



June 28, 2017

Kenai Peninsula Borough
Attn: Mark Whisenhunt
VIA Email: jblankenship@kpb.us
CC: micheleturner@kpb.us
kring@kpb.us

License Number:	10650
License Type:	Limited Marijuana Cultivation Facility
Licensee:	Alaska Bud Brothers Aerogardens, LLC
Doing Business As:	ALASKA BUD BROTHERS AEROGARDENS LLC
Physical Address:	22720 Yukon Road Kasilof, AK 99610
Designated Licensee:	James Gossman
Phone Number:	907-953-2338
Email Address:	gossmanfamily@gmail.com

AMCO has received a complete renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.035(c)(2).

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

Erika McConnell

Erika McConnell
Director

Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional
Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	Alaska Bud Brothers Aerogardens, LLC
Previous Legal Name	Alaska Bud Brothers Aeroponics, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10032047
Status: Good Standing
AK Formed Date: 9/10/2015
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2019
Entity Mailing Address: PO BOX 571, KASILOF, AK 99610
Entity Physical Address: 22720 YUKON ST., KASILOF, AK 99610

REGISTERED AGENT

Agent Name: Sonja Redmond
Registered Mailing Address: PO BOX 3529, SOLDOTNA, AK 99669
Registered Physical Address: 35743 KENAI SPUR HWY, SOLDOTNA, AK 99669

OFFICIALS

Show Former

AK Entity #	Name	Titles	Owned
	Jim Gossman	Member	95
	Laura Gossman	Member	5

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
9/10/2015	Creation Filing	Click to View	Click to View
10/12/2015	Initial Report	Click to View	
10/15/2015	Amendment	Click to View	Click to View
12/29/2016	Biennial Report	Click to View	

Juneau Mailing Address

P.O. Box 110806
Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address

550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
FAX: (907) 269-8156

Alaska Business License # 1034111

Alaska Department of Commerce, Community, and Economic Development

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

This is to certify that

ALASKA BUD BROTHERS AEROGARDENS LLC

PO BOX 571 KASILOF AK 99610

owned by

ALASKA BUD BROTHERS AEROGARDENS, LLC

is licensed by the department to conduct business for the period

October 03, 2016 through December 31, 2018
for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting

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

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

Chris Hladick



State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Alaska Bud Brothers Aeroponics, LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective September 10, 2015.

Chris Hladick
Commissioner





THE STATE
of **ALASKA**

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

FOR DIVISION USE ONLY

Articles of Organization
Domestic Limited Liability Company

Web-9/10/2015 4:37:27 PM

1 - Entity Name

Legal Name: Alaska Bud Brothers Aeroponics, LLC

2 - Purpose

To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets.

3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

4 - Registered Agent

Name: Sonja Redmond
Mailing Address: PO Box 3529, Soldotna, AK 99669
Physical Address: 35743 Kenai Spur Hwy, Soldotna, AK 99669

5 - Entity Addresses

Mailing Address: PO Box 571, Kasilof, AK 99610
Physical Address: 22720 Yukon St., Kasilof, AK 99610

6 - Management

The limited liability company is managed by its members.



7 - Officials

Name	Address	% Owned	Titles
Laura Gossman			Organizer
Jim Gossman			Organizer

Name of person completing this online application

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Sonja Redmond



[Division of Corporations, Business & Professional Licensing]

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing

Confirmation

Your filing is complete. Please print and retain this page for your records.

Important entity responsibility information is available by clicking the following link: [Entity Responsibility](#).

The entity responsibility document should be printed or saved and retained for your records.

Print certificates and filed documents from the entity's detail page. Click here and scroll down to Filed Documents.

Entity Details

Entity Number: 10032047
Legal Name: Alaska Bud Brothers Aeroponics, LLC
Filing Type: Creation Filing - Domestic Limited Liability Company

Payment Information

Receipt Number: 10449743
Receipt Date: 9/10/2015 4:39:14 PM
Payer Name: SONJA K. REDMOND
Payment Amount: \$250.00

Corporations Email corporations@alaska.gov Contact Phone (907) 465-2550



IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 11-12-2015

Employer Identification Number:
47-5524151

006427.613909.144435.27271 1 MB 0.439 850



Form: SS-4

Number of this notice: CP 575 A

For assistance you may call us at:
1-800-829-4933



ALASKA BUD BROTHERS AEROGARDENS LLC
LAURA J GOSSMAN MBR
PO BOX 571
KASILOF AK 99610

IF YOU WRITE, ATTACH THE
STUB OF THIS NOTICE.

006427

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 47-5524151. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear-off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065	04/15/2017
Form 940	01/31/2017
Form 943	01/31/2017

If you have questions about the form(s) or the due dates(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, Accounting Periods and Methods.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, Entity Classification Election. See Form 8832 and its instructions for additional information.



**OPERATING AGREEMENT OF
ALASKA BUD BROTHERS AEROGARDENS, LLC
AN ALASKA LIMITED LIABILITY COMPANY**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (Agreement) is made and entered on by and among the persons whose signatures appear on the signature page hereof.

ARTICLE 1

Definitions

1.01. **Definitions.** The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

- a. "Act" means the Alaska Revised Limited Liability Company Act (AS 10.50).
- b. "Articles of Organization" shall mean the Articles of Organization of **ALASKA BUD BROTHERS AEROGARDENS, LLC**, as filed with the Corporations Section of the State of Alaska as the same may be amended from time to time.
- c. "Capital Account" as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question pursuant to Article VIII.
- d. "Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Member whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement.
- e. "Capital Interest" shall mean the proportion that a Member's positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances as may be adjusted from time to time.
- f. "Company" shall refer to **ALASKA BUD BROTHERS AEROGARDENS, LLC**.
- g. "Distribution Cash" means all cash, revenues, and funds received by the Company from Company operations. Less the sum of the following to the extent paid or set aside by the Company:
 - i. All principal and interest payments on indebtedness of the Company and all other sums paid to lenders;
 - ii. All cash expenditures incurred incident to the normal operation of the Company's business;



iii. Such Reserves as the Members deem reasonably necessary to the proper operation of the Company's business.

h. "Economic Interest" shall mean a Member's or Economic Interest Owner's share of one or more of the Company's Net Profits, Net Losses, and distributions of the Company's assets pursuant to this Operating Agreement and the Alaska Revised Limited Liability Act (AS 10.50), but shall not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision of the Members or Managers, if any.

i. "Economic Interest Owner" shall mean the owner of an Economic Interest who is not a member.

j. "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association, or any foreign trust, or foreign business organization.

k. "Fiscal Year" shall mean the Company's fiscal year, which shall be ending Dec. 31.

