



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

November 27, 2018

Kenai Peninsula Borough

Attn: John Blankenship

VIA Email: jblankenship@kpb.us

CC: micheleturner@kpb.us

tshassetz@kpb.us

| | |
|-----------------------------|--|
| License Number: | 17811 |
| License Type: | Standard Marijuana Cultivation Facility |
| Licensee: | North Road Buds, LLC |
| Doing Business As: | NORTH ROAD BUDS LLC |
| Physical Address: | 50815 Kosta Rd, Unit #2 Nikiski, AK 99635 |
| Designated Licensee: | Vernon L Smith |
| Phone Number: | 907-776-8619 |
| Email Address: | smith.vernonlee@outlook.com |

☒ **New Application**

AMCO has received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

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

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our December 20-21, 2018 meeting.

Sincerely,

Erika McConnell

Erika McConnell, Director

amco.localgovernmentonly@alaska.gov

Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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[Download](#) / [Corporations](#) / [Entity Details](#)

ENTITY DETAILS

Name(s)

| Type | Name |
|------------|----------------------|
| Legal Name | North Road Buds, LLC |

Entity Type: Limited Liability Company

Entity #: 10082771

Status: Good Standing

AK Formed Date: 4/19/2018

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2020

Entity Mailing Address: PO BOX 8704, NIKISKI, AK 99635

Entity Physical Address: 50815 KOSTA RD, NIKISKI, AK 99635

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 |
|-------------|--------------|--------|-------|
| | Larry Lewis | Member | 10 |
| | Lynn Smith | Member | 44 |
| | Vernon Smith | Member | 46 |

Filed Documents

| Date Filed | Type | Filing | Certificate |
|------------|-----------------|-------------------------------|-------------------------------|
| 4/19/2018 | Creation Filing | Click to View | Click to View |
| 11/13/2018 | Initial Report | Click to View | |

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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

North Road Buds, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective April 19, 2018.

Mike Navarre
Commissioner



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

State of Alaska > Commerce > 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 re

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

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

Print certificates and filed documents from the entity's detail page. [Click here](#) and scroll

ENTITY DETAILS

Entity Number: 10082771

Legal Name: North Road Buds, LLC

Filing Type: Creation Filing - Domestic Limited Liability Company

PAYMENT INFORMATION

Receipt Number: 201800077333

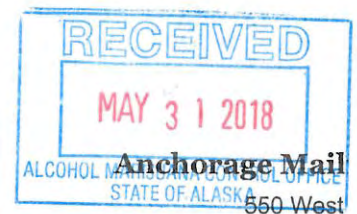
Receipt Date: 4/19/2018 2:12:35 PM

Payer Name: Sonja Redmond

Payment Amount: 250.00

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

Phone

Main Phone:
FAX: (9





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

COR

FOR DIVISION USE ONLY

Articles of Organization

Domestic Limited Liability Company

Web-4/19/2018 2:11:43 PM

1 - Entity Name

Legal Name: North Road Buds, LLC

2 - Purpose

Any lawful purpose for which a limited liability company may engage in the State of Alaska

3 - NAICS Code

115112 - SOIL PREPARATION, PLANTING, AND CULTIVATING

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 8704, Nikiski, AK 99635

Physical Address: 50815 Kosta Rd, Nikiski, AK 99635

6 - Management

The limited liability company is managed by its members.

7 - Officials

| Name | Address | % Owned | Titles |
|--------------|---------|---------|-----------|
| Vernon Smith | | | Organizer |
| Lynn Smith | | | Organizer |
| Larry Lewis | | | 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



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. > (

NAME(S)

| Type | Name |
|------------|----------------------|
| Legal Name | North Road Buds, LLC |

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10082771
Status: Good Standing
AK Formed Date: 4/19/2018
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: N/A [File Initial Report](#)
Entity Mailing Address: PO BOX 8704, NIKISKI, AK 99635
Entity Physical Address: 50815 KOSTA RD, NIKISKI, AK 99635

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

| AK Entity # | Name | Titles |
|-------------|--------------|-----------|
| | Larry Lewis | Organizer |
| | Lynn Smith | Organizer |
| | Vernon Smith | Organizer |



FILED DOCUMENTS

Date Filed

4/19/2018

Type

Creation Filing

Filing

[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 Mail

550 West
St
Anchorage

Phone

Main Phone
FAX: (9



OPERATING AGREEMENT OF

NORTH ROAD BUDS, 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 Limited Liability Company Act (AS 10.50).
- b. “Articles of Organization” shall mean the Articles of Organization of **NORTH ROAD BUDS, 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 **NORTH ROAD BUDS, 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 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.

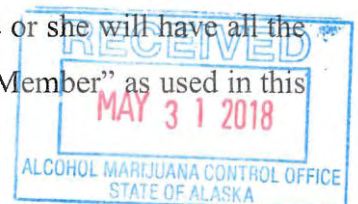
l. "IRC" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

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 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 Limited Liability Act” shall mean the Alaska Limited Liability Company Act, 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 4-19, 2018, **Vern Smith** organized an Alaska Limited Liability Company by executing and filing articles of organization pursuant to the Alaska Limited Liability Act (AS 10.50)

2.02 **Name.** The name of the Company is **North Road Buds, LLC.**

2.03 **Principal Place of Business.** The physical principal place of business of the Company within the State of Alaska shall be 50815 Kosta Rd. Nikiski, AK 99635, with the mailing address PO Box 8704, Nikiski, AK 99635 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 dissolved in accordance with either the provisions of this Operating Agreement or the Alaska 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 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:

Vernon Smith

PO Box 8704

Nikiski, AK 99635

Lynn Smith

PO Box 8704

Nikiski, AK 99635

Larry Lewis

PO Box 403

Kasilof, AK 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. 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 two thirds of the managing members.



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 two-thirds of the Managing Members, 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) no 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 there-from. 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 two thirds of the Managing Members, 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. Any expenses in excess of \$500 must be approved in writing by a majority of the Managing Members.

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 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 two thirds of the Managing Members, 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 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.** Two Thirds of the Managing Members holding, 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 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 Interests whose absence would cause less than a quorum.

7.08 Manner of Acting. If a quorum is present, the affirmative vote of a majority of the Members present shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Alaska 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 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.

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. **Vern Smith** 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 10.05.

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 n 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 r 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.

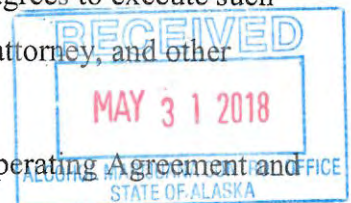
13.03 **Application of Alaska Law.** This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Alaska, and specifically the Alaska Limited Liability Act.

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.

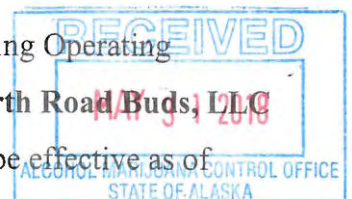
13.12 **Heirs, Successors, and Assigns.** Each and all of the covenants, terms provisions, and agreements contained in this Operating Agreement shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal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

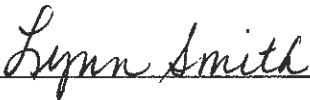
The undersigned hereby agree, acknowledge, and certify that the foregoing Operating Agreement, consisting of 25 pages, constitutes the Operating Agreement of **North Road Buds, LLC** adopted by the Members of the Company on April 30, 2018, to be effective as of April 30, 2018.




MEMBERS


Vern Smith

4-27-18
Date


Lynn Smith

4-27-18
Date


Larry Lewis

4/30/18
Date



STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 44% membership interest for period of three years, at which time undersigned's share increases to 49%

\$50,000

Labor and expertise of the LLC

Dated this 27 day of April, 2018.

Member:

Lynn Smith

Lynn Smith, Member



STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 46% membership interest for period of three years, at which time undersigned's share increases to 51%

Land at 50815 Kosta Road, Nikiski, Alaska 99635

Building located on the above listed land

Labor and management of the LLC

Dated this 27 day of April, 2018.

