry justifying the original disposal.

D. Disposal to Compromise Claim. The city council may, by ordinance, compromise disputed claims of litigation by authorizing disposal of an interest in real property.

E. Disposal to Individual With Equitable Claim. The city council may, by ordinance, provide for the disposal of an interest in real property to an individual with an equitable claim of an interest in the property by reason of their occupancy of the property as their principal place of residence prior to January 1, 1963, and their continued occupancy of the property as their principal place of residence after its transfer to the city by the federal townsite trustee without seeking bids and for less than the current assessed value or current appraised value of that property.

F. Disposal to Native Tribal Council. All disposals made by the city to a native tribal council shall include a requirement that the native tribal council waive any immunity from suit for the purpose of enforcing any conditions attached to the disposal of the city's interest in the real property to the native tribal council. [Ord. 94-09 § 3; Ord. 182, 1988.]

4.08.040 Notice of disposal.

A notice of the proposed disposal of any interest in real property shall be posted in three (3) conspicuous public places within the city for not less than thirty (30) days and published in a newspaper with general circulation for three (3) weeks before the date of the bid opening or not less than thirty (30) days before the date of the passage of the ordinance authorizing the disposal. The notice shall include:

- A. A legal description of the property including the square footage contained therein;
- B. A description of the city's interest being disposed of;
- C. The method of disposal;
- D. The value of the city's interest being disposed of, according to current assessment or current appraisal;
- E. The date of the proposed disposal; and
- F. The time, place and manner in which the proposed disposal shall occur. [Ord. 182, 1988.]

4.08.050 Lease procedures.

A. General Regulations. In addition to the regulations governing disposal of property, the following regulations shall apply specifically to leases. The city may renew a lease without public bid and during the renewal process, the city may change any term or condition contained in the original lease.

B. Expiration. Unless the lease is terminated beforehand, or renewed as stated above, the lessee shall peaceably and quietly leave, surrender and yield up to the lessor all the leased land on the last day of the term of that lease.

C. Renewal. If the lessee wishes to renew the lease, the lessee shall make written application to the city clerk for renewal of the lease at least one hundred eighty (180) days prior to the expiration of the lease. The written renewal application shall contain terms of the proposed renewal. The city manager shall, upon majority vote of the planning commission and city council after a public hearing, issue a renewal of the lease to the lessee.

D. Subdivision Regulations. All leased property shall be subject to the land use and subdivision regulations of the city. [Ord. 182, 1988.]

4.08.055 Use permit procedures.

In addition to the regulations governing disposal of property, the following regulations shall apply specifically to the issuance of use permits:

A. Use Permits. The city may issue revocable use permits allowing for short term or seasonal uses of city property not to exceed six (6) months. The use permit shall include a provision that it is revocable by the city at any time during the term of the permit without liability to the city save for a pro-rata refund of any prepaid permit fees.

B. Land Use Regulations. All property disposed of by use permit shall be subject to the land use regulations of the city. All property disposed of by use permit shall not be subject to the subdivision regulations of the city. [Ord. 95-15 § 2.]

4.08.060 Definitions.

In this chapter, unless otherwise provided or the context otherwise requires:

A. Appropriate Entity. A determination shall be made by the city council as to whether or not the entity in question will further the public interest.

B. "Interest in real property" includes, but is not limited to, fee simple ownership, a lease, an easement, and the possibility of reverter.

C. "Necessary public service" includes, but is not limited to, police protection; fire protection; public health and safety; public education; electric, water and sewer utilities; and marine, land or air transportation.

D. "Shall" is considered mandatory. [Ord. 182, 1988.]

The Bethel Municipal Code is current through Ordinance 15-14, passed June 15, 2015.

Disclaimer: The City Clerk's Office has the official version of the Bethel Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://www.cityofbethel.org/>
 (<http://www.cityofbethel.org/>)
 City Telephone: (907) 543-2087
 Code Publishing Company
 (<http://www.codepublishing.com/>)

F Y I

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "LEASE") is made by and between the City of Bethel (the "CITY"), a municipal corporation located in Bethel, Alaska, whose mailing address is Post Office Box 1388, Bethel, Alaska 99559 and the University of Alaska Fairbanks, School of Natural Resources, (the "LESSEE"), whose mailing address is [insert].

WHEREAS, LESSEE has indicated its desire to lease real property located at 519 Mission Drive, Bethel, Alaska, more commonly known as the "Teen Center Building".