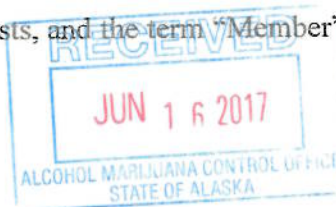
l. "IRC" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

m. "Gifting Member" shall mean any member or Economic Interest Owner who gifts, bequeaths, or otherwise transfers for no consideration (by operation of law or otherwise, except for bankruptcy) all or any part of its Membership Interest or Economic Interest.

n. "Majority Interest" shall mean one or more Interests of Members which taken together exceed 50 percent of the aggregate of all Capital Interests.

o. "Manager" shall mean one or more managers, and shall have the same meaning as "Managing Member." Specifically, "Manager" shall mean the person elected to manage the Company pursuant to this Agreement, if any. At any time that the Members shall have elected to have more than one Manager, all such persons so elected shall be referred to as the Managers. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, when the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

p. "Member" shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. To the extent a Manager has purchased Membership Interests in the Company, he or she will have all the rights of a Member with respect to such Membership Interests, and the term "Member" as used in this



Operating Agreement shall include a Manager to the extent he or she has purchased such Membership Interests in the Company. If a Person is a Member immediately before the purchase or other acquisition by such Person of an Economic Interest, that Person shall have all the rights of a Member with respect to the purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

q. "Membership Interest" shall mean a Member's entire interest in the Company, including the Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to the Operating Agreement and the Alaska Revised Limited Liability Act (AS10.50).

r. "Net Profits" and Net Losses" shall mean the income, gain, loss, deductions, and credits of the Company in the Aggregate or separately state, as appropriate, determined in accordance with generally accepted accounting principles employed under the method of accounting at the close of each fiscal year on the Company's information tax return filed for federal income tax purposes.

s. "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

t. "Persons" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of the "Person" when the context so permits.

u. "Reserves" shall mean, for any fiscal period, funds set aside or amounts allocated during such period to reserves that shall be maintained in amounts deemed sufficient by the Members for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company's business.

v. "Selling Member" shall mean any Member or Economic Interest Owner which sells, assigns, pledges, hypothecates or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

w. "Alaska Revised Limited Liability Act" shall mean the Alaska Revised Limited Liability Company Act, AS 10.50 et seq.

x. "Transferring Member" shall collectively mean a Selling Member and a Gifting Member.



y. "Treasury Regulations" shall include proposed, temporary, and final regulations promulgated under the IRC in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede those regulations.



ARTICLE II

Formation of Company

2.01 **Formation.** On September 10, 2015, **Jim Gossman** organized an Alaska Limited Liability Company by executing and filing articles of organization pursuant to the Alaska Revised Limited Liability Act (AS 10.50)

2.02 **Name.** The name of the Company is **GOSSMAN AUTOMOTIVE SERVICES, LLC.**

2.03 **Principal Place of Business.** The physical principal place of business of the Company within the State of Alaska shall be 22720 Yukon Rd., Kasilof, 99610, with the mailing address PO Box 571, Kasilof, Alaska, 99610. The Company may locate its places of business and registered office at any other place or places as the Members may from time to time deem advisable.

2.04 **Registered Office and Registration Agent.** The Company's initial registered office shall be at the office of its registered agent at 35743 Kenai Spur Hwy., Soldotna, AK 99669, and name of its initial agent at such address shall be **Sonja Redmond**. The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Alaska Corporations Section pursuant to the Alaska Limited Liability Act.

2.05 **Term.** The term of the Company shall be perpetual unless the Company is earlier dissolved in accordance with either the provisions of this Operating Agreement or the Alaska Revised Limited Liability Act.

ARTICLE III

Business of Company

3.01 **Permitted Businesses.** The business of the Company shall be:

a. To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, including, but not limited to, the ownership and operation of income-producing real property.

- b. To exercise all other powers necessary to or reasonably connected with the Company's business that may be legally exercised by limited liability companies under the Alaska Revised Limited Liability Act.
- c. To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE IV

Names and Addresses of Members

The names and mailing addresses of the Members are as follows"

Laura Gossman

PO Box 571

Kasilof, Alaska 99610

Jim Gossman

PO Box 571

Kasilof, Alaska 99610



ARTICLE V

Management of Company

5.01 **Management.** The business and affairs of the Company shall be managed by its Members to the best of their ability, in full compliance with 3AAC 306. Subject to the provisions of this Operating Agreement concerning the limitations on the authority of Members, the Members, acting as a group, shall have sole authority to manage the Company and are authorized to make any contracts, enter into any transactions, and make and obtain any commitments on behalf of the Company to conduct or further the Company's business. Except if restricted elsewhere in the Operating Agreement, the Members may delegate to a subcommittee of Members, an individual member, or an employee of the Company any management responsibility or authority. If all management decisions are delegated to one or more, but not all, Members, those Members may be referred to as "Managers" or "Managing Members." If such decisions are delegated to a non-Member employee, that person may be referred to as a "Manager." All delegations of management duties shall require the written consent of a majority of the membership interests.

5.02 **Non-liability of Members for Acts or Omissions in their Managerial Capacity.** To the full extent permitted by Alaska law, all Members are released from liability for damages and other monetary relief on account of any act, omission, or conduct in the Member's managerial capacity. This release shall not protect a Member from being required by a court to purchase the Membership interest of another Member who successfully contends that the Member has committed actionable



oppressive acts to the prejudice of the other Member. No amendment or repeal of this section affects any liability or alleged liability of any Member for acts, omissions, or conduct that occurred prior to the amendment or repeal.

5.03 **Certain Powers of Members and Managers.** Without limiting the generality of § 5.01 above, the Members and Managers (if management has been delegated to Managers) shall have power and authority, on behalf of the Company:

a. To acquire property from any Person as the Members or Managers may determine. The fact that a Member or Manager is directly or indirectly affiliated or connected with any such Person shall not prohibit the Members or Managers from dealing with that Person;

b. To borrow money for the Company from banks, other lending institutions, the Members or Managers, or affiliates of the Members or Managers on such terms as the Members or Manager deem appropriate, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Members or Managers, or to the extent permitted under the Alaska Limited Liability Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Members or Managers;

c. To purchase liability and other insurance to protect the Company's property and business;

d. To hold and own any real and/or personal properties in the name of the Company;

e. To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments;

f. Upon the affirmative vote of the Members holding at least two-thirds of all Capital Interests, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as that disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound, provided, however, that the affirmative vote of the Members shall not be required with respect to any sale or disposition of the Company's assets in the ordinary course of the Company's business;

g. To execute on behalf of the Company all instruments and documents, including, without limitation: checks; drafts; notes and other negotiable instruments; mortgages, or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or

disposition of the Company's property; assignments; bills of sale; leases; partnership agreements; operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Members or Managers, to the business of the Company;

h. To employ accountants, legal counsel, managing agents, or other experts to perform services for the Company and to compensate them from Company funds;

i. To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Members or Managers may approve; and

j. To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

k. Unless authorized to do so by the Operating Agreement, by a majority of the Members of the Company or by the Managers (if any) nor attorney-in-fact, employee, or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose.

5.04 Liability for Certain Acts. The Members (and Managers, if any) shall perform their Managerial duties in good faith, in a manner they reasonably believe to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Member or Manager who so performs such duties shall not have any liability by reason of having exercised managerial duties. A Member or manager does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. Members and Managers shall not be liable to the Company or to any other Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by the Member or Manager.

5.05 No Exclusive Duty to Company. The Members (and Managers, if any) shall not be required to manage the Company as their sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of any Member or Manager or to the income or proceeds derived therefrom. The Members (and Managers, if any) shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or venture.



5.06 **Bank Accounts.** The Members (and Managers, if any) may from time to time open bank accounts in the name of the Company, and one or more Members or Managers may be the sole signatories thereon, as determined by the Members.