Member:

A handwritten signature in black ink, appearing to read 'Vern Smith', is written over a horizontal line.

Vern Smith, Member



STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,


An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 10% membership interest for a period of three years. At the end of three years, the membership interest ceases with no claim against any assets of the LLC. .

\$50,000 loan to be repaid by 10% of the net profits of the LLC for a period of three years from the date of the first sale after the completion of the application.

Dated this 30 day of APRIL, 2018.

Member:



Larry Lewis, Member



MINUTES OF THE ANNUAL MEETING OF MEMBERS
OF
NORTH ROAD BUDS, LLC

The annual meeting of the members of NORTH ROAD BUDS, LLC (hereafter referred to as the ("Company")) was held at 10 a.m. on the 5th day of May, 2018. Present in person were Vern Smith, Managing Member of the Company, Lynn Smith, and Larry Lewis.

The meeting was called to order by Vern Smith, Managing Member of the Company.

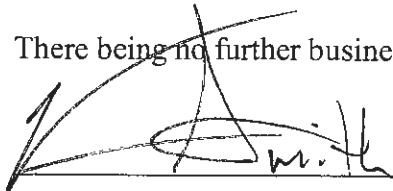
The Managing Member stated that a majority of those members holding an ownership interest in the Company were present or represented and that the meeting was complete and ready to transact any business before it.

The Managing Member presented her annual report of the business and finances of the Company and, upon motion duly made, seconded, and unanimously carried, the report was accepted and ordered to be filed in the Company Record Book.

The Managing Member declared that it was in order to consider the appointment of a Managing Member for the ensuing year. Upon nominations duly made, seconded and unanimously carried, the following person was appointed to serve for a period of one year and until such time as a successor is appointed and qualifies:

VERN SMITH

There being no further business, the meeting was, on motion, adjourned.

A handwritten signature in black ink, appearing to read "Vern Smith", is written over a horizontal line.

Vern Smith,
Member





Alaska Marijuana Control Board

Form MJ-00: Application Certifications**What is this form?**

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

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

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|-----------------|-------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd, Unit #2 | | | | |
| City: | Nikiski | State: | AK | ZIP: | 99635 |

Section 2 – Individual Information

Enter information for the individual licensee.

| | |
|--------|----------------|
| Name: | Vernon L Smith |
| Title: | Owner |

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?



If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

I own a Limited Marijuana Cultivation Facility # 11794 (North Road Buds). I am currently researching marijuana product and concentrate manufacturing facility, possibly in the future, but do not have any plans as of yet.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

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

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

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

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

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

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

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

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

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

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



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.



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

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.



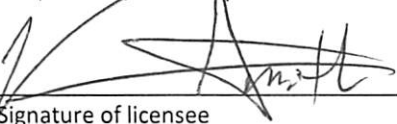
Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

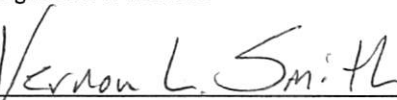
I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

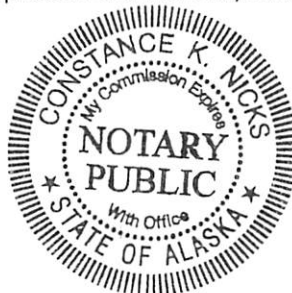


All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.


Signature of licensee


Printed name of licensee




Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 21 day of November, 2018.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications**What is this form?**

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

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

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|-----------------|-------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd, Unit #2 | | | | |
| City: | Nikiski | State: | AK | ZIP: | 99635 |

Section 2 – Individual Information

Enter information for the individual licensee.

| | |
|--------|------------|
| Name: | Lynn Smith |
| Title: | Owner |

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☒☐

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

I own a Limited Marijuana Cultivation Facility # 11794 (North Road Buds). I am currently researching marijuana product and concentrate manufacturing facility, possibly in the future, but do not have any plans as of yet.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

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

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

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

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

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

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

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

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

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

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



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-00: Application Certifications

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.



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

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.



Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.



All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.

Lynn Smith

Signature of licensee

Lynn Smith

Printed name of licensee



CS

Notary Public in and for the State of Alaska

My commission expires: *with office*

Subscribed and sworn to before me this *21* day of *November*, 20 *18*.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

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

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|-----------------|-------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd, Unit #2 | | | | |
| City: | Nikiski | State: | AK | ZIP: | 99635 |

Section 2 – Individual Information

Enter information for the individual licensee.

| | |
|--------|---------------|
| Name: | Larry L Lewis |
| Title: | Owner |

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☐ ☒

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

| |
|----------------------|
| |
|----------------------|



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

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

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Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
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Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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Initials

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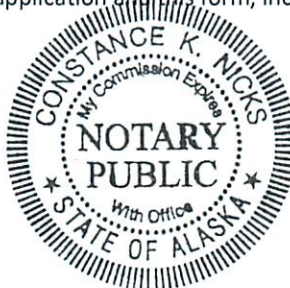
All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

LARRY L. LEWIS

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 21 day of November, 2018.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan**What is this form?**

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38 of Alaska Statutes** and **Chapter 306 of the Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Control plan for persons under the age of 21
- Security
- Business records
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Health and safety standards
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06**) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment & Contact Information

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

| | | | | | |
|----------------------|---|---------------|--------------|------|-------|
| Licensee: | North Road Buds LLC | MJ License #: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd. Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |
| Mailing Address: | PO Box 8704 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |
| Designated Licensee: | Vernon L Smith | | | | |
| Main Phone: | 907-776-8619 | Cell Phone: | 907-202-0407 | | |
| Email: | smith.vernonlee@outlook.com | | | | |



Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

North Road Buds LLC will ensure that NO admittance to anyone under the age of 21 will be posted on the doors and enforced by surveillance recording, flood lights and alarm system. There will be commercial grade deadbolt locks on all areas of access. Owner/Licensee supervision will be vigilant.

Every aspect of our operations will have a strong emphasis on security and preventing the exposure and diversion of marijuana to persons under the age of 21. North Road Buds LLC's premises will feature an installed security system featuring high resolution, facial capture capability infrared cameras, dusk to dawn external internal lighting fixtures, and motion detection sensors on the exterior and interior perimeters. Additionally, signage will be posted on the exterior and interior of the licensed premises in a non-obscured area that states "NOTICE, no person under the age of 21 allowed". North Road Buds LLC will inspect all presented forms of identification, as well as additional security check steps, to verify legal and legitimate identification credentials. Any person found to be under 21 will be asked to leave the license premises immediately and will not be permitted to enter any portion of the licensed premises. North Road Buds LLC will notify law enforcement, if necessary, to assist in any situation involving persons under the age of 21.

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

3.1. Describe how you will prevent unescorted members of the public from entering restricted access areas:

North Road Buds LLC will ensure its licensed premises will be designed and constructed to prevent unauthorized entry into restricted access areas by unescorted members of the public. Safety and security will be significant components to the long-term viability of our licensed premises. Our buildings security will include a secured facility entry point utilizing commercial grade door locks and deadbolts with internal vestibules and secured storage rooms. The secured storage rooms will be for all marijuana and inventory. Additionally, the secured storage rooms will be reinforced and climate controlled, ensuring all marijuana is in a secure, locked access area that will prevent degradation, theft, and loss. The exterior perimeter wall, all interior separation and dividing walls for restricted access area will be enhanced with intrusion resistant paneling to detour external penetration. All restricted access areas will use non-residential commercial grade deadbolt locks and be monitored 24hrs by video surveillance recordings in conjunction with a motion alarm system, and indoor/outdoor lighting. Each video surveillance recording will be preserved for a minimum of 40 days, will clearly and accurately display the date and time, and will be archived with no alterations for authentications.