NOW THEREFORE, for and in consideration of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE 1 – LEASED PROPERTY

- 1.1 *Description of Leased Property.* The Leased Property commonly known as the "Teen Center" and "parking lot" is located on 519 Mission Drive in the City of Bethel, Alaska.
- 1.2 *Inventory on Leased Property.* Leased Property shall include all inventory and supplies currently inside the building as well as those items specifically set out in the attached Exhibit "A". Such inventory and supplies are for the sole use of LESSEE and may not be sold, donated or bartered by LESSEE. CITY does not warrant the condition of such inventory/supplies. LESSEE accepts the inventory/supplies as is with no promises to CITY to repair or replace said inventory and supplies should they become inoperable through normal and customary use. Any inventory/supplies damaged through the sole negligence of LESSEE, shall be replaced at the sole cost of the LESSEE. Should any of the inventory/supplies become inoperable during the term of this LEASE, LESSEE is solely responsible for the disposal of such inventory/supplies. LESSEE shall notify CITY of the disposal of any items listed in Exhibit A so that CITY may update its inventory list. Any inventory/supplies remaining at the termination of the LEASE shall immediately revert back to CITY.
- 1.3 *Property Accepted "As-is."* LESSEE acknowledges that it has inspected the Leased Property and accepts the same "as-is" and without reliance on any expressed or implied representations or warranties of CITY, or agents of CITY, as to the actual physical condition or characteristics thereof and the legal description or depiction of the Leased Property in Article 1.1.
- 1.4 *Permits.* LESSEE, at its sole cost, shall obtain all permits necessary for the operation of its facilities on the Leased Property.
- 1.5 *Rent.* LESSEE shall pay, from July 1, 2015 to June 30, 2020, rent of \$1.00 per year for the building. Rent shall be paid annually.

ARTICLE 2 – LEASE TERM

- 2.1 *Lease Term.*
 - a) The Lease Term shall be from July 1, 2015 to June 30, 2020. The Lease Term shall commence on the date this LEASE is signed by both the CITY and UAF. The effective date of the lease, however, shall be July 1, 2015 (the "Effective Date").

- b) Except for extensions as provided in Article 2.2 below, this LEASE is not subject to renewal.

2.2 *Options to Extend.* At the expiration of the initial term, at the sole discretion of CITY, the Lease Term may be extended, with rent to be determined upon renewal, provided that:

- a) LESSEE shall send written request for an extension to the address noted in Article 25 at least one hundred eighty days (180) days prior to the expiration of the then current lease term;
- c) LESSEE is not in default under any term or provision of this LEASE.

ARTICLE 3 – USE OF LEASED PROPERTY

3.1 *Use of Leased Property.* LESSEE shall use Leased Property solely for the operation of 4H activities and programs. Should the LESSEE discontinue use of the current structure on the Leased Property for a period in excess of 60 (sixty) consecutive days, the LEASE shall be considered to be in breach, shall be considered null and void and the building will automatically revert back to the City, unless a new written agreement is put into place replacing this one

3.2 *Obligations of LESSEE.* LESSEE may use the Leased Property only in accordance with applicable CITY zoning code provisions and provided the following conditions are met:

- a) LESSEE agrees to prohibit the use, keeping, storage, or disposal of Hazardous Materials on the Leased Property except as permitted in Article 14.1 of this LEASE.
- b) LESSEE shall not use the Leased Property in any manner or construct any facilities thereon which would inhibit the use of adjacent or other lands.
- c) LESSEE shall continue to use the Leased Property for the specific purpose(s) described above. Any change to the approved use of the building requires CITY approval, through the City Council, prior to such change. LESSEE's failure to obtain CITY approval of any changes on the allowed use of the building shall be a LESSEE Act of Default under this LEASE.

3.3 *Adequacy of Leased Property and Public Facilities.* CITY makes no representations or warranties as to the fitness of any particular part or the whole of CITY'S leased property for the uses intended by LESSEE. LESSEE has inspected those facilities and has satisfied itself that the leased property is sufficient for the intended uses by LESSEE. CITY makes no representations or warranties of any nature with respect to the commercial practicability or accuracy of any information provided by CITY.

3.4 *Utilities.* Utilities will be paid as follows:

- a) LESSEE will pay for the following utilities related to operations on the Leased Property:

- Internet
- Telephone (including long distance)

- b) CITY will pay for the following utilities:
- Heat
 - Water/Sewer/Garbage
 - Electricity
 - Snow Removal**

** Snow removal limited to parking lot area only and only as time reasonably permits based on City's Priority matrix (highways first, secondary roads second, etc.)

3.5 *Operation of a 4H Program.* LESSEE will operate the Leased Property solely for 4H activities.