5.07 **Limitation on Liability; Indemnification.** Neither the Members nor any affiliate of the Members shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such person performed in good faith pursuant to the authority granted to such person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such person to be within the scope of the authority granted to such person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or gross negligence. The Company shall indemnify and hold harmless the Members, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the company or in furtherance of the Company's interest without relieving any such person of liability for fraud, misconduct, bad faith or negligence. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court from which no appeal may be taken, settlement, contract or otherwise. In addition, the Company may advance funds to a person claiming indemnification under this § 5.07 for legal expenses and other costs incurred as a result of a legal action brought against such person only if (i) the legal action relates to the performance of duties or services by the person on behalf of the Company, (ii) the legal action is initiated by a party other than a Member, and (iii) such person undertakes to repay the advanced funds to the Company if it is determined that such person is not entitled to indemnification pursuant to the terms of this agreement.

5.08 **Indemnity of the Members, Managers, Employees, and Other Agents.** To the maximum extent permitted under the Alaska Limited Liability Act, the Company shall indemnify the Members (or Managers, if any) in their managerial roles and make advances for expenses. The Company shall indemnify its employees and other agents who are not Members to the fullest extent permitted by law, provided that the indemnification in any given situation is approved by Members owning a Majority Interest.

5.09 **Resignation.** Any Member of the Company may elect to not participate in management



decisions at any time by giving written notice to the other Members of the Company and by executing a writing authorizing the remaining Members to make all management decisions. Furthermore, any Manager may resign at any time by giving written notice to the Members. Such election by any Member, or resignation by a Manager, shall take effect upon receipt of that notice or at such later time as shall be specified in the notice; and unless otherwise specified in the notice, the acceptance of the election shall not be necessary to make it effective. The election to not participate in managerial decisions shall be for whatever length of time the Member designates and shall not affect the Member's other rights as a Member and shall not constitute a withdrawal of a Member. Likewise, the resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.10 **Removal.** At a meeting called expressly for that purpose, all or any lesser number of Managers may be removed at any time, with or without cause, by the affirmative vote of Members holding a Majority Interest. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.11 **Salaries.** The salaries and other compensation of the Members and Managers shall be fixed from time to time by an affirmative vote of Members holding at least a Majority Interest, and no Manager shall be prevented from receiving that salary because the Manager is also a Member of the Company.

5.12 **Reimbursement for Expenses.** The Members and Managers shall be reimbursed by the Company for reasonable out-of-pocket expenses incurred by them in connection with the Company's business.

5.13 **Right to Rely on the Members.** Any person dealing with the Company may rely upon a certificate signed by any Member as to the identity and authority of any Member or other person to act on behalf of the Company or any Member.

ARTICLE VI

Rights and Obligations of Members

6.01 **Limitation of Liability.** Each Member's liability shall be limited as set forth in this Operating Agreement, the Alaska Revised Limited Liability Act, and other applicable law.

6.02 **Company Debt Liability.** A Member will not be personally liable for any debts or



losses of the Company beyond the Member's respective Capital Contributions and any obligation of the Member under §8.01 or §8.02 below to make Capital Contributions, except as provided in §6.07 below or as otherwise required by law.

6.03 **List of Members.** Upon written request of any Member, the Member appointed by the Members to keep the Company records shall provide a list showing the names, addresses, and the Membership Interests and Economic Interests of all Members.

6.04 **Approval of Sale of All Assets.** The Members shall have the right, by the affirmative vote of Members holding at least two-thirds of all Capital Interests, to approve the sale, exchange, or other disposition of all or substantially all, of the Company's assets (other than in the ordinary course of the Company's business) which is to occur as part of a single transaction or plan.

6.05 **Company Books.** In accordance with § 9.09 below, the Members shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member and Economic Interest Owner shall have the right, during ordinary business hours, to inspect and copy those Company documents at the requesting Member's and Economic Interest Owner's expense.

6.06 **Priority and Return of Capital.** Except as may be expressly provided in Article IX, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either for the return of Capital Contributions or for Net Profits, Net Losses, or distributions; provided that this section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

6.07 **Liability of a Member to the Company.** A Member who rightfully receives the return in whole or in part of its contribution is nevertheless liable to the Company only to the extent now or hereafter provided by the Alaska Revised Limited Liability Act. A Member who receives a distribution made by the Company which is either in violation of this Operating Agreement, or made when the Company's liabilities exceed its assets (after giving effect to the distribution) is liable to the Company for a period of six years after the distribution for the amount of the distribution.

ARTICLE VII

Meetings of Members

7.01 **Annual Meeting.** The annual meeting of the Members shall be held approximately 12 months following the execution of this agreement or at such other time as shall be determined by



resolution of the Members, and shall be held approximately every 12 months thereafter for the purpose of the transaction of such business as may come before the meeting.

7.02 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member or Members holding at least ten (10%) of the Capital Interests.

7.03 Place of Meetings. The Members may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Company in the State of Alaska.

7.04 Notice of Meetings. Except as provided in § 7.05 below, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered no fewer than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the Member(s) or person calling the meeting, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Company, with postage thereon prepaid.

7.05 Meeting of All Members. If all of the Members shall meet at any time and place, either within or outside of the State of Alaska, and consent to the holding of a meeting at that time and place, the meeting shall be valid without call or notice, and at the meeting lawful action may be taken.

7.06 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment of the meeting, or Members entitled to receive payment of any distribution, or to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring the distribution is adopted, as the case may be, shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of members has been made as provided in this section, the determination shall apply to any adjournment of the meeting.

7.07 Quorum. Members holding at least two-thirds of all Capital Interest, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, a majority of the Capital Interests so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the



adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At an adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during the meeting of that number of Capital Interests whose absence would cause less than a quorum.

7.08 Manner of Acting. If a quorum is present, the affirmative vote of Members holding a Majority Interest shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Alaska Revised Limited Liability Act, by the Articles of Organization, or by this Operating Agreement. Unless otherwise expressly provided in this Operating Agreement or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Capital Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the members.

7.09 Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. The proxy shall be filed with the Member in charge of record keeping for the Company before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

7.10 Action by Members without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each Member entitled to vote, and delivered to the Member in charge of keeping the Company records for inclusion in the minutes or for filing with the Company records. Action taken under this section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

7.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of the notice.



ARTICLE VIII

Contributions to the Company and Capital Accounts

8.01 **Members' Capital Contributions.** Each Member shall contribute such amount as is set forth in the LEDGER OF OWNERSHIP INTERESTS as the member's share of the Initial Capital contribution. Such ledger shall be updated whenever the percentage of ownership interest changes.

8.02 **Additional Contributions.** No Member shall be required to make any additional Capital Contributions.