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

All visitors will be documented and logged for accountability, a picture ID as per 3 AAC 306.350 (b)(3) to verify age, and a signature will also be required. The date and time they arrived and were escorted into the restricted areas, and there departure will be logged. All information will be retained for security purposes on a private computer on/off-site. Each video surveillance recording will be preserved for a minimum of 40 days. North Road Buds LLC will maintain a log of all visitors to restricted access areas of the premises for a minimum of one year (current license period) on-site and 5 yrs at an off-site location. Visitors to restricted areas will be documented according to MCB (Marijuana Control Board) requirements in accordance with 3 AAC 306.710 (a) and (c) (1,2,3) and North Road Buds LLC standard operating procedures. A logbook will be securely filed on and off-site detailing visitor specifications, including their name, date, and time of entry, along with a photocopy of their government issued ID. Access to any and all visitor data will be limited to owners/Licensee, agents of the MCB, or any agent of a regulatory agency. Files will be protected by secure, lockable cabinets and digitally encrypted passwords where necessary for virtual files that will only be available on a need-to-know basis to premises personnel and upon immediate request by the Marijuana Control Board.





Form MJ-01: Marijuana Establishment Operating Plan

3.3. Provide samples of licensee-produced identification badges that will be displayed by each licensee, employee, or agent while on the premises, and of visitor identification badges that will be worn by all visitors while in restricted access areas:



North Road Buds LLC
Visitor Pass

To be worn at all times
While on Premises

Must be returned to
NRB, LLC at time of
departure

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

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

All exterior lighting will have motion sensor detection/activation as per 3 AAC 306.715 (b) (1,2,3) and will activate, but not initiate, fire and theft alarm. Motion activated Flood lights will be placed at each doorway of the building, any movement within a 20 ft area will activate the flood lights and cause any alarm sensors to be activated. The licensed premises will have adequate lighting to support and facilitate continuous video surveillance in correspondence with 3 AAC 306.720 (a) (1,2,3). The exterior lighting will provide high intensity dusk till dawn illumination to support exterior video surveillance camera fields that produces a clear view adequate to identify any individual, which will include the entire facility perimeter. All security lighting fixtures will ensure proper illumination levels in order to support viable image retrieval from the video surveillance footage that is also capable of infrared capability. North Road Buds LLC facility security and emergency light fixtures will be tested regularly to ensure proper functionality and overall compliance.

MJ-01

Sample licensee / Employee Badge



Employee Name
MHP # 11622



North Road Buds LLC
Standard Cultivation
Facility License # 17811

License # 17811

AMCO Received 11/26/2018



Form MJ-01: Marijuana Establishment Operating Plan

3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

The security alarm surveillance system for the premises will be monitored by a 3rd party Security Service Co. and can be activated manually or by a security application on a keypad, or automatically. The alarm system monitors movement, fire and gas, and any other disruptions due to power-outage, break-ins or other anomalies that may trigger the alarm. Once the alarm is triggered the Owner/ Licensee, Law Enforcement, Fire Dept., and medical services are alerted (If needed). NRB LLC intends on engaging a security service provider to professionally install our security alarm, all cameras and associated wiring, and detection sensors that will be included in the overall security systems. Our alarm system will be interactive, incorporating dedicated communication channels, tamper-resistant protection, awareness control measures, image sensing, video monitoring, and access control considerations in order to ensure maximum security and safety. NRB LLC's alarm system will also feature continuous monitoring and customizable notifications providing Owner/Licensee's with a mobile application for authorized users, instantaneous alerts, personalized user access codes, and historical activity reporting, with the capability to search for specific events, activity by sensor, or date and time. NRB LLC will be in compliance with statute 3 AAC 306.720.

The security alarm surveillance system is currently designed to meet and exceed the standards mentioned. There is one entrance door and two exit doors to the facility, and those doors will be equipped with sensors to activate the alarm. Motion sensors will activate all indoor or outdoor lighting and arm the alarm, along with the 24 hr. video surveillance system, and will video record all activity while premises are vacant. The alarm will trigger if sensors are disrupted. Our alarm system and associated sensors and detectors will be continuously monitored by a 3' party security system. Our licensed premises alarm systems will communicate via land line, cell phone, law enforcement notification, and touch pad provided by our security provider. Our alarm system, access control devices and video surveillance will be supported with a backup battery system that provides full operational capability during a total power loss. AMCO will be notified within 24 hours of unauthorized access to premises.

3.6. Describe your policies and procedures for preventing diversion of marijuana or marijuana product, including by employees:

All activities will be monitored per video surveillance protection. No person shall have access to restricted areas unless accompanied by designated handler. Adequate video and alarm systems are in place. The security alarm surveillance system is currently designed to meet and exceed the standards mentioned. There is one entrance way and two exits; they will be equipped with a sensor to activate the alarm, and, in addition, a security provider keypad. Motion sensors will activate all indoor or outdoor lighting and arm the alarm, along with the 24 hr. video surveillance system, and will video record all activity while premises are vacant. The alarm will trigger if sensors are disrupted. The system is designed to be in compliance with 3 AAC 306.715 (b) (1) (2) (3) and (c) (1) (2) and (d).

3.7. Describe your policies and procedures for preventing loitering:

Public safety and safe access to marijuana and it's licensed premises are a priority to NRB LLC's operating plan. We will position and mount all external cameras and lighting fixtures in clear view of the public to establish video surveillance monitoring activities. Signs will be posted and illumination identification capabilities will be present. We intend to place signs inside and outside of the building that read: NOTICE: this area is under 24 hour surveillance". NRB LLC does not intend to post signs with our business name at our cultivation facility. It is our intention to keep our cultivation facility nondescript and visually unobtrusive to our surrounding area. NRB LLC will be in compliance with 3 AAC 306. 715 (c) (2)

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use.



Form MJ-01: Marijuana Establishment Operating Plan

Video Surveillance (3 AAC 306.720):

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

3.9. The video surveillance and camera recording system for the licensed premises covers each restricted access area, and both the interior and exterior of each entrance to the facility.

3.10. Each video surveillance recording: is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing (consistent with the Alcohol & Marijuana Control Office's approved format list); clearly and accurately displays the time and date; and is archived in a format that does not permit alteration of the recorded image.

3.11. The surveillance room or area is clearly defined on the Form MJ-02: Premises Diagram that is submitted with this application.

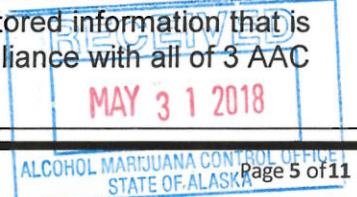
3.12. Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area where access is limited to the licensee(s), an authorized employee, and law enforcement personnel (including an agent of the Marijuana Control Board).

3.13. Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

The video surveillance cameras will be placed in two key areas that will record a 360* area inside the premises and outside the premises. There will be two cameras placed at the entrance/exit door, and two cameras placed inside the area of cultivation facing each other from opposite sides of the room. There will be one camera placed in the marijuana cure/storage area. NRB will ensure that video surveillance cameras at its licensed premises will be positioned to produce a clear view adequate to identify an individual inside the licensed premises, or within 20 feet of the exterior entrance to the licensed premises. We will implement notices advising all persons of the ongoing 24 hr. video surveillance operations. On the interior of the licensed premises, video cameras will be placed establishing clear lines of sight at the entrance to ensure more than adequate visual coverage of the premises. Cameras will be positioned on the interior and exterior of the premises ensuring the capture of facial characteristics of any individual entering or exiting the building. We will ensure a surveillance camera will capture activity at the entrance to all restricted areas where marijuana is cultivated, packaged, processed, or stored in compliance with 3 AAC 306.720 (a) (1) (2) (3), 3 AAC 306.720 (b) and (c). NRB licensed premises activity will always be conducted on 24 hr. video camera and where applicable lighting will automatically illuminate to guarantee quality video coverage that is unobstructed and appropriate contrasting is needed, and in compliance with 3 AAC 306.720

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance records will be housed and stored, and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

All video surveillance recording equipment and records will be housed and stored at a separate designated, locked and secure area, such as a lock box, cabinet, or closet other than near the area of cultivation. Owner will ensure the storage area is accessible to authorized personnel only, law enforcement, and/or an agent of the board. Each video surveillance recording will be preserved for a minimum of 40 days, will clearly and accurately display the date and time, and will be archived with no alterations for authentication. NRB LLC will be in compliance with 3 AAC 306.720 (e). All video surveillance records and recording equipment will have a failsafe backup system in case of electrical or equipment failure. If the primary system is compromised the backup systems use a battery pack for sudden power outages or prolonged power outages. All 24hr video surveillance recordings will be saved to an Online Internet Cloud for security purposes thus allowing for continuous 24 hr. video surveillance without disruptions. Only the Owner/licensee of NRB will have access to the stored information that is either password protected or secured by locked cabinets. NRB will be in compliance with all of 3 AAC 306.720 (d)



**Form MJ-01: Marijuana Establishment Operating Plan****Section 4 – Business Records**

Review the requirements under 3 AAC 306.755. All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records.