ARTICLE 4 –CONSTRUCTION BY LESSEE

4.1 *Improvements to Leased Property.* LESSEE shall have the right to maintain, alter or remodel the Leased Property as described in Article 1.1, subject to the following conditions:

- a) The cost of any construction, reconstruction or of any changes, alterations or improvements, shall be borne and paid for by LESSEE.
- b) Plans for any work reasonably estimated to cost Fifty Thousand (\$50,000) Dollars or more, shall be presented to the City prior to commencement of any work for CITY review. CITY shall have the right to approve or deny the proposed changes to the Facility.
- c) If applicable, LESSEE shall provide CITY with a copy of all building plans and specifications and a site development plan or plans (based on a recent survey) for the Leased Property prior to commencement of construction.
- d) Any general contractor employed by LESSEE shall be appropriately bonded by use of performance and labor and material payment bonds in the customary form when cost of the work is equal to or exceeds FIFTY THOUSAND DOLLARS (\$50,000). Copies of all such bonds shall be furnished to CITY prior to commencement of construction. If the cost of the work is less than FIFTY THOUSAND DOLLARS (\$50,000.00), LESSEE shall provide CITY, if no performance and labor and material bonds are provided by LESSEE, any necessary assurances or guarantees that the contemplated work will be performed by the general contractor or by LESSEE. In the event that LESSEE elects to perform utilize its own personnel and equipment, or the personnel and equipment of any corporation or person that is an "affiliate" of LESSEE as such term is defined in AS 10.06 990(2) or Alaska limited liability company in which LESSEE maintains a substantial membership interest¹, a performance bond shall be required when the cost of the work is equal to or exceeds FIFTY THOUSAND DOLLARS (\$50,000).
- e) CITY may give notice of non-responsibility for any improvements constructed or effected by LESSEE on the Leased Property.

¹ Affiliate means a person that directly or indirectly through one or more intermediary's controls, or is controlled by, or is under common control with, a corporation subject to the Alaska Corporation Code.

- f) LESSEE shall comply with all federal, state and local statutes and regulations with respect to such construction, including but not limited to all applicable building, mechanical, and fire codes.

ARTICLE 5 – RETURN OF LEASED PROPERTY

- 5.1 *Return of Leased Property to Sellable Condition.* Upon termination of this LEASE for any reason, LESSEE shall return the Leased Property as received, less customary wear and tear. The Leased Property shall be free of all personal items, hazardous materials and contamination arising out of or resulting from or occurring during LESSEE's operations or use of the Leased Property during this LEASE.

ARTICLE 6 – TERMINATION FOR CONVENIENCE

CITY or LESSEE may terminate this LEASE at any time by giving ninety (90) days written notice to the other party of such termination and specifying the effective date of such termination. If this LEASE is terminated due to the fault of the LESSEE, Article 7 of this LEASE shall govern the rights and liabilities of the parties.

The rent payment for the year of termination shall be for the full year and shall not be prorated or refunded if effective date of termination is prior to the last day of the year.

ARTICLE 7 – LESSEE'S ACTS OF DEFAULT

Each of the following shall be a "LESSEE Act of Default" under this LEASE and the terms "acts of default" and "default" shall mean, whenever they are used in this LEASE, anyone or more of the following events:

- 7.1 *Failure by LESSEE to pay promptly.* Failure by LESSEE to pay promptly when due, and in no event later than ten (10) days from the due date thereof, the rent required to be paid under this LEASE.
- 7.2 *Failure by LESSEE to Observe, Fulfill or Perform any Covenants, Conditions or Agreements.* Failure by LESSEE to observe, fulfill or perform any covenants, conditions or agreements on its part to be observed or performed under this LEASE for a period of thirty (30) days after written notice specifying such failure, requesting that it be remedied, and stating that it is a notice of default, has been given to LESSEE by CITY; provided, however, that if said default is such that it cannot be corrected within the applicable period, it shall not constitute an act of default if corrective action is instituted by LESSEE within the applicable period and diligently pursued until the default is corrected.
- 7.3 *The Making by LESSEE of an Assignment.* The making by LESSEE of an assignment for the benefit of creditors, the filing of a petition in bankruptcy by LESSEE, the adjudication of LESSEE as insolvent or bankrupt, the petition or application by LESSEE to any tribunal for any receiver or any trustee for itself or for any substantial part of its property, or the commencement of any proceeding relating to LESSEE under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or similar law or statute of any jurisdiction, whether now or hereafter in effect.

- 7.4 *Violation by LESSEE of any Laws or Regulations.* Violation by LESSEE of any laws or regulations of the United States, or of the State of Alaska, or any conditions of any permits issued by agencies of the City of Bethel, the State of Alaska or of the United States Government applicable to LESSEE's use of the Leased Property, pursuant to the regulations of such agencies, for a period of thirty (30) days after written notice specifying such violation has been given by the agency charged with the enforcement of such laws, regulations or permits to LESSEE; provided, however, if such violation be such that it cannot be corrected within the applicable period, it shall not constitute an act of default if corrective action is instituted by LESSEE within the applicable period and diligently pursued until the violation is corrected. Furthermore, if LESSEE shall contest such alleged violation through appropriate judicial or administrative channels, the time period specified herein shall not commence until such proceedings are finally determined provided such proceedings are diligently pursued; provided, however, that any such extension of time shall not be effective if the effect of the interim administrative or judicial action is to cause a stoppage, interruption or threat to the activities of any person or entity other than those of LESSEE.
- 7.5 *Failure of LESSEE to Maintain the Facility.* Failure of LESSEE to utilize the Leased Property for 4H activities for a period exceeding 60 (sixty) consecutive days.
- 7.6 *Public Entrances.* Failure of LESSEE to keep the public entrances clear.