8.03 **Capital Accounts.** A separate Capital Account will be maintained for each Member.

a. Each Member's Capital Account will be increased by:

- i. The amount of money contributed by the Member to the Company;
- ii. The fair market value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume to take subject to under IRC §752);
- iii. Allocations to the Member of Net Profits and Net Losses; and
- iv. Allocations to the Member of income described in IRC §705(a)(1)(B)

b. Each Member's Capital Account will be decreased by:

- i. The amount of money distributed to the Member by the Company;
- ii. The fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to IRC §752)
- iii. Allocations to the Member of expenditures described in IRC §705(a)(2)(B); and
- iv. Allocations to the account of the Member of Company loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

c. In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Treasury Regulation §1.704-1(b)(2)(iv).

d. The manner in which Capital Accounts are to be maintained pursuant to this § 8.03 is intended to comply with the requirements of IRC §704(b) and the Treasury Regulations promulgated



there-under. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this §8.03 should be modified to comply with IRC §704(b) and the Treasury Regulations there-under, then notwithstanding anything to the contrary contained in the preceding provisions of this §8.03, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

e. Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the Members and Economic Interest Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs, Liquidation proceeds will be paid within 60 days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to the Member.

f. Except as otherwise required in the Alaska Revised Limited Liability Act (and subject to §8.02 above), no Member or Economic Interest Owner shall have any liability to restore all or any portion of a deficit balance in the Member's or Economic Interest Owner's Capital Account.

8.04 Withdrawal or Reduction of Members' Contributions to Capital. A member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

ARTICLE IX

Allocations of Net Profits and Losses

9.01 Allocation of Net Profit or Loss. After giving effect to any special allocations set forth in the Agreement, the Net Profit or Net Loss for any fiscal year of the Company shall be allocated among the Members in accordance with their respective percentage interests.

9.02 Limitations. The Net Loss allocated to each Member for any Company fiscal year



pursuant to §9.03 shall not exceed the maximum amount of Net Loss that can be so allocated without causing such Member to have a Deficit Capital Account at the end of the fiscal year. All Net Losses in excess of the limitation set forth in the §9.02 shall be allocated to the other Members who do not have Deficit Capital Accounts in proportion to their respective percentage interests.

9.03 Other Allocation Rules.

- a. General. Except as otherwise provided in the Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Net Profits or Net Losses, as the case may be, for the year.
- b. Allocations in Connection with Varying Interest. If, during a Company fiscal year, there is (i) a permitted transfer of a Membership Interest or Economic Interest under this Agreement or (ii) the admission of a Member or additional Members, Net Profit, Net Loss, each item thereof, and all other tax items of the Company for such period shall be divided and allocated among the Members by taking into account their varying interest during such fiscal year in accordance with Code §706(d) and using any conventions permitted by law and selected by the Members.



9.04 Determination of Net Profit or Loss. The Net Profit or Net Loss of the Company for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code §703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code §703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

9.05 Accounting Principles. The Company's books and records shall be kept and its income tax returns prepared under such permissible method of accounts, consistently applied, as the Members determine is in the best interest of the Company and its Members.

9.06 Interest on and Return of Capital Contributions. No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for in this Operating Agreement.

9.07 Loans to Company. Nothing in this Operating Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company, with any rate of interest set at a reasonable rate as agreed upon by the majority of Members.

9.08 Accounting Period. The Company's accounting period shall be a fiscal year ending

December 31.

9.09 Records, Audits, and Reports. At the expense of the Company, the Members shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

- a. A current ledger of the full name and last known business, residence, or mailing address, and telephone number of each Member, Economic Interest Owner, and Manager, both past and present, along with the percentage of their respective economic interests;
- b. A copy of the Articles of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;
- c. Copies of the Company's income tax returns and reports, if any, for the seven most recent years;
- d. A copy of the following (if any); (1) the Company's currently effective written Operating Agreement; (2) any writings permitted or required with respect to a Member's obligation to contribute cash, property, or services; and (3) any financial statements of the Company for the three most recent years;
- e. Minutes of every annual meeting, special meeting, and court-ordered meeting;
- f. Any written consents obtained from Members for actions taken by Members without a meeting.

9.10 Returns or Other Elections. The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the IRC and all other tax returns deemed necessary and required in each jurisdiction in which the company does business. Copies of those returns, or pertinent information from the returns, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year.

- a. All elections permitted to be made by the Company under federal or state laws shall be made by the Members.
- b. **Laura Gossman** shall be the "tax matters partner" of the Company for purposes of Code §6221, et seq., and corresponding provisions of any state or local tax law.



- c. Expenses of Tax Matters Partner; Indemnification. The company shall indemnify and reimburse the tax matters partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Members (and such expenses shall be taken into consideration for purposes of determining distributable cash) or any discretionary reserves are set aside by the members. Neither the tax matters partner nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Members set forth in §5.07 of this Agreement shall be fully applicable to the Member acting as tax matters partner for the Company.

ARTICLE X

Transferability

10.01 **General.** Except as otherwise specifically provided in this Operating Agreement neither a Member nor an Economic Interest Owner shall have the right to:

- a.. Sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration, (collectively, "sell") all or any part of its Membership Interest or Economic Interest;
- b.. Gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) all or part of its Membership Interest or Economic Interest.

10.02 **Right of First Refusal.** If a Selling Member desires to sell all or any portion of its Membership Interest or Economic Interest in the Company to a third-party purchaser, the Selling Member shall obtain from such third-party purchaser a bona fide written offer to purchase the interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefore. The Selling Member shall give written notification to the remaining Members, by certified mail or personal delivery, of its intention to so transfer the interest, furnishing to the remaining Members a copy of the aforesaid written offer to purchase the interest.

- a. The remaining Members, and each of them shall, on a basis pro rata to their Capital Interests or on a basis pro rata to the Capital Interests of those remaining Members exercising their right of first refusal, have the right to exercise a right of first refusal to purchase all (but not less than



all) of the interest proposed to be sold by the Selling Member upon the same terms and conditions as stated in the aforesaid written offer to purchase by giving written notification to the Selling Member, by certified mail or personal delivery, of their intention to do so within ninety (90) days after receiving written notice from the Selling Member. The failure of all the remaining Members (or any one or more of them) to so notify the Selling member of their desire to exercise this right of first refusal within said ninety (90) day period shall result in the termination of the right of first refusal and the Selling Member shall be entitled to consummate the sale of its interest in the Company, or such portion of its interest, in any, with respect to which the right of first refusal has not been exercised, to the third-party purchaser.

b. If the remaining Members (or any one or more of the remaining Members) give written notice to the Selling Member of their desire to exercise this right of first refusal and to purchase all of the Selling Member's interest in the Company that the Selling Member desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the remaining Members shall have the right to designate the time, date, and place of closing, provided that the date of closing shall be within ninety (90) days after receipt of written notification from the Selling Member of the third-party offer to purchase.

c. In the event of either the purchase of the Selling Member's interest in the Company by a third-party purchaser or the gift of an interest in the Company (including an Economic Interest), and as a condition to recognizing one or more of the effectiveness and binding nature of any such sale or gift and (subject to §10.03 below) substitution of a new Member as against the Company or otherwise, the remaining Members may require the Selling Member or Gifting Member and the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge, and deliver to the remaining Members such instruments of transfer, assignment, and assumption and such other certificates, representations, and documents, and to perform all the other acts that the remaining Members may deem necessary or desirable to:

- i. Constitute such purchaser, as a Member, donee, or successor-in-interest as such;
- ii. Confirm that the person desiring to acquire an interest or interests in the Company, or to be admitted as a Member, has accepted, assumed, and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, as the same may have been further amended (whether



such Person is to be admitted as a new Member or will merely be an Economic Interest Owner);

- iii. Preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;
- iv. Maintain the tax treatment of the Company then in effect for federal tax purposes; and
- v. Assure compliance with any applicable state and federal laws including securities laws and regulations.



d. Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article X shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given, or, if no such consent was required pursuant to §10.02(e) below, then on such date with which the donee or successor interest complies. The Selling member agrees, upon request of the remaining Members, to execute such certificates or other documents and perform such other acts as may be reasonably requested by the remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The Selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly from any transfer or purported transfer in violation of this Article X.

e. The Members shall purchase and maintain key man insurance on each Member. Upon the death of a Member, the surviving Members shall apply for and receive the insurance benefits, the proceeds of which shall be used to purchase the deceased Member's ownership interest in the Company. The amount of the key man insurance shall be determined annually by the Members. If at the time of the death of a Member the insurance coverage does not equal the fair market value of the decedent's ownership net share of the company, then the surviving Members shall negotiate a payment schedule for the amount not covered by the insurance proceeds. Said amount shall be paid over a period not to exceed five (5) years, with interest to be charged at a mutually agreeable market rate.