4.1. I certify that the following business records will be maintained and kept on the licensed premises:

Initials

- a. all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years (*records for the last six months must be maintained on the licensed premises; older records may be archived on off-premises*);
- b. a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;
- c. the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- d. records related to advertising and marketing;
- e. a current diagram of the licensed premises, including each restricted access area;
- f. a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;
- g. all records normally retained for tax purposes;
- h. accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;
- i. transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and
- j. registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.

1. A
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1. A

4.2. A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

All records will be maintained electronically by specific software and preserved on a computer Cloud protected by Norton 360 anti-virus software. Physical records will be housed off-site in a locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only to a marijuana establishment owner/licensee of NRB LLC, and to law enforcement personnel including a peace officer or an agent of the board. NRB LLC will ensure that all required records will be maintained in either paper or electronic form. If in paper format, the records will be scanned and place in a proper a digital folder in NRB's computer system where it will be kept on a hard drive and copied to computer Cloud. The hard copy or original will remain in a locked cabinet that is located in a secure storage room and the area with access to such records is limited to authorized personnel only. If in electronic format, access to such records will be protected by password that will be available only to owners/licensee who need to access or create such records in accordance with the MCB, and all electronic records will be backed up on a server that is maintained both on-site and off-site. NRB LLC will retain all records in a format that is readily understood by a reasonably prudent business person and such record keeping of documents will be in compliance with 3 AAC 306.755(a) (1)-(9), 3 AAC 306.755(b) and (c). All accurate and comprehensive seed-to-sale inventory tracking records, and transportation records for all marijuana as required by the Marijuana Control Board under 3 AAC 306.750(f). We will incorporate our business operations software with METRC, Quick Books for accounting purposes, CLOUD for document storage, and other applications as needed to create and establish a comprehensive record retention program. Our intent is to continue tracking all business facets associated with each phase. NRB LLC will retain all business records conducted under our license for the current year, and three preceding calendar years, securely on-site and available upon request for the Marijuana Control Board, or any regulatory agency in compliance with 3 AAC 306.755 Business Records.

MAY 31 2018

**Form MJ-01: Marijuana Establishment Operating Plan****Section 5 – Inventory Tracking of All Marijuana and Marijuana Product**

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.

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

5.3. My marijuana establishment will use registered scales in compliance with AS 45.75.080 (Weights and Measures Act), as required by 3 AAC 306.745.

Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, must obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

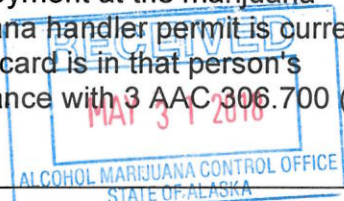
6.1. Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning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

6.2. Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the licensed premises) when on the licensed premises.

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

6.4. Describe any in-house training that will be provided to employees and agents (apart from a marijuana handler course):

All Agents and employee's of North Road Buds LLC will receive training in health and safety requirements appropriate for the "safe handling procedures", associated with marijuana cultivation, good hygienic practices; cleaning and maintenance of equipment and the premises; North Road Buds LLC will maintain a copy of qualified agents or employees and will conduct regular inspections of handler permit cards in order to be in compliance with qualifications and training. North Road Buds LLC employees will obtain a marijuana handler permit from the board before beginning employment at the marijuana establishment. North Road Buds LLC will ensure that employee's marijuana handler permit is current and up to date, and shall enforce that person's marijuana handler permit card is in that person's immediate possession, or on file at premises. NRB LLC will be in compliance with 3 AAC 306.700 (a) and (b) (1)-(6), (c), (d).



**Form MJ-01: Marijuana Establishment Operating Plan****Section 7 – Health and Safety Standards**

Review the requirements under 3 AAC 306.735.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

7.1. I understand that a marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present.

7.2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded.

7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace.

7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d).

Answer "Yes" or "No" to each of the following questions:

Yes No

7.5. Adequate and readily accessible toilet facilities that are maintained and in good repair and sanitary condition are clearly indicated on my Form MJ-02: Premises Diagram.



7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram.



7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

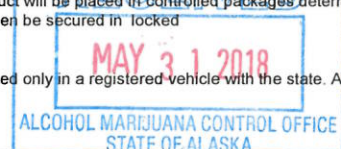
Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

8.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:

After all the marijuana buds have cured, the bud is then trimmed from the stem, weighed, in compliance with 3 AAC 306.745 (1) and (2), packaged, and re-weighed for consistency. A tracking label will then be attached provided by the METRC tracking system. NRB will then prepare, package, and secure the marijuana sample/product during shipment, then record the transfer in the marijuana inventory tracking system, and prepare the transport manifest. In addition, the individual transporting marijuana in compliance shall have a marijuana handler permit required under 3 AAC 306.700. NRB shall observe the limits set out in 3 AAC 306.565 (a) (c) and (e) (1) (2) (3), in addition the packaging will protect the product from contamination. Each packaged marijuana product will be identified by a tracking label generated by the marijuana product manufacturing facility's marijuana inventory tracking system. NRB shall prepare marijuana products for transfer to another marijuana establishment by placing the marijuana products within a sealed, tamper evident shipping container; and generating a transport manifest from NRB facility's inventory tracking system; the name of the transporter, the time of departure and expected delivery and the make model and license plate of the transporting vehicle. A complete printed transport manifest on a form prescribed by the board must be kept with the marijuana product at all times. A copy of the manifest will be given to the licensed establishment that receives the shipment. The packages will consist of one-gram, one-ounce, and/or 1 to 5 lb. packages. With the results from the testing facility the product will be labeled with the following information: Cultivator, License#, HB #, METRC #, strain, pesticides, Fungicides, Herbicides, and cannabinoid profile. It will also include the total THC, THC A, CBD, CBD A, and CBN. A medical statement of the effects of marijuana and our business name and address will also be listed. The marijuana product will be placed in controlled packages determined by its weight, THC content, tracking number, name of the cultivation business, and date it was ready for sale. The ready marijuana will then be secured in locked boxes for transportation with tracking number supplied by METRC.

All marijuana products will be locked in a keyed or numbered pelican transport case with multiple locks or a metal lock box that will be used only in a registered vehicle with the state. All keys or combination lock boxes will be accessed by licensed registered handlers. Locked boxes will not be opened during transport.





Form MJ-01: Marijuana Establishment Operating Plan

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

8.2. The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700.

8.3. The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle.

8.4. The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport.

8.5. During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport.

8.6. Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment.

8.7. When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received.

8.8. The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

Section 9 – Signage and Advertising

9.1. Describe any signs that you intend to post on your establishment with your business name, including quantity, dimensions, graphics, and location on your establishment (photos or drawings may be attached):

No business signs will be posted. NRB LLC is not a marijuana retail store. NRB does not intend to post any signs with our business name at our cultivation facility. Safety and security are of the utmost importance to our facility and signs identifying the cultivation facility compromise these considerations. It is our intention to keep our cultivation facility nondescript and visually unobtrusive to our surrounding community.





Form MJ-01: Marijuana Establishment Operating Plan

9.2. Describe any advertising you intend to distribute of your establishment. Include medium types and business logos (photos or drawings may be attached):



Business Logo






Form MJ-01: Marijuana Establishment Operating Plan

9.2. Describe any advertising you intend to distribute of your establishment. Include medium types and business logos (photos or drawings may be attached):

North Road Buds, LLC intends, at some point, to distribute photo brochures showing strains available to retail stores, posters, Weedmaps, Internet, social media.