ARTICLE 8 – REMEDIES FOR DEFAULT BY LESSEE

Whenever an act of default by LESSEE shall have occurred, and any applicable period for giving notice and any opportunity to cure shall have expired, CITY shall have the following rights and remedies all in addition to any rights and remedies that may be given to CITY by statute, common law or otherwise:

- 8.1 CITY may distain any of LESSEE's personal property which comes into CITY's possession. This remedy shall include the right of CITY to dispose of personal property distained in any commercially reasonable manner. It shall be conclusively presumed that compliance with the procedures set forth in the Alaska Uniform Commercial Code (AS 45.29.601-.628) with respect to sale of property shall be a commercially reasonable disposal.
- 8.2 CITY may re-enter the Leased Property and take possession thereof and, except for any personal property of LESSEE which CITY has waived its right to distain under Article 8.1 above, remove all personal property of LESSEE from the Leased Property. Such personal property may be stored in place or may be removed and stored in a public warehouse or elsewhere at the cost of LESSEE all without service of notice or resort to legal process, all of which LESSEE expressly waives.
- 8.3 In addition to the above, CITY may if applicable:
- a) Declare this LEASE terminated;
 - b) Collect any and all rents due or to become due;

- c) Recover from LESSEE, whether this LEASE be terminated or not, reasonable attorney's fees and all other expenses incurred by CITY by reason of the breach or default by LESSEE;
 - d) Recover an amount to be due immediately on breach equal to the unpaid rent for the entire remaining term of this LEASE;
 - e) Recover all damages incurred by CITY by reason of LESSEE's default or breach including, but not limited to, the cost of recovering possession of the Leased Property, expenses of re-letting including costs of necessary renovation and alteration of the premises, reasonable attorney's fees and any real estate commissions actually paid;
 - f) Remove or require the removal of any improvements constructed without CITY approval or constructed contrary to site development plans approved by CITY and recover all costs and expense incurred by CITY to remove violating improvements.
 - g) Recover all damages incurred by CITY by reason of LESSEE's default or breach, including, but not limited to, the cost of removing all structures, cleaning up the land and removing all hazardous materials found on the land.
- 8.4 If LESSEE does not immediately surrender possession of the Leased Property after termination by CITY and upon demand by CITY, CITY may forthwith enter into and upon and repossess the Leased Property and expel LESSEE without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant.
- 8.5 No expiration or termination of this LEASE shall expire or terminate any liability or obligation to perform of LESSEE's which arose prior to the termination or expiration except insofar as otherwise agreed to in this LEASE.
- 8.6 Each right and remedy of CITY provided for in this LEASE shall be cumulative and shall be in addition to every other right or remedy provided for in this LEASE or now, or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by CITY of any one or more of the rights and remedies provided for in this LEASE or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this LEASE or now or thereafter existing at law, or in equity or by statute or otherwise.
- 8.7 No delay or omission to exercise any right or power accruing following an act of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE 9 - TITLE TO IMPROVEMENTS INSTALLED BY LESSEE

- 9.1 *Real Property Improvements.* All improvements constructed by LESSEE on the Leased Property shall remain the property of the LESSEE and shall be removed within three (3) months of termination of this Agreement at LESEE's sole expense. Property not

removed within three (3) months of termination of this Agreement shall be considered abandoned. CITY may elect to remove any or all abandoned property and dispose of it in any manner CITY deems appropriate. In such event, LESSEE shall be responsible for all reasonable costs, including attorney's fees, incurred by CITY in the disposal of the abandoned property.

- 9.2 *Personal Property.* Any other provisions of this LEASE to the contrary notwithstanding, LESSEE, upon termination of this LEASE for any reason, shall promptly remove trade fixtures and equipment from the Leased Property provided that LESSEE shall repair any damages to the Leased Property caused by such removal.

ARTICLE 10 – ASSIGNMENT OR SUBLEASE

- 10.1 *Assignment of Lease or Subleasing.* The rights and duties created by the LEASE are personal to LESSEE and CITY has granted the LEASE in reliance upon the individual character and financial capability of LESSEE. Therefore, LESSEE shall not assign or sublease this LEASE, any portion thereof.