10.03 Transferee Not Member in Absence of Unanimous Consent. Notwithstanding anything contained in this Operating Agreement to the contrary (including, without limitation, §10.02 above), if all of the remaining Members do not approve by unanimous written consent the proposed



sale or gift of the Transferring Member's Membership Interest or Economic Interest to a transferee or donee which is not a Member immediately before the sale or gift, the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer that has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the nontransferring Member(s).

a. Upon and contemporaneously with any sale or gift of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), the Company shall purchase from the Transferring Member, and the Transferring Member shall sell to the Company for a purchase price of \$10.00, all remaining rights and interests retained by the Transferring member that immediately before the sale or gift were associated with the transferred Economic Interest.

b. The restrictions on transfer contained in this §10.03 are intended to comply (and shall be interpreted consistently) with the restrictions on transfer set forth in AS 10.50.

ARTICLE XI

Additional Members

11.01 **Admission to Membership.** From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote may become a Member in this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement.

11.02 **Financial Adjustments.** No new Members shall be entitled to any retroactive allocation of losses, income, or expense deductions incurred by the company. The Members may, at their option, at the time a new Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of IRC §706(d) and the Treasury Regulations promulgated there-under.

ARTICLE XII

Dissolution and Termination

12.01 **Dissolution.** The Company shall be dissolved upon the occurrence of any of the following events:

- a. Upon expiration of the term specified in §2.05;
- b. By the written agreement of all Members; or
- c. A person ceases to be a Member upon the occurrence of any of the events of dissociation specified in the Act, unless the business of the Company is continued with the consent of all of the remaining Members within ninety (90) days following the occurrence of such event.

12.02 **Allocation of Net Profit and Loss in Liquidation.** The allocation of Net Profit, Net Loss and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of Articles IX and X and shall be credited or charged to the Capital Accounts of the Members in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

12.03 **Winding Up, Liquidation and Distribution of Assets.** Upon dissolution, the Members shall immediately proceed to wind up the affairs of the Company, unless the business of the Company is continued as provided in §12.01(c). The Members shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the members in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority;

- a. Payment of creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company other than liabilities for distribution to Members.
- b. To establish any reserves that the Members deem reasonably necessary for contingent or unforeseen obligations of the Company, and, at the expiration of such period as the Members shall deem advisable, the balance then remaining in the manner provided in Paragraph c. below;
- c. By the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation), to the Members in proportion to



the positive balances of their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the liquidation occurs (other than those made pursuant to this Paragraph c.).

12.04 No Obligation to Restore Negative Capital Account Balance on Liquidation.

Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulation §1.704-1(b)(2)(ii)(g), if any Member has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

12.05 Termination. The Members shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

12.06 Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefore and all of the remaining property and assets have been distributed to the Members, the Members shall file a certificate of cancellation as required by the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

12.07 Return of Contribution Nonrecourse to Other members. Except as provided by law or as expressly provided in this Agreement, upon dissolution each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the property remaining after the payment of discharge of liabilities of the Company is insufficient to return the contributions of Members, no Member shall have recourse against any other Member.

ARTICLE XIII

Miscellaneous Provisions



13.01 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to

the Member's and/or company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided in this Operating Agreement, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and set as aforesaid.

13.02 Books of Accounts and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the Members in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in the detail and completeness customary and usual for businesses of the type engaged in by the Company. The books and records shall be maintained as provided in §9.09 above. The books and records shall at all times be maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members, Economic Interest Owners, or their duly authorized representatives during reasonable business hours.

13.03 Application of Alaska Law. This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Alaska, and specifically the Alaska Revised Limited Liability Act.

13.04 Waiver of Action for Participation. Each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

13.05 Amendments. This Operating Agreement may not be amended except by the unanimous written agreement of all of the Members.

13.06 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules, or regulations.

13.07 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

13.08 Headings. The headings in this Operating Agreement are for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of the Operating Agreement or any of its provisions.

13.09 Waivers. The failure of any party to seek redress for violation of or to insist upon the



strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, that would have originally constituted a violation, from having the effect of an original violation.

13.10 Right and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

13.11 Severability. If any provision of this Operating Agreement or its application to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Operating Agreement and its application shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.12 Heirs, Successors, and Assigns. Each and all of the covenants, terms provisions, and agreements contained in this Operating Agreement shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors, and assigns.

13.13 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.14 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and same instrument.

CERTIFICATE

The undersigned hereby agree, acknowledge, and certify that the foregoing Operating Agreement, consisting of 24 pages, constitutes the Operating Agreement of **ALASKA BUD BROTHERS AEROGARDENS, LLC**, adopted by the Members of the Company on 12-21-2015, 2015, to be effective as of 12-21-2015, 2015.

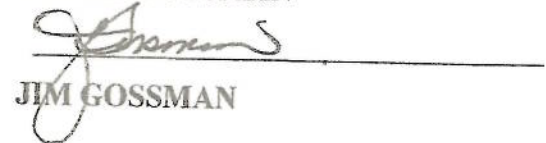
MEMBERS



LAURA GOSSMAN

12-21-2015

Date



JIM GOSSMAN

12-21-2015

Date





Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Alask Bud Brothers Aerogardens, LLC	License Number:	10650
License Type:	Limited Marijuana Cultivation Facility		
Doing Business As:	ALASKA BUD BROTHERS AEROGARDENS LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	AK
		ZIP:	99669

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	James Gossman
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

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

Initials

I certify that **no changes have been made**, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.

I certify that **a change has been or will be made** to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.

If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:





Alaska Marijuana Control Board
Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

Initials



I certify that I have not committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.



Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).



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

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.



I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.



I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.



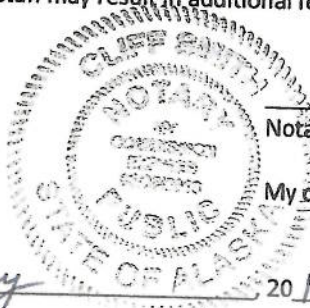
I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.



As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee

JAMES GOSSMAN
Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 05/05/2018

Subscribed and sworn to before me this 03 day of May, 2017.

[Form MJ-20] (rev 05/01/2017) JUN 08 2017
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

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

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Alaska Bud Brothers Aerogardens, LLC	License Number:	10650
License Type:	Limited Marijuana Cultivation Facility		
Doing Business As:	Alaska Bud Brothers Aerogardens, LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	Alaska
		ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Laura J. Gossman
Title:	Owner

Section 3 – Changes to Licensed Marijuana Establishment

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

Initials

I certify that no changes have been made, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.