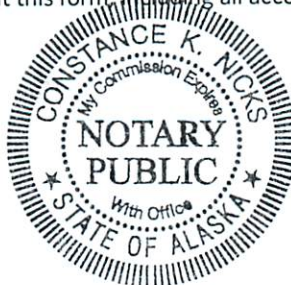
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.



Signature of licensee

Vernon L Smith

Printed name of licensee





Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 13 day of November, 2018.



Alaska Marijuana Control Board

Form MJ-02: Premises Diagram**What is this form?**

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). All areas designated as the licensed premises of a single license must be contiguous.

What must be submitted with this form?

Applicants must attach multiple diagrams to this form, including (as applicable):

- **Diagram 1:**
a diagram showing only the licensed premises areas that will be ready to be **operational at the time of your preliminary inspection** and license issuance;
- **Diagram 2:**
if different than Diagram 1, a diagram outlining **all areas for which the licensee has legal right of possession** (a valid lease or deed), and clearly showing those areas' relationship to the current proposed licensed premises (*details of any planned expansion areas do not need to be included; a complete copy of Form MJ-14: Licensed Premises Diagram Change must be submitted and approved before any planned expansion area may be added to the licensed premises*);
- **Diagram 3:**
a **site plan or as-built of the entire lot**, showing all structures on the property and clearly indicating which area(s) will be part of the licensed premises;
- **Diagram 4:**
an **aerial photo of the entire lot and surrounding lots**, showing a view of the entire property and surrounding properties, and clearly indicating which area(s) will be part of the licensed premises (*this can be obtained from sources like Google Earth*); and
- **Diagram 5:**
a diagram of the **entire building in which the licensed premises is located**, clearly distinguishing the licensed premises from unlicensed areas and/or premises of other licenses within the building. If your proposed licensed premises is located within a building or building complex that contains multiple business and/or tenants, please provide the addresses and/or suite numbers of the other businesses and/or tenants (*a separate diagram is not required for an establishment that is designating the entire building as a single licensed premises*).

This form, and all necessary diagrams that meet the requirements on Page 2 of this form, must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|---------------|--------|------|-------|
| Licensee: | North Road Buds LLC | MJ License #: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd. Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |



Alaska Marijuana Control Board
Form MJ-02: Premises Diagram

Section 2 – Required Information

For your security, do not include locations of security cameras, motion detectors, panic buttons, and other security devices.

The following details must be included in all diagrams:

- ☒ License number and DBA
- ☒ Legend or key
- ☒ Color coding
- ☒ Dimensions
- ☒ Labels
- ☒ True north arrow

The following additional details must be included in Diagram 1:

- ☒ Surveillance room
- ☒ Restricted access areas
- ☒ Storage areas
- ☒ Entrances, exits, and windows
- ☒ Walls, partitions, and counters
- ☒ Any other areas that must be labeled for specific license types

The following additional details must be included in Diagram 2:

- ☒ Areas of ingress and egress
- ☒ Entrances and exits
- ☒ Walls and partitions

The following additional details must be included in Diagrams 3 and 4:

- ☒ Areas of ingress and egress
- ☒ Cross streets and points of reference

The following additional details must be included in Diagram 5:

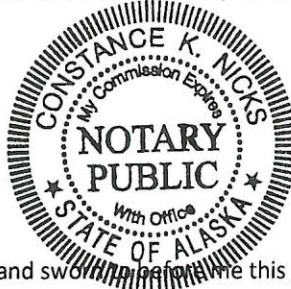
- ☒ Areas of ingress and egress
- ☒ Entrances and exits
- ☒ Walls and partitions
- ☒ Cross streets and points of reference

I declare under penalty of unsworn falsification that I have attached all necessary diagrams that meet the above requirements, and that this form, including all accompanying schedules, statements, and depictions is true, correct, and complete.

Signature of licensee

Vernon L Smith

Printed name of licensee

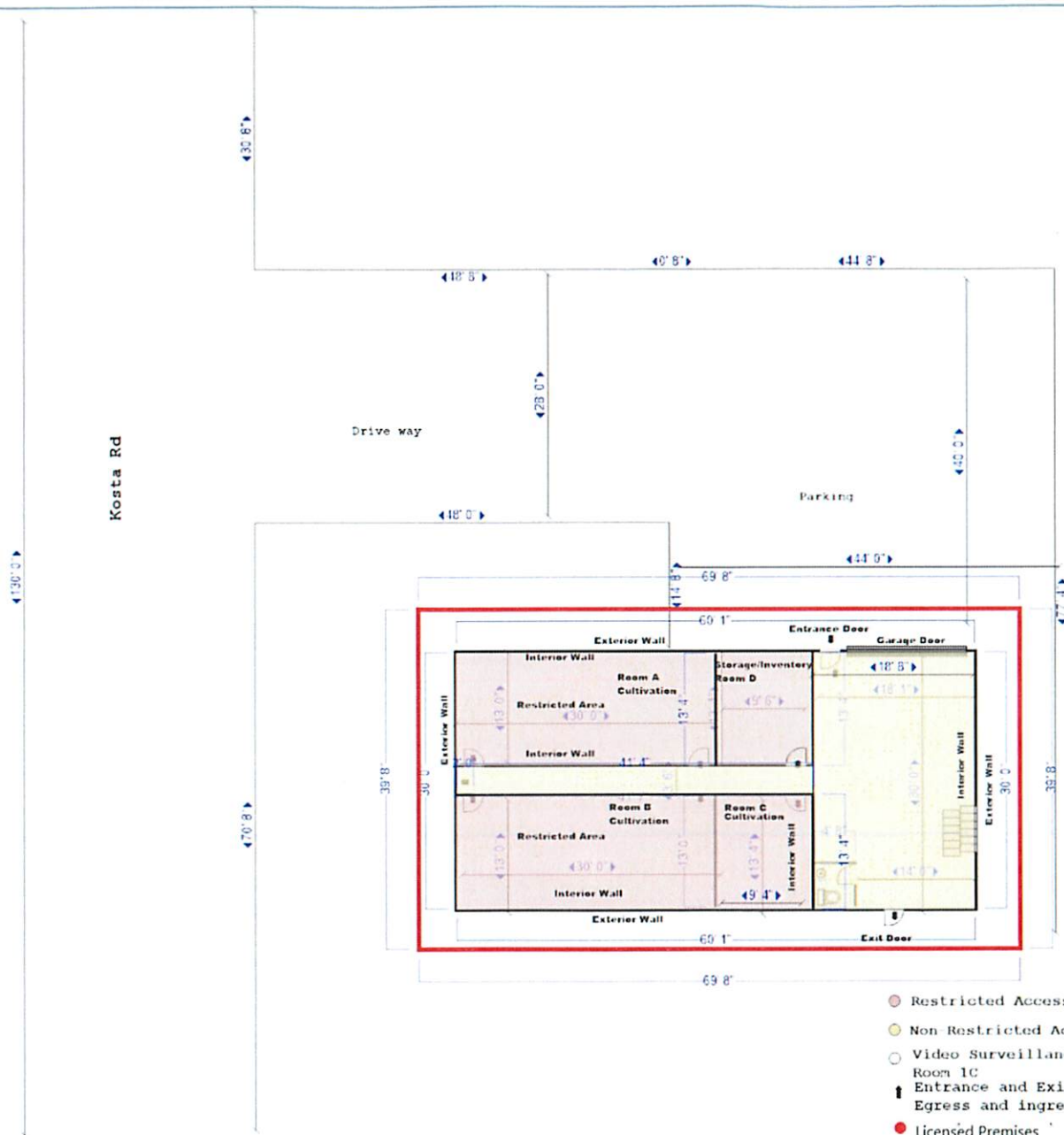
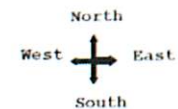


Notary Public in and for the State of Alaska

My commission expires: 11/1/2018

Subscribed and sworn before me this 21 day of May, 2018





- Restricted Access Area
- Non-Restricted Access Area
- Video Surveillance
- Room 1C
- ↑ Entrance and Exits
- ↑ Egress and Ingress
- Licensed Premises

MJ License #: 17811
DBA North Road Buds LLC

| | | | | | | | | | | | | |
|--------|-------------------------|----------|-------------|----------|--------------------|--------|----------------|-------|------------|--------|---|--|
| Site: | 50815 Kosta Rd. Unit #2 | Drawing: | Diagram 1 | Project: | MJ License # 17811 | Drawn: | Veronica Smith | Date: | 01/30/2018 | Notes: | Video Surveillance Room Located on the second floor | North Road Buds LLC 50815 Kosta Rd Unit #2 Niskanki AZ 99635 |
| Title: | 1st Floor Plan | Scale: | 3/32"=1'-0" | Date: | 01/30/2018 | Rev: | | | | | | |



Diagram #3

North Road Buds LLC
50815 Kosta Rd Unit #2
Nikiski AK 99635
MJ License # 17811

- Property Lines, Driveway and parking
- Building



Diagram #4

North Road Buds LLC
50815 Kosta Rd Unit #2
Nikiski AK 99635
MJ License # 17811

- Property Line
- Drive Way
- Building



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

What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany **Form MJ-01: Marijuana Establishment Operating Plan**, per 3 AAC 306.020(b)(11). Applicants should review **Chapter 306: Article 4** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of the statutes and regulations.