ARTICLE 11 – LESSEE'S DUTY TO DEFEND/INDEMNIFY

LESSEE shall defend, indemnify and hold harmless CITY, its officials, employees, and agents from any and all liability or claims for damages, including personal injuries, environmental damage, death and property damage arising out of or resulting from LESSEE's use of the Leased Property except for damages arising from the sole negligence or willful acts or omissions of CITY, its officials, employees and agents. If any action or proceeding is brought against LESSEE by reason of any such occurrence, LESSEE shall notify CITY promptly in writing of such action or proceeding.

ARTICLE 12 – INSURANCE

- 12.1 *Minimum Insurance Requirements.* No later than August 15, 2015, LESSEE shall procure and maintain, at LESSEE's sole cost and expense, comprehensive commercial general liability insurance with limits of liability of not less than ONE MILLION DOLLARS (\$1,000,000) for all injuries and/or deaths resulting to any one person and ONE MILLION DOLLARS (\$1,000,000) limit from any one occurrence. The comprehensive commercial general liability insurance shall include coverage for personal injury, bodily injury, and property damage or destruction.

LESSEE shall also maintain workers' compensation insurance as required under Alaska law.

The minimum amounts and types of insurance provided by LESSEE shall be subject to revision at the sole discretion of CITY in accordance with standard insurance practices, in order to provide continuously throughout the term of this LEASE and any extensions hereof, a level of protection consonant with good business practice and accepted standards in the industry. Such factors as changes in the type of or extent of use of the Lease Property, increases in the cost of living, inflationary pressures, and other considerations, shall be utilized in assessing whether the minimum insurance requirements should be increased. CITY shall notify LESSEE of any required increase in insurance coverage.

All insurance policies shall provide for thirty (30) days' notice of cancellation and/or material change to be sent to CITY at the address designated in Article 25 of this LEASE. All such policies shall be written by insurance companies legally authorized or licensed to do business in the State of Alaska and acceptable to CITY (Best's Rating B+ or better). CITY shall be listed as an additional insured under all insurance policies. LESSEE shall furnish CITY, on forms approved by CITY, certificates evidencing that it has procured the insurance required herein prior to the occupancy of the Leased Property or operation by LESSEE.

- 12.2 *Subrogation Rights Waived.* To the extent permitted by law, LESSEE hereby releases CITY, its elected and appointed officials, employees and volunteers and others working on behalf of CITY from any and all liability or responsibility to LESSEE or anyone claiming through or under LESSEE by way of subrogation or otherwise, for any loss of any kind (including damage to property caused by fire or any other casualty), even if such loss shall have been caused by the fault or negligence of the CITY, its elected or appointed officials, employees or volunteers or others working on behalf of the CITY. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of LESSEE's occupancy or use (including LESSEE's occupancy or use prior to the Effective Date of this LEASE), and LESSEE's policies of insurance shall contain a clause or endorsement to the effect that such release shall not adversely affect or impair such policies or prejudice the right of LESSEE to recover thereunder except as against CITY (including its elected and appointed officials, employees and volunteers and others working on behalf of CITY) during the time of LESSEE's occupancy or use. LESSEE agrees that its policies of insurance will include such a clause or endorsement.

ARTICLE 13 – MAINTENANCE AND REPAIRS

- 13.1 *Normal Maintenance.* During the entire term of this LEASE, LESSEE shall, at LESSEE's sole cost, risk and expense, maintain the Leased Property, including any improvements existing or placed thereon by LESSEE, in as good condition as received by LESSEE, subject to normal, non-abusive use. LESSEE shall maintain in first class condition at all times all fire, pollution and other protective equipment, if any are placed on Leased Property. CITY's maintenance obligations shall be limited to basic building repair such as boiler repair, repair of electrical or water systems and other general repairs customarily provided by a landlord in a landlord/tenant property rental situation.
- 13.2 *Safety Issues.* CITY may notify LESSEE in writing of any deficiencies in the performance of LESSEE's maintenance responsibilities as they relate to public health or safety and LESSEE shall promptly within ten (10) days of receipt of such notice advise CITY in writing of its proposed schedule for performance of any work necessary to cure such deficiencies.