I certify that a change has been or will be made to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.



If you have selected the second certification, please list any and all of the five types of changes that need to be reported/requested:





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

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

I certify that I have not been convicted of any criminal charge in the previous two calendar years.

Initials

I certify that I have not committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

Initials

Sign your initials to the following statement only if you are unable to certify one or both of the above statements:

I have attached a written explanation for why I cannot certify one or both of the above statements, which includes the type of offense, as required under 3 AAC 306.035(b)(4).

Initials

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

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

Initials

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

Initials

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

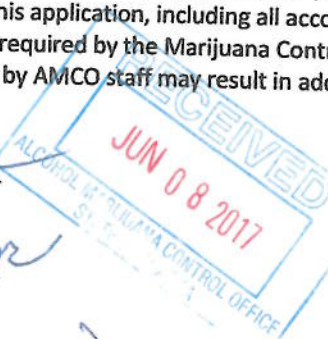
Initials

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

Initials

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Laura Gossmar
 Signature of licensee



Molly Green
 Notary Public in and for the State of Alaska

Laura Gossmar
 Printed name of licensee

My commission expires: 9-29-2020

Subscribed and sworn to before me this 6 day of June, 2017.



LEASE AGREEMENT

THIS LEASE made this 1st day of January, 2017 by and between, Gossman Leasing, LLC., hereinafter referred to as "LESSOR", and Alaska Bud Brothers Aerogardens, LLC., hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, Lessor is the owner of certain property located at Kasilof Alaska, which is more fully described hereinafter, and which property is hereinafter referred to as the "LEASED PREMISES"; and

WHEREAS, Lessor desires to lease the Leased Premises to Lessee for commercial activity; and

WHEREAS, Lessee desires to lease the Leased Premises from the Lessor for commercial activity;

NOW THEREFORE, in consideration of the premises, the covenants made herein, and the acts to be performed by the parties hereto, the parties have agreed and by these presents do agree as follows:

I

RECITALS

The recitals hereinabove set forth are incorporated herein by reference for all purposes.

II

LEASED PROPERTY

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the following described property:

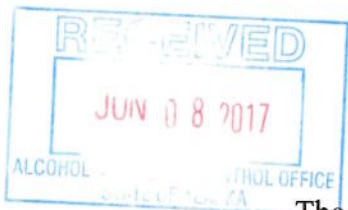
22720B Yukon Road, Kasilof, Alaska 99610

Equipment as detailed in Addendum #1

III

LEASE TERM

The term of this lease shall be for One (1) year commencing on the 1st



day of January, 2017, and ending on the 31st day of December, 2017, unless continued as hereinafter provided.

IV

OPTION TO RENEW

Lessor agrees that Lessee shall have the option to extend this Lease Agreement for One (1) year on the same terms and conditions as provided herein, upon the further condition that the rental for any extended period shall be subject to rental increases as provided hereinafter. Lessee shall exercise its option to renew this lease by giving written notice to Lessor of Lessee's intent to exercise the above-mentioned option at least ninety (90) days before the termination of the current lease term.

V

RENTAL PAYMENTS

- (a) The monthly rental payments due from the 1st day of January, 2017, until the 31st day of December, 2017, shall be THREE THOUSAND DOLLARS (\$3000.00) each and being due on the first day of the month, commencing on the 1st day of April, 2017.
- (b) During any extended term of this Lease Agreement (2018_ - 2022_), the monthly rental payments which Lessee shall pay to Lessor shall be the sum of THREE THOUSAND DOLLARS DOLLARS (\$ 3000.00) per month, each being due on the first day of the month.



VI

SECURITY DEPOSIT

On the execution of this Lease, Lessee shall pay to Lessor THREE THOUSAND DOLLARS (\$3000.00), which sum is to be held as a security deposit to assure payment of further rent and as security against any default or breach of the Lease by Lessee. If Lessee defaults with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of rent, Lessor may (but shall not be required to)

use, apply or retain all or any part of this security deposit for payment of any rent or any other sum in default, or for the payment of any amount which Lessor may spend or become obligated to spend by reason of Lessee's default or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of said deposit is so used or applied, Lessee shall, within five (5) days after written demand therefore, deposit cash with Lessor in an amount sufficient to restore the security deposit to its original amount, and Lessee's failure to do so shall be a default under this Lease. Lessor shall not be required to keep this security deposit separate from its general funds, and Lessee shall not be entitled to interest on such deposit. If Lessee shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Lessee, (or, at Lessor's option, to the last assignee of Lessee hereunder) following expiration of the Lease term. In the event of termination of Lessor's interest in this Lease, Lessor shall transfer said deposit to Lessor's successor in interest.

VII

USE OF PREMISES/QUIET ENJOYMENT

The Leased Premises shall be used by Lessee for the purpose of a personal residence and for the purpose conducting business as a Limited Cannabis Cultivation Facility, in accordance with the regulations provided by the State of Alaska. . Lessee shall not use or permit the Leased Premises or any part thereof to be used for any purpose in violation of any municipal, borough, state, federal, or other governmental law, ordinance, rule or regulation.

Lessor hereby covenants that Lessee, paying the rent hereby reserved, and observing and performing the several covenants and stipulations herein on their part contained shall peaceably hold and enjoy the Leased Premises during the said term without any interruption by Lessor or any person rightfully claiming under his/her/their; subject, however, to the right of Lessor or his/her/their agent to enter upon and examine the premises by appointment with Lessee or his/her/their agent.



VIII

DEFAULT BY LESSEE AND REMEDIES

Default and Remedies. The following events shall be deemed to be events of default by Lessee under the lease:

- (a) Lessee shall fail to pay any installments of rent or other obligation hereunder involving the payment of money and such failure shall continue for a period of ten (10) days after the date due.
- (b) Lessee shall fail to comply with any term, provision or covenant of this lease, other than as described in subsection (a) above, and shall not cure such failure within fifteen (15) days after written notice thereof to Lessee.
- (c) Lessee or any guarantor of Lessee's obligations under this lease shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
- (d) Lessee or any guarantor of Lessee's obligations under this lease shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Lessee or any guarantor of Lessee's obligations under this lease shall be adjudged bankrupt or insolvent in proceedings filed against Lessee or any guarantor of Lessee's obligations under this lease.
- (e) A receiver or Trustee shall be appointed for the Leased Premises or for all or substantially all of the assets of Lessee or of any guarantor of Lessee's obligations under this lease.
- (f) Lessee shall desert or vacate or shall commence to desert or vacate the Leased Premises or any substantial portion of the Leased Premises or shall remove or attempt to remove, without the prior written consent of Lessor, all or a substantial portion of Lessee's good, wares, equipment, fixtures, furniture, or leased equipment that is not paid in full.
- (g) Lessee shall do or permit to be done anything which creates a lien upon the premises.