If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.420(2).

What additional information is required for cultivation facilities?

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

- Prohibitions
- Cultivation plan
- Waste disposal
- Odor control
- Testing procedure and protocols
- Packaging and labeling

This form must be completed and submitted to AMCO's main office before any new or transfer application for a standard marijuana cultivation facility or limited marijuana cultivation facility license will be considered complete.

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|---------------|--------|------|-------|
| Licensee: | North Road Buds LLC | MJ License #: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd. Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |

**Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental****Section 2 – Overview of Operations**

2.1. Provide an overview of your proposed facility's operations. Include information regarding the flow of marijuana from seed or clone to harvest and transfer from your premises:

North Road Buds LLC proposed facilities operations from seed or clone to sale begins with an established tracking system METRC and sharing information with the system the board implemented to ensure all marijuana cultivated and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment. Once the marijuana has been propagated it is designated "immature" in METRC and the seed or clone will Veg/grow to a height of 8" inches. Once it reaches this height it will be assigned a tracking number or "Tag", and will go from "immature" to "veg" and the tag will be attached to the plant, tracked and documented in METRC. This tracking number or tag has been issued by METRC of which the MC board has approved of. Each tag will represent 1 marijuana plant and will be registered with METRC as it's life cycle evolves. The marijuana will then Veg/grow until it reaches the "flowering" stage of its life cycle. Once again this is registered and shared in METRC until it is time to harvest. When harvested, bud and flowers, or leaves and trim may be combined in harvest batches of distinct strains, not exceeding five pounds. Each harvest batch must be given an inventory tracking number. After harvest and harvest batch has been documented in METRC the harvest is then processed "dried and/or cured". A sample is then taken from the harvest batch (1 sample per strain) and submitted for testing. After the sample has passed testing "it is then recorded in METRC", and then packaged in a wholesale package not exceeding 5 pounds and consisting of a single strain as identified on the label. Each package prepared in compliance with 3 AAC 306.470 (a) (1)(B), (2)(A,B), (c)(d) (1,2,3). Then Each package is identified by a tracking label generated for tracking by the marijuana cultivation facility's marijuana tracking inventory in "METRC". Then North Road Buds LLC shall prepare the marijuana for transport or transfer to another marijuana establishment by placing the marijuana packaged in compliance with (a - c) of sec 3 AAC 306.470 sealed, tamper-evident shipping container affixing a label in compliance with 3 AAC 306.470 to the shipping container; and generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system. The transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment.

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.405 and 3 AAC 306.410.

3.1. I certify that the marijuana cultivation facility will not:

Initials

- a. sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation;
- b. allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on the licensed premises or within 20 feet of the exterior of any building or outdoor cultivation facility; or
- c. treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana.

[Signature]

[Signature]

[Signature]

Section 4 – Cultivation Plan

Review the requirements under 3 AAC 306.420 and 3 AAC 306.430.

4.1. Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dimensions and overall square footage. Provide your calculations below:

1st Floor

Room A is 13' ft X 30' ft = 390 sq ft

Room B is 13' ft X 30' ft = 390 sq ft

Room C is 9'4" ft X 13'4" ft = 125.96 sq ft

Room D is 9'6" ft X 13'4" ft = 128.64 sq ft

Overall sq ft = 1034 sq ft

2nd Floor

Room 1A is 10'11" ft X 17'4" ft = 175.94 sq ft

Room 1B is 30' ft X 30' ft = 900 sq ft

Overall sq ft = 1075.94 sq ft

Overall square footage of the marijuana cultivation facility intends to be under cultivation = 2110.54 sq ft





Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

4.2. The proposed area(s) for cultivation are clearly identified on the Form MJ-02: Premises Diagram that is submitted with this application.



Answer "Yes" or "No" to the following question:

Yes

No

4.3. Will the marijuana cultivation facility include outdoor production?

☐☒

If "Yes", describe the outdoor structure(s) or the expanse of open or clear ground and how it is fully-enclosed by a physical barrier:

4.4. Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility, whether indoors or outdoors, cannot be observed by the public from outside the facility:

All marijuana will be cultivated indoors, there are no windows in the facility that is cultivating marijuana, marijuana will not be visible from the outside.

4.5. Describe the marijuana cultivation facility's growing medium(s) to be used:

Pro-Mix dirt
Perlite
Sand
Coco Cubes

4.6. Provide the complete product name and EPA registration # (if applicable) for each of the cultivation facility's pesticides and pest control products to be used. All proposed products must be on DEC's list of approved pesticides in the state of Alaska:

Proposed products for use if necessary:
GARDEN SAFE NEEM OIL EXTRACT CONC- EPA #70051-2-39609
CLONEX ROOTING GEL- EPA #79664-1
Vapor strips

4.7. Describe all other fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used at the marijuana cultivation facility:

Fertilizers to be used at facility include: agricultural fertilizers containing nitrogen, molybdenum, phosphorus, chloride, potassium, calcium, magnesium, sulfur, boron, copper, zinc, iron and manganese. Brands of fertilizer include: Advanced Nutrients, RAW and Mammoth P. Delivery system to be used is water wand. There will be no CO2 delivery system.



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

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

Irrigation will consist of 300 gallon water reservoir to be used for water storage. A submersible pump will be used to distribute water through a 3/4 inch hose. All overflow will be collected in 18" inch drip pans and placed back into the reservoir for re-use. Waste water will be collected in drip pans and placed back into the water reservoir.

Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

5.1. The marijuana cultivation facility shall give the board at least three days written notice required under 3 AAC 306.740(c) before making marijuana waste unusable and disposing of it.

5.2. Describe how you will store, manage, and dispose of any solid or liquid marijuana waste, including wastewater generated during marijuana cultivation, in compliance with any applicable laws. Include details about the material(s) you will mix with ground marijuana waste and the processes that you will use to make the marijuana waste unusable for any purpose for which it was grown:

North Road buds LLC will store, manage, and dispose of all marijuana waste, and render it unusable for any purpose for which it was grown before it leaves North Road Buds LLC facility. This will include marijuana plant waste, including stalks, leaves, stems. The waste will be logged into METRC and give the Marijuana Control Board not later than 3 days notice before making the waste unusable and disposing of it. North Road Buds LLC will see that all marijuana plant waste be made unusable by grinding the marijuana plant solid waste (stalks, stems, and leaves) and mixing it with at least an equal amount of other compost-able or non-compost-able materials including food waste, yard waste, vegetable waste grease and oils, or other wastes approved by the board will be used to render all marijuana waste unusable as indicated in regulation 3 AAC 306.740 (c) (1,2,3). Once ground and rendered unusable the marijuana will be used as compost. North Road buds LLC will keep a record of the final destination of marijuana waste made unusable.



Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental

Section 6 – Odor Control

Review the requirements under 3 AAC 306.430.

Answer "Yes" or "No" to the following question:

Yes No

- 6.1. Have you received an exemption from your local government for the odor control requirement set forth in 3 AAC 306.430(c)(2)?

