



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Commerce, Community,  
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

May 23, 2016

Kenai Peninsula Borough

Attn: Johni Blankenship

Michele Turner

VIA Email: [jblankenship@kpb.us](mailto:jblankenship@kpb.us)

[micheleturner@kpb.us](mailto:micheleturner@kpb.us)

<b>License Number:</b>	10025
<b>License Type:</b>	Standard Marijuana Cultivation Facility
<b>Licensee:</b>	Budding Alaska, LLC
<b>Doing Business As:</b>	BUDDING ALASKA, LLC
<b>Physical Address:</b>	32273 Old Nash Rd. Seward, AK 99664
<b>Designated Licensee:</b>	Bruce Martin
<b>Phone Number:</b>	907-491-0395
<b>Email Address:</b>	buddingalaskallc@gmail.com

- ☒ **New Application**      ☐ **Transfer of Ownership Application**      ☐ **Renewal Application**  
☐ **Onsite Consumption Endorsement**

We have 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).

A local government may protest the approval of an application(s) pursuant to 3 AAC 306.060 by furnishing 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. If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service 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.

3 AAC 306.010(c) provides that the board will not issue a license when a local government protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

At this time, the fingerprints submitted by the applicant cannot be submitted for a criminal history report until a date to be determined by the Department of Public Safety and the Federal Bureau of Investigation based upon the effective date of the act containing enabling statutory language for such criminal history report. On April 27, 2016, the Marijuana Control Board directed me to determine applications complete based solely upon the representations made by the applicant in Form MJ-00.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Franklin", is positioned above the typed name.

Cynthia Franklin, Director  
[amco.localgovernmentonly@alaska.gov](mailto:amco.localgovernmentonly@alaska.gov)

385698  
#1381079  
\$585.00

# AFFIDAVIT OF PUBLICATION

STATE OF ALASKA  
THIRD JUDICIAL DISTRICT

Emma Dunlap  
being first duly sworn on oath  
deposes and says that he is  
a representative of the  
Alaska Dispatch News, a  
daily newspaper. That said  
newspaper has been approved  
by the Third Judicial Court,  
Anchorage, Alaska, and it now  
and has been published in the  
English language continuously as a  
daily newspaper in Anchorage,  
Alaska, and it is now and during  
all said time was printed in an  
office maintained at the aforesaid  
place of publication of said  
newspaper. That the annexed is  
a copy of an advertisement as it  
was published in regular issues  
(and not in supplemental form)  
of said newspaper on

February 29 & March 7, 14, 2016

and that such newspaper was  
regularly distributed to its  
subscribers during all of said  
period. That the full amount of  
the fee charged for the foregoing  
publication is not in excess of  
the rate charged private individuals.

Signed Emma Dunlap

Subscribed and sworn to before

me this 18 day of MARCH

2016  
Britney Thompson

Notary Public in and for  
The State of Alaska,  
Third Division  
Anchorage, Alaska  
MY COMMISSION EXPIRES

2/23/2019

Budding Alaska, LLC is  
applying for a new Stan-  
dard Marijuana Cultiva-  
tion Facility License  
3 AAC 306.400(1), doing  
business as BUDDING  
ALASKA, LLC located  
at 32273 Old Nash Rd.,  
Seward, AK, 99664,  
UNITED STATES.

Interested persons should submit  
written comment or objection  
to their local government, the  
applicant, and to the Alcoholic &  
Marijuana Control Office at 550 W  
7th Ave, Suite 1600, Anchorage,  
AK 99501.

Notary Public  
BRITNEY L. THOMPSON  
State of Alaska  
Commission Expires Feb 23, 2019

## BUDDING ALASKA, LLC OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made effective as of the 17 day of August, 2015, by, Bruce Martin. Mr. Martin has agreed to organize and operate this LLC in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, Bruce Martin, intending legally to be bound, agrees as follows:

### DEFINITIONS

For purposes of this Operating Agreement, and unless the context clearly otherwise indicates, the following terms shall have the following meanings:

"Act" – The Alaska Limited Liability Company Act, AS 10.50. et. al., as may be amended from time to time.

"Agreement" – This Operating Agreement, as may be amended from time to time.

"Code" – The Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" – Budding Alaska, LLC, the company formed in accordance with this agreement.

"Member(s)" – Bruce Martin, as the initial Member of the Company, and any other person or persons who may subsequently be designated as a Member of this Company pursuant to the further terms of this Agreement.

"Membership Interest" – The rights of a Member in distributions and allocations of profits, losses, gains, deductions and credits.

"Membership Rights" – The all rights of a Member in the Company, including: (1) his or her Membership Interest, (2) right to inspect the Company's books and records; (3) right to participate in the management of and vote on matters coming before the Company; and (4) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Person(s)" – Individual(s), partnership