Upon the occurrence of any such events of default, Lessor shall have the option to pursue either of the following alternative remedies:

(1) Without any notice or demand whatsoever, Lessor may take any one or more of the actions permissible at law to insure performance by Lessee or Lessee covenants and obligations under this lease. In this regard, it is agreed that if Lessee deserts or vacates the Leased Premises, Lessor may enter upon and take possession of such premises ^{* SEE FOOTNOTE} in order to protect them from deterioration and continue to demand from Lessee the monthly rentals and other charges provided in the lease, without any obligation to relet; but that if Lessor does, at his/her/their sole discretion, elect to relet the Leased Premises, such action by Lessor shall not be deemed as an acceptance of Lessee's surrender of the Leased Premises unless Lessor expressly notifies Lessee of such acceptance in writing. Lessee hereby acknowledges that Lessor shall be reletting as Lessee's agent and Lessee hereby agrees to pay to Lessor on demand any deficiency that may arise between the monthly rentals and other charges provided in this lease and that actually collected by Lessor. It is further agreed that in the event of any default described in subsection (b) above. Lessor has the right to enter upon the Leased Premises by force if necessary without being liable for prosecution or any claim for damages therefore, and do whatever Lessee is obligated to do under the terms of this lease; and Lessee agrees to reimburse Lessor on demand for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this lease, and Lessee further agrees that Lessor shall not be liable for any damages resulting to Lessee from such action.

(2) Lessor may terminate this lease by written notice to Lessee, in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to



any other remedy which Lessor may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises and expel or remove Lessee and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefore. Lessee hereby waives any statutory requirement of prior written notice for filing eviction or damage suits for nonpayment of rent. In addition, Lessee agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of any termination effected pursuant to this subsection (2).

It is further agreed that Lessee shall compensate Lessor for all expenses incurred by Lessor in repossession (including among other expenses any increase in insurance premiums caused by the vacancy of the Lease Premises), all expenses incurred by Lessor in reletting (including among other expenses, repairs, remodeling, replacements, advertisements, and brokerage fees), all concessions granted to a new tenant upon reletting (including among other concessions, renewal options) and all losses incurred by Lessor as a direct or indirect result of Lessee's default.

IX

LIENS AND ENCUMBRANCES

Lessee shall keep the Leased Premises free and clear from any liens and encumbrances arising or growing out of the use and occupancy of the Leased Premises by Lessee.

X

UTILITIES AND OTHER SERVICES

Lessee shall, shall furnish all utilities and services used or consumed upon the Leased Premises. Lessor shall not be liable for any loss or damage caused or



resulting from any violation, interruption or failure of such utility or services due to any cause whatsoever.

XI

CONSTRUCTION OF IMPROVEMENTS

Lessor shall be under no obligation whatever to construct, make or perform any improvements, repairs or alterations to the Leased Premises whatsoever. Lessee shall have the right to construct any improvements desired on the Leased Premises. Lessee shall secure all governmental permits required in connection with such construction work and shall hold Lessor harmless from all liability for liens which may result therefrom. All alterations to the Leased Premises, additions, buildings, and improvements, except trade fixtures, appliances and equipment which do not become attached to any building constructed on the Leased Premises shall become the property of Lessor without any obligation on the part of Lessor to pay therefore upon the termination of this Lease Agreement or any extended term thereof for any reason whatsoever. Lessee shall have the right to move any structure off of the Leased Premises which is not on a permanent foundation. Lessee shall commit no waste of any kind upon the Lease Premises. At the expiration of the Lease Term or any extension thereof, Lessee shall surrender the Lease Premises in good condition, normal wear and tear or casualty excepted.

XII

ASSIGNMENT – SUBLEASE

- (a) Lessee shall not assign this Lease Agreement or any interest therein, nor shall this Lease Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without first obtaining the written consent of Lessor which will not be unreasonably withheld by Lessor. Any unauthorized assignment or transfer of the Lease Agreement or the Leased Premises shall be voidable by Lessor at option. Any assignment or transfer by Lessee with the consent of Lessor shall



not relieve Lessee of any of duties and obligations under this Lease Agreement.

**XIII
INSURANCE**

- (a) Lessor, during the term of this lease, shall carry, at its sole expense, insurance covering the leased premises for property damage or destruction.
- (b) Lessor shall not be liable to Lessee, its sublessees, or their respective agents, employees, licensees, and invitees for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with a broad form extended coverage.
- (c) Any insurance covering lessee's property (contents) shall be the sole responsibility of the lessee.

**XIV
WAIVER**

Neither the acceptance of rent nor any other act or omission of Lessor at any time or times after the happening of any event which would enable Lessor to cancel this lease or declare Lessee's interest hereunder forfeited, shall operate as a waiver of any past or future violation, breach or failure to keep or perform any covenant, agreement, term or condition hereof or to deprive Lessor of right to cancel or terminate this lease at any time that cause for cancellation or termination may exist, or be construed so as to at any future time stop Lessor from promptly exercising any other option, right or remedy that may have under any term or provision of this lease.

**XV
NOTICES**

All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

LESSOR:
Gossman Leasing, LLC.

LESSEE:
Alaska Bud Brothers Aerogardens LLC.



PO Box 571
Kasilof, Alaska 99610

PO Box 571
Kasilof, Alaska 99610

or to such other respective addresses as either Lessor or Lessee may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

XVI

HOLDING OVER

In the event Lessee remains in possession of the Leased Premises after expiration of this lease without a written Lease Agreement, Lessee shall be deemed to be occupying the Leased Premises as a tenant from month-to-month, subject to all the conditions, provisions, and obligations of this Lease Agreement insofar as they may be applicable to such month-to-month tenancy.

XVII

BENEFIT

Subject to the restrictions stated in Article XV hereof, all the terms, conditions, covenants and agreement in this Lease Agreement shall extend to and be binding upon the Lessor, Lessee and his/her/their respective successors and assigns and upon any person, firm or corporation coming into ownership or possession of any interest in the Leased Premises by operation of law or otherwise, and shall be construed as covenants running with the land.

XVIII

DEFINITIONS

The words "Lessor", "Lessors", and "Lessee", "Lessees" as used in this lease shall include both the singular and plural, the masculine, the feminine and the neuter whenever appropriate and shall include any individual or person acting in a fiduciary capacity as an executor, administrator, trustee or in any other



representative capacity. The titles of paragraphs herein are for identification only and not to be considered to be a part of this lease nor to be restrictive in any manner of the provisions of any of the paragraphs of this lease.

XIX

INVALIDITY

If any provision of this Lease Agreement shall be found to be invalid, the remainder hereof shall nevertheless be carried into effect.


XX

APPLICABLE LAW


This lease is made under and shall be construed in accordance with the laws of the State of Alaska.

SIGNATURES

LESSOR: Gossman Leasing, LLC

By:  _____

LESSEE: Alaska Bud Brothers Aerogardens, LLC.

By:  _____



ADDENDUM #1

Equipment Lease Agreement

This Equipment Lease Agreement (the "Agreement") is made and entered on this 1st day of January, 2017, by and between Gossman Leasing, LLC ("Lessor") and Alaska Bud Brothers Aerogardens, LLC ("Lessee") (collectively referred to as the "Parties").

The Parties agree as follows:

1. **EQUIPMENT:** Lessor hereby leases to Lessee the equipment enumerated on attached Exhibit A.
2. **LEASE TERM:** The lease will start on 1st day of January, 2017, and end on 31st day of December, 2017.