☐☒

If "Yes", you must be able to certify the statement below. Read the following and then sign your initials in the box:

Initials

I am attaching to this form documentation of my odor control exemption from the local government.

If "No" to question 6.1., describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

North Road Buds LLC will be using carbon coated air filters both inside and outside the cultivation rooms to scrub the air of any smell pertaining the cultivation of marijuana and does not emit an odor that is detectable by the public from outside the cultivation facility North Road Buds LLC is dedicated to maintaining a low profile and and recognizes the need to stay away from any unwanted attention such as the odor deriving from it's cultivation facility.

Section 7 – Testing Procedure and Protocols

Review the requirements under 3 AAC 306.455 and 3 AAC 306.465.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box:

Initials

- 7.1. I understand and agree that the board or director will, from time to time, require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks.

☒

- 7.2. I will ensure that any individual responsible for collecting random, homogenous samples for required laboratory testing under 3 AAC 306.455 will prepare the necessary accompanying signed statement, provide the signed statement to the marijuana testing facility, and maintain a copy as a business record under 3 AAC 306.755.

☒

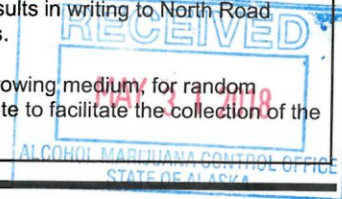
- 7.3. Describe the testing procedures and protocols the marijuana cultivation facility will follow:

North Road Buds LLC will provide a sample of each harvested batch of marijuana produced at it's facility to a marijuana testing facility and will not sell or transport any marijuana until all laboratory testing required under 3 AAC 306.645 has been completed. North Road Buds LLC will collect a random, homogeneous sample for testing by segregating harvested marijuana into batches of individual strains of bud and flower, then selecting a random sample from each batch in an amount required by the marijuana testing facility. North Road Buds LLC will then designate an individual responsible for collecting each sample; the owner/licensee will prepare a signed statement showing that each sample has been randomly selected for testing and will provide the signed statement to the marijuana testing facility.

The owner/licensee will maintain a copy as a business record 3 AAC 306.755 and transport the sample to the marijuana testing facility's licensed premises in compliance with 3 AAC 306.750.

North Road Buds LLC will segregate the entire batch from which the testing sample was selected until the marijuana testing facility reports the results from it's tests. During this period of segregation North Road Buds LLC shall maintain the marijuana in a secure, cool, and dry location to prevent the marijuana from contaminated or losing its efficacy. North Road Buds LLC will not sell or transport any marijuana from the segregated batch until the marijuana testing facility has completed its testing and has provided those results in writing to North Road Buds LLC. North Road Buds LLC shall maintain the testing results as part of its business books and records.

North Road Buds LLC shall provide at the request of the board or the director of the board, samples of its growing medium, for random compliance checks and shall bear all the costs of testing, and shall collect the test samples and will cooperate to facilitate the collection of the samples.



**Section 8 – Packaging and Labeling**

Review the requirements under 3 AAC 306.470 and 3 AAC 306.475.

Answer "Yes" or "No" to the following question:

Yes

No

8.1. Will the marijuana cultivation facility be packaging marijuana for a retail marijuana store to sell to a consumer without repackaging?

☐☒

If "Yes", describe how the marijuana cultivation facility will ensure that the marijuana sold will meet the packaging requirements in 3 AAC 306.470, and provide a sample label that the facility will use to meet the labeling requirements set forth in 3 AAC 306.475:

Answer "Yes" or "No" to the following question:

Yes

No

8.2. Will the marijuana cultivation facility be packaging marijuana in wholesale packages?

☒☐

If "Yes", describe how the marijuana cultivation facility will ensure that the marijuana sold will meet the packaging requirements in 3 AAC 306.470, and provide a sample label that the facility will use to meet the labeling requirements set forth in 3 AAC 306.475:

Marijuana will be sold to a retail marijuana store in a wholesale package (A) not exceeding five pounds; and (B) consisting of a single strain or a mixture of strains as identified on the label. In addition, the packaging will protect the product from contamination and may not impart any toxic or damaging substance to the marijuana; (C) each package prepared in compliance with this section must be identified by a tracking label generated for tracking by the marijuana cultivation facility's METRC system. A label will be affixed to each package reporting the test results, including; soil amendment, fertilizer, and other crop production aid applied, including pesticide, etc that was used, the name of the testing facility that performed lab tests, and results of each test; will not label as organic. Each package will provide name and license # of cultivation facility, METRC tracking # assigned to package, and net weight in package using standard measure compatible with METRC, including a copy of test results from the licensed marijuana testing facility.

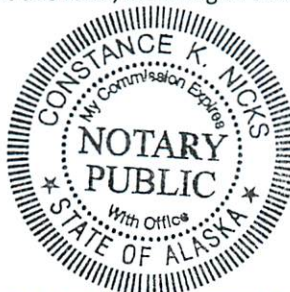
I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and AS 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

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

Signature of licensee

Vernon L Smith

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: with officeSubscribed and sworn to before me this 13 day of November, 20 18.



(Additional Space as Needed):

Labeling

Label to be attached:

Cannabinoid potency range profile % for the past 3 Months _____

Microbial Testing statement & results _____

Each soil amendment, fertilizer, other crop production aids applied to grow medium _____

Testing Facility: _____

Molds, Mildew, and Filth _____

Herbicides, Pesticides, and Fungicides _____

Harmful Chemicals _____

North Road Buds, LLC

License # 17811

METRC tracking # _____

Net weight of package _____

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



Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit**What is this form?**

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by posting a true copy of the application for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

This form must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |

Section 2 – Certification

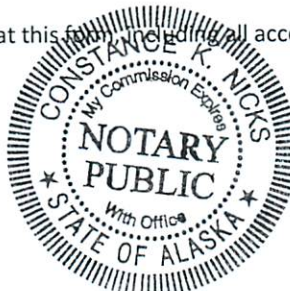
I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

Start Date: 5-1-18 End Date: 5-14-18

Other conspicuous location: Fred Meyer - Soldotna

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

Vernon L Smith
Signature of licensee
Vernon L Smith
Printed name of licensee



CA
Notary Public in and for the State of Alaska
My commission expires: with office

Subscribed and sworn to before me this 13 day of November, 2018.



Public Notice

Application for Marijuana Establishment License

License Number: 17811

License Status: Initiated

License Type: Standard Marijuana Cultivation Facility

Doing Business As: NORTH ROAD BUDS LLC

Business License Number: 1070488

Email Address: smith.vernonlee@outlook.com

Latitude, Longitude: 60.716267, -151.237576

Physical Address: 50815 Kosta Rd, Unit #2
Nikiski, AK 99635
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10082771

Alaska Entity Name: North Road Buds, LLC

Phone Number: 907-776-8919

Email Address: smith.vernonlee@outlook.com

Mailing Address: PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES

Entity Official #1

Type: Individual

Name: Vernon L Smith

Phone Number: 907-776-8619

Email Address: smith.vernonlee@outlook.com

Mailing Address: PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES

Entity Official #2

Type: Individual

Name: Larry Lewis

Phone Number: 907-262-1370

Email Address: larrylewisak@gmail.com

Mailing Address: PO Box 403
Kasilof, AK 99610
UNITED STATES

Entity Official #3

Type: Individual

Name: Lynn Smith

Phone Number: 907-776-8619

Email Address: smith.vernonlee@outlook.com

Mailing Address: PO Box 8704
Nikiski, AK 99635
UNITED STATES

Note: No affiliates entered for this license.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at

<https://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

POSTING DATE _____



Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit**What is this form?**

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application to each local government and any community council in the area of the proposed licensed premises. For an establishment located inside the boundaries of city that is within a borough, both the city and the borough must be notified.