If such deficiencies relate to the safety of LESSEE's operation such that the surrounding land and facilities are exposed to risk, unnecessary potential hazards, or a risk to the public interest (as distinguished from a business risk), or if CITY is not satisfied with the proposed schedule of repairs either because of the delays therein or the scope of the repairs, then CITY may engage an independent engineering consultant who shall furnish to CITY a comprehensive survey and report for the purpose of establishing both the need and urgency to perform such maintenance work. As soon as practicable following receipt of said engineer's determinations and recommendations, if the report requires

- c) Recover from LESSEE, whether this LEASE be terminated or not, reasonable attorney's fees and all other expenses incurred by CITY by reason of the breach or default by LESSEE;
 - d) Recover an amount to be due immediately on breach equal to the unpaid rent for the entire remaining term of this LEASE;
 - e) Recover all damages incurred by CITY by reason of LESSEE's default or breach including, but not limited to, the cost of recovering possession of the Leased Property, expenses of re-letting including costs of necessary renovation and alteration of the premises, reasonable attorney's fees and any real estate commissions actually paid;
 - f) Remove or require the removal of any improvements constructed without CITY approval or constructed contrary to site development plans approved by CITY and recover all costs and expense incurred by CITY to remove violating improvements.
 - g) Recover all damages incurred by CITY by reason of LESSEE's default or breach, including, but not limited to, the cost of removing all structures, cleaning up the land and removing all hazardous materials found on the land.
- 8.4 If LESSEE does not immediately surrender possession of the Leased Property after termination by CITY and upon demand by CITY, CITY may forthwith enter into and upon and repossess the Leased Property and expel LESSEE without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant.
- 8.5 No expiration or termination of this LEASE shall expire or terminate any liability or obligation to perform of LESSEE's which arose prior to the termination or expiration except insofar as otherwise agreed to in this LEASE.
- 8.6 Each right and remedy of CITY provided for in this LEASE shall be cumulative and shall be in addition to every other right or remedy provided for in this LEASE or now, or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by CITY of any one or more of the rights and remedies provided for in this LEASE or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by CITY of any or all other rights or remedies provided for in this LEASE or now or thereafter existing at law, or in equity or by statute or otherwise.
- 8.7 No delay or omission to exercise any right or power accruing following an act of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE 9 - TITLE TO IMPROVEMENTS INSTALLED BY LESSEE

- 9.1 *Real Property Improvements.* All improvements constructed by LESSEE on the Leased Property shall remain the property of the LESSEE and shall be removed within three (3) months of termination of this Agreement at LESEE's sole expense. Property not

removed within three (3) months of termination of this Agreement shall be considered abandoned. CITY may elect to remove any or all abandoned property and dispose of it in any manner CITY deems appropriate. In such event, LESSEE shall be responsible for all reasonable costs, including attorney's fees, incurred by CITY in the disposal of the abandoned property.

- 9.2 *Personal Property.* Any other provisions of this LEASE to the contrary notwithstanding, LESSEE, upon termination of this LEASE for any reason, shall promptly remove trade fixtures and equipment from the Leased Property provided that LESSEE shall repair any damages to the Leased Property caused by such removal.

ARTICLE 10 – ASSIGNMENT OR SUBLEASE

- 10.1 *Assignment of Lease or Subleasing.* The rights and duties created by the LEASE are personal to LESSEE and CITY has granted the LEASE in reliance upon the individual character and financial capability of LESSEE. Therefore, LESSEE shall not assign or sublease this LEASE, any portion thereof.

ARTICLE 11 – LESSEE'S DUTY TO DEFEND/INDEMNIFY

LESSEE shall defend, indemnify and hold harmless CITY, its officials, employees, and agents from any and all liability or claims for damages, including personal injuries, environmental damage, death and property damage arising out of or resulting from LESSEE's use of the Leased Property except for damages arising from the sole negligence or willful acts or omissions of CITY, its officials, employees and agents. If any action or proceeding is brought against LESSEE by reason of any such occurrence, LESSEE shall notify CITY promptly in writing of such action or proceeding.

ARTICLE 12 – INSURANCE

- 12.1 *Minimum Insurance Requirements.* No later than August 15, 2015, LESSEE shall procure and maintain, at LESSEE's sole cost and expense, comprehensive commercial general liability insurance with limits of liability of not less than ONE MILLION DOLLARS (\$1,000,000) for all injuries and/or deaths resulting to any one person and ONE MILLION DOLLARS (\$1,000,000) limit from any one occurrence. The comprehensive commercial general liability insurance shall include coverage for personal injury, bodily injury, and property damage or destruction.

LESSEE shall also maintain workers' compensation insurance as required under Alaska law.

The minimum amounts and types of insurance provided by LESSEE shall be subject to revision at the sole discretion of CITY in accordance with standard insurance practices, in order to provide continuously throughout the term of this LEASE and any extensions hereof, a level of protection consonant with good business practice and accepted standards in the industry. Such factors as changes in the type of or extent of use of the Lease Property, increases in the cost of living, inflationary pressures, and other considerations, shall be utilized in assessing whether the minimum insurance requirements should be increased. CITY shall notify LESSEE of any required increase in insurance coverage.