3. LEASE PAYMENTS: Lessee agrees to pay to Lessor as rent for the equipment the amount of \$__1280.00__ (“rent”) each month in advance on the first day of each month at 22720 A Yukon Road, Kasilof, Alaska 99610 or at any other address designated by Lessor.
4. LATE CHARGES: If any amount under this Agreement is more than __120__ day late, Lessee agrees to pay a late fee of \$__100.0__.
5. SECURITY DEPOSIT: Prior to taking possession of the Equipment, Lessee shall deposit with Lessor, in trust, a security deposit of \$__0__ as security for the performance by Lessee of the terms under this Agreement and for any damages caused by Lessee or Lessee’s agents to the Equipment during the Lease Term. Lessor may use part or all of the security deposit to repair any damage to Equipment caused by Lessee or Lessee’s agents. However, Lessor is not limited to the security deposit amount and Lessee remains liable for any balance, Lessee shall not apply or deduct any portion of any security deposit from the last or any month’s rent. Lessee shall not use or apply any such security deposit at any time in lieu of payment of rent. If Lessee breaches any terms or conditions of this Agreement, Lessee shall forfeit any deposit, as permitted by law.
6. DEFAULTS: If Lessee fails to perform or fulfill any obligation under this Agreement, Lessee shall be in default of this Agreement. Subject to any statute, ordinance or law to the contrary, Lessee shall have seven (7) days from the date of notice or default by Lessor to cure the default. In the event Lessee does not cure a default, Lessor may at Lessor’s option (a) cure such default and the cost of such action may be added to Lessee’s financial obligation under this Agreement: or (b) declare Lessee in default of the Agreement. If Lessee shall become insolvent, cease to do business as a going concern or if a petition has been filed by or against Lessee under the Bankruptcy Act or similar federal or state statute, Lessor may immediately declare Lessee in default of this Agreement. In the event of default, Lessor



may, as permitted by law, re-take possession of the Equipment. Lessor may, at its option, hold Lessee liable for any difference between the Rent that would have been payable under this Agreement during the balance of the unexpired term and any rent paid by any successive lessee if the Equipment is re-let minus the cost and expenses of such reletting. In the event Lessor is unable to re-let the Equipment during any remaining term of this Agreement, after default by Lessee, Lessor may at its option hold Lessee liable for the balance of the unpaid rent under this Agreement as if this Agreement had continued in force.

7. **POSSESSION AND SURRENDER OF EQUIPMENT:** Lessee shall be entitled to possession of the Equipment on the first day of the Lease Term. At the expiration of the Lease Term, Lessee shall surrender the Equipment to Lessor y delivering the Equipment to Lessor or Lessor's agent in good condition and working order, ordinary wear and tear excepted, as it was at the commencement of the Agreement.
8. **USE OF EQUIPMENT:** Lessee shall only the Equipment in a careful and proper manner and will comply with all laws, rules, ordinances, statutes and orders regarding the use, maintenance or storage of the Equipment.
9. **CONDITION OF EQUIPMENT AND REPAIR:** Lessee or Lessee's agent has inspected the Equipment and acknowledges that the Equipment is in good and acceptable condition. *dy* **Initial**
10. **MAINTENANCE, DAMAGE AND LOSS:** Lessee will, at Lessee's sole expense, keep and maintain the Equipment clean and in good working order and repair during the Lease Term. In the event the Equipment is lost or damaged beyond repair, Lessee shall pay to Lessor the replacement cost of the Equipment; in addition, the obligations of this Agreement shall continue in full force and effect through the Lease Term.
11. **ENCUMBRANCES, TAXES AND OTHER LAWS:** Lessee shall keep the Equipment free and clear of any liens or other encumbrances, and shall not



permit any act where Lessor's title or rights may be negatively affected. Lessee shall be responsible for complying with and conforming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, Lessee shall promptly pay all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or maintenance of the Equipment.

12. LESSORS REPRESENTATIONS: Lessor represents and warrants that he/she has the right to lease the Equipment as provided in this Agreement and that Lessee shall be entitled to quietly hold and possess the Equipment, and Lessor will not interfere with that right as long as Lessee pays the Rent in a timely manner and performs all other obligations under this Agreement.
13. OWNERSHIP: The Equipment is and shall remain the exclusive property of Lessor.
14. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.
15. ASSIGNMENT: Neither this Agreement nor Lessee's rights hereunder are assignable except with Lessor's prior, written consent.
16. BINDING EFFECT: The covenant and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.
17. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.
18. NOTICE: All notices hereunder may be delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective

addresses:



LESSOR:

Gossman Leasing, LLC.
PO Box 571
Kasilof, Alaska 99610

LESSEE:

Alaska Bud Brothers Aerogardens LLC.
PO Box 571
Kasilof, Alaska 99610

or to such other respective addresses as either Lessor or Lessee may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

- 19. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Lessor and Lessee.
- 20. CUMULATIVE RIGHTS: Lessor’s and Lessee’s rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.
- 21. WAIVER: The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party’s right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of rent by Lessor does not waive Lessor’s right to enforce any provisions of this Agreement.
- 22. INDEMNIFICATION: Except for damages, claims or losses due to Lessor’s acts or negligence, Lessee, to the extent permitted by law, will indemnify and hold Lessor and Lessor’s property, free and harmless from any liability for losses, claims, injury to or death of any person, including Lessee, or for damage to property arising from Lessee using and possessing the Equipment or from the acts or omissions of any person or person, including Lessee, using or possessing the Equipment with Lessee’s express or implied consent.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day



and year first above written.

LESSOR:

Gossman Leasing, LLC
By: *J. Gossman*

LESSEE:

Alaska Bud Brothers Aerogardens, LLC
By: *Laura Gossman*



EXHIBIT A

1 ea. HiKvision NVR 16 CH H264-6MP 16 port HDMI 4 Model #H1057716N116

4 ea. Western Digital Surveillance 6T13 3.5" Sat A6 Model# VVEWD6NPURX

13 ea. GW 5 Megapixel 2592 x 1920 Security IP Camera Model# GW5050IP

1 ea. 27" Monitor AOC LED 1920 x 1080 res Model# E2770SHE

1 ea. HP All in One 20-c020t Computer SKU V9A79AA #ABA

3 ea. Complete Aeroponic Growing Systems



Alcohol & Marijuana Control Office

License Number: 10650

License Status: Active

License Type: Limited Marijuana Cultivation Facility

Doing Business As: ALASKA BUD BROTHERS AEROGARDENS LLC

Business License Number: 1034111

Designated Licensee: James Gossman

Email Address: gossmanfamily@gmail.com

Local Government: Kenai Peninsula Borough

Community Council:

Latitude, Longitude: 60.309000, -151.210000

Physical Address: 22720 Yukon Road
Kasilof, AK 99610
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10032047

Alaska Entity Name: Alaska Bud Brothers Aerogardens, LLC

Phone Number: 907-398-9758

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
Kasilof, AK 99610
UNITED STATES

Entity Official #1

Type: Individual

Name: Laura Gossman

Date of Birth: 07/04/1954

Phone Number: 907-398-9758

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
Kasilof, AK 99610
UNITED STATES

Entity Official #2

Type: Individual

Name: James Gossman

Date of Birth: 06/20/1957

Phone Number: 907-953-2338

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
Kasilof, AK 99610
UNITED STATES

Note: No affiliates entered for this license.