This form must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |

Section 2 – Certification

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government (LG) official(s) and community council (if applicable):

Local Government(s): Kenai Peninsula Borough Date Submitted: 5-21-18

Name/Title of LG Official 1: Johni Blankenship Name/Title of LG Official 2: _____

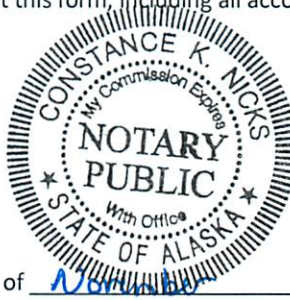
Community Council: _____ Date Submitted: _____
(Municipality of Anchorage and Matanuska-Susitna Borough only)

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

Vernon L Smith
Signature of licensee

Vernon L Smith

Printed name of licensee



CA
Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 13 day of November, 20 18.



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee or affiliate before any license application will be considered complete.

Section 1 – Establishment Information

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

| | | | | | |
|--------------------|---|-----------------|--------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

| | | | | | |
|--------|----------------|----------------|--|--|--|
| Name: | Vernon L Smith | | | | |
| Title: | Owner | | | | |
| SSN: | | Date of Birth: | | | |



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

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

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.
The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.

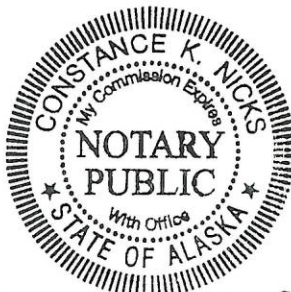
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.



Signature of licensee

Vernon L Smith

Printed name of licensee





Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 30 day of May, 2018.





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee or affiliate before any license application will be considered complete.

Section 1 – Establishment Information

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

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|--------------------|---|-----------------|--------|------|-------|
| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

| | | | | | |
|--------|------------|----------------|--|--|--|
| Name: | Lynn Smith | | | | |
| Title: | Owner | | | | |
| SSN: | | Date of Birth: | | | |



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-09: Statement of Financial Interest

Section 3 – Certifications

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

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.

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

Lynn Smith
Signature of licensee

Lynn Smith

Printed name of licensee



C. Nicks
Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 30 day of May, 2018.





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) and affiliate (as defined in 3 AAC 306.990(a)(1)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each proposed licensee or affiliate before any license application will be considered complete.

Section 1 – Establishment Information

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

| | | | | | |
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| Licensee: | North Road Buds LLC | License Number: | 17811 | | |
| License Type: | Standard Marijuana Cultivation Facility | | | | |
| Doing Business As: | North Road Buds LLC | | | | |
| Premises Address: | 50815 Kosta Rd Unit #2 | | | | |
| City: | Nikiski | State: | Alaska | ZIP: | 99635 |

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

| | | | | | |
|--------|---------------|----------------|--|--|--|
| Name: | Larry L Lewis | | | | |
| Title: | Owner | | | | |
| SSN: | | Date of Birth: | | | |



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-09: Statement of Financial Interest

Section 3 – Certifications

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

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.

The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.

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



Signature of licensee

Larry L Lewis

Printed name of licensee





Notary Public in and for the State of Alaska

My commission expires: with office

Subscribed and sworn to before me this 30 day of May, 2018.



Alcohol & Marijuana Control Office

Initiating License Application

11/12/2018 10:27:25 AM

License Number: 17811**License Status:** New**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** NORTH ROAD BUDS LLC**Business License Number:** 1070488**Designated Licensee:** Vernon L Smith**Email Address:** smith.vernonlee@outlook.com**Local Government:** Kenai Peninsula Borough**Community Council:****Latitude, Longitude:** 60.716267, -151.237576**Physical Address:** 50815 Kosta Rd, Unit #2
Nikiski, AK 99635
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10082771**Alaska Entity Name:** North Road Buds, LLC**Phone Number:** 907-776-8919**Email Address:** smith.vernonlee@outlook.com**Mailing Address:** PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Vernon L Smith
[REDACTED]
[REDACTED]**Phone Number:** 907-776-8619**Email Address:** smith.vernonlee@outlook.com**Mailing Address:** PO Box 8704
Nikiski, AK 99635-8704
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Larry Lewis
[REDACTED]
[REDACTED]**Phone Number:** 907-262-1370**Email Address:** larrylewisak@gmail.com**Mailing Address:** PO Box 403
Kasilof, AK 99610
UNITED STATES**Entity Official #3****Type:** Individual**Name:** Lynn Smith
[REDACTED]
[REDACTED]**Phone Number:** 907-776-8619**Email Address:** smith.vernonlee@outlook.com**Mailing Address:** PO Box 8704
Nikiski, AK 99635
UNITED STATES**Note:** No affiliates entered for this license.

LEASE AGREEMENT

THIS LEASE made this 13 day of November, 2018 by and between, Vern and Lynn Smith., hereinafter referred to as "LESSOR", and North Road Buds, LLC., hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, Lessor is the owner of certain property located at Nikiski 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:

*Building only located at 50815 Kosta Rd. Nikiski, Alaska 99635
Unit #2*

III

LEASE TERM

The term of this lease shall be for Three (3) year commencing on the 13 day of November, 2018, and ending on the 13 day of November, 2021, 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 15 day of November, 2018, until the 15 day of November, 2021 shall be One THOUSAND DOLLARS (\$1,000) each and being due on the first day of the month, commencing on the 1st day of December, 2018.
- (b) During any extended term of this Lease Agreement (20__ - 20__), the monthly rental payments which Lessee shall pay to Lessor shall be the sum of _____ DOLLARS (\$ _____) 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 one thousand dollars 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 conducting business as a 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 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:

Vern Smith
PO Box 8704
Nikiski, Alaska 99635

LESSEE:

North Road Buds, LLC.
PO Box 8704
Nikiski, Alaska 99635

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.

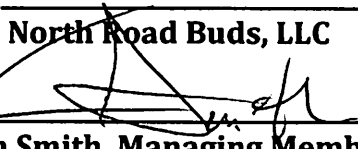
SIGNATURES

LESSOR


Vern Smith

11/13/18
Date

LESSEE


North Road Buds, LLC

11/13/18
Date

BY


Vern Smith, Managing Member

LEASE ADDENDUM:

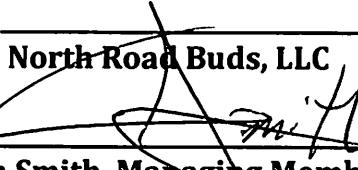
Landlord/Lessor will not take possession of or remove marijuana from the premises under any circumstances. AMCO will be notified immediately in the event that this is necessary.

LESSOR


Vern Smith

11/13/18
Date

LESSEE


North Road Buds, LLC

11/13/18
Date

BY


Vern Smith, Managing Member

AFFP
Marijuana License

Affidavit of Publication

STATE OF ALASKA } SS
COUNTY OF KENAI }


Elizabeth Ulricksen, being duly sworn, says:

That she is Principal Clerk of the Kenai Peninsula Clarion, a daily newspaper of general circulation, printed and published in Kenai, Kenai County, Alaska; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

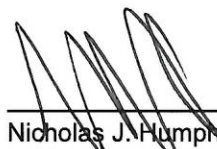
April 24, 2018, May 01, 2018, May 08, 2018

That said newspaper was regularly issued and circulated on those dates.

SIGNED:


Principal Clerk

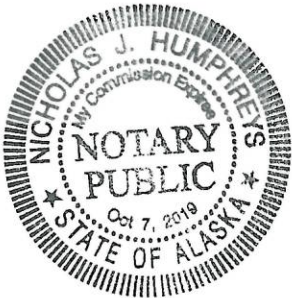
Subscribed to and sworn to me this 8th day of May 2018.


Nicholas J. Humphreys, Notary Public, Kenai County, Alaska

My commission expires: October 07, 2019

00001357 13004505

VERNON SMITH
NORTH ROAD BUDS (KEN)
PO BOX 8704
NIKISKI, AK 99635



**NEW STANDARD
MARIJUANA CULTIVATION
FACILITY LICENSE**

North Road Buds, LLC is applying under 3 AAC 306.400(a)(I) for a new Standard Marijuana Cultivation Facility License, License #17811, doing business as NORTH ROAD BUDS LLC, located at 50815 Kosta Rd, PO Box 8704, Nikiski, AK, 99635-8704, UNITED STATES.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the directory has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <http://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

Pub: 4/22,5/1,8/2018 13004505/1256