All insurance policies shall provide for thirty (30) days' notice of cancellation and/or material change to be sent to CITY at the address designated in Article 25 of this LEASE. All such policies shall be written by insurance companies legally authorized or licensed to do business in the State of Alaska and acceptable to CITY (Best's Rating B+ or better). CITY shall be listed as an additional insured under all insurance policies. LESSEE shall furnish CITY, on forms approved by CITY, certificates evidencing that it has procured the insurance required herein prior to the occupancy of the Leased Property or operation by LESSEE.

- 12.2 *Subrogation Rights Waived.* To the extent permitted by law, LESSEE hereby releases CITY, its elected and appointed officials, employees and volunteers and others working on behalf of CITY from any and all liability or responsibility to LESSEE or anyone claiming through or under LESSEE by way of subrogation or otherwise, for any loss of any kind (including damage to property caused by fire or any other casualty), even if such loss shall have been caused by the fault or negligence of the CITY, its elected or appointed officials, employees or volunteers or others working on behalf of the CITY. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of LESSEE's occupancy or use (including LESSEE's occupancy or use prior to the Effective Date of this LEASE), and LESSEE's policies of insurance shall contain a clause or endorsement to the effect that such release shall not adversely affect or impair such policies or prejudice the right of LESSEE to recover thereunder except as against CITY (including its elected and appointed officials, employees and volunteers and others working on behalf of CITY) during the time of LESSEE's occupancy or use. LESSEE agrees that its policies of insurance will include such a clause or endorsement.

ARTICLE 13 – MAINTENANCE AND REPAIRS

- 13.1 *Normal Maintenance.* During the entire term of this LEASE, LESSEE shall, at LESSEE's sole cost, risk and expense, maintain the Leased Property, including any improvements existing or placed thereon by LESSEE, in as good condition as received by LESSEE, subject to normal, non-abusive use. LESSEE shall maintain in first class condition at all times all fire, pollution and other protective equipment, if any are placed on Leased Property. CITY's maintenance obligations shall be limited to basic building repair such as boiler repair, repair of electrical or water systems and other general repairs customarily provided by a landlord in a landlord/tenant property rental situation.
- 13.2 *Safety Issues.* CITY may notify LESSEE in writing of any deficiencies in the performance of LESSEE's maintenance responsibilities as they relate to public health or safety and LESSEE shall promptly within ten (10) days of receipt of such notice advise CITY in writing of its proposed schedule for performance of any work necessary to cure such deficiencies.

If such deficiencies relate to the safety of LESSEE's operation such that the surrounding land and facilities are exposed to risk, unnecessary potential hazards, or a risk to the public interest (as distinguished from a business risk), or if CITY is not satisfied with the proposed schedule of repairs either because of the delays therein or the scope of the repairs, then CITY may engage an independent engineering consultant who shall furnish to CITY a comprehensive survey and report for the purpose of establishing both the need and urgency to perform such maintenance work. As soon as practicable following receipt of said engineer's determinations and recommendations, if the report requires

repair then LESSEE shall pay the cost of the report and perform such work in accordance therewith at LESSEE's cost, risk and expense.

ARTICLE 14 – ENVIRONMENTAL CONCERNS

14.1 *Hazardous Materials.*

a) *Use of Hazardous Materials on the Site.*

- i) LESSEE shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Leased Property except for such Hazardous Material as is necessary to conduct LESSEE's authorized use of the Leased Property.
- ii) Any Hazardous Material permitted on the Leased Property as provided in this paragraph, and all containers therefore, shall be used, kept, stored and disposed of in a manner that complies with all Environmental Laws or other laws or regulations applicable to such Hazardous Material.
- iii) LESSEE shall not discharge, leak or emit, or permit to be discharged, leaked or emitted, any material into the atmosphere, ground, ground water, sewer system or any body of water, if such material (as reasonably determined by the City, or any governmental authority) does or may, pollute or contaminate the same, or may adversely affect the (a) health, welfare or safety of persons, whether located on the Leased Property or elsewhere; or (b) condition, use or enjoyment of the Leased Property or any other area or personal property.
- iv) LESSEE hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage and disposal of Hazardous Material kept or brought on the Leased Property by LESSEE, its authorized representatives and invitees, and LESSEE shall give immediate notice to CITY of any violation or potential violation of the provisions of this subparagraph.

b) *Indemnification of CITY.* Any other provision of this LEASE to the contrary notwithstanding, LESSEE shall defend, indemnify and hold CITY harmless from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs or expenses (including, without limitation, attorney, consultant and expert fees, court costs and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to:

- i) The presence, disposal, release or threatened release of any such Hazardous Material which is on or from the Leased Property, soil, water, ground water, vegetation, buildings, personal property, persons, animals or otherwise;
- ii) Any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Material or any use of the Leased Property;

- iii) Any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Material or any use of the Leased Property; and/or
 - iv) Any violation of any laws applicable thereto; provided, however, that this Article 14.1(b) shall apply only if the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs or expenses (1) occur during the term of this LEASE; and (2) arise in whole or in part from the use of, operations on, or activities on the Leased Property by LESSEE or LESSEE's employees, agents, invitees, contractors, subcontractors, authorized representatives or any other persons. The provisions of this subparagraph shall be in addition to any other obligations and liabilities LESSEE may have to CITY at law or equity and shall survive the transactions contemplated herein and shall survive the termination of this LEASE.
- c) *Hazardous Material Defined.* As used in this LEASE, Hazardous Material is any substance which is toxic, ignitable, reactive, or corrosive or which is regulated by any Environmental Law. Hazardous Material includes any and all material or substances which are defined as industrial waste hazardous waste, extremely hazardous waste or a hazardous substance under any Environmental Law. Notwithstanding any statutory petroleum exclusion, for the purposes of this LEASE, the term Hazardous Material includes, without limitation, petroleum, including crude oil or any fraction thereof, petroleum soaked absorbent material and other petroleum wastes.
- d) *Environmental Law Defined.* As used in this LEASE, Environmental Laws include any and all local, state and federal ordinances, statutes, and regulations, as now in force or as may be amended from time to time, relating to the protection of human health and the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to same. Environmental Laws include, by way of example and not as a limitation of the generality of the foregoing, Alaska Statutes Title 46, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Clean Water Act, and the Superfund Amendments and Reauthorization Act of 1986.

ARTICLE 15 – NO WAIVER OF BREACH

No failure by CITY to insist upon the strict performance by the other of any term, covenant or condition of this LEASE or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such terms, covenants or conditions. No waiver of any breach shall affect or alter this LEASE, but each and every term, covenant and condition of this LEASE shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE 16 – COMPUTATION OF TIME

The time in which any act provided by this LEASE is to be done by shall be computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded.

ARTICLE 17 – SUCCESSORS IN INTEREST

Each and all of the terms, covenants and conditions in this LEASE shall inure to the benefit of and shall be binding upon the successors in interest of CITY and LESSEE.

ARTICLE 18 – ENTIRE AGREEMENT

This LEASE contains the entire agreement of the parties with respect to the matters covered by this LEASE, and no other agreement, statement or promise made by any party which is not contained in this LEASE shall be binding or valid.

ARTICLE 19 – GOVERNING LAW

This LEASE shall be governed by, construed and enforced in accordance with the laws of the State of Alaska and the City of Bethel. The terms of this LEASE are subject in all respects to the Code of Ordinances of CITY in effect on the date of this LEASE, and as they may be hereafter amended. Venue for any dispute related to this Lease shall lie exclusively with the courts for the Fourth Judicial District for the State of Alaska, at Bethel, Alaska.

ARTICLE 20 – PARTIAL INVALIDITY

If any provision of this LEASE is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

ARTICLE 21 – RELATIONSHIP OF PARTIES

Nothing contained in this LEASE shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between CITY and LESSEE; and neither the method of computation of rent, nor any other provisions contained in this LEASE nor any acts of the parties, shall be deemed to create any relationship between CITY and LESSEE other than the relationship of Landlord and Tenant.

ARTICLE 22 – INTERPRETATION

The language in all parts of this LEASE shall in all cases be simply construed according to its fair meaning and not for or against CITY or LESSEE as both CITY and LESSEE have had the opportunity to seek assistance of counsel in drafting and reviewing this LEASE.

ARTICLE 23 – CAPTIONS

Captions of the articles, paragraphs and subparagraphs of this LEASE are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this LEASE.

ARTICLE 24 – AMENDMENT

This LEASE is not subject to amendment except in writing executed by both parties hereto.

ARTICLE 25 – NOTICES

All notices, demands or requests from one party to another shall be sent by certified mail, postage prepaid, to the addresses stated in this Article and to such other persons and addresses as either party may designate.

Notice by mail shall be deemed to have been given at the time of mailing.

All notices, demands and requests from LESSEE to CITY shall be given to CITY at the following address:

City Manager
CITY OF BETHEL
Post Office Box 1388
Bethel, Alaska 99559

AND

City Attorney
CITY OF BETHEL
PO Box 1388
Bethel AK 99559

All notices, demands or requests from CITY to LESSEE shall be given to LESSEE at the following address:

[insert here]

Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this Article.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates herein set forth

CITY:

CITY OF BETHEL

LESSEE:

**UNIVERSITY OF ALASKA FAIRBANKS
SCHOOL OF NATURAL RESOURCES**

By: Ann K. Capela

Its: CITY MANAGER

Date: _____

By: _____

Its: _____

Date: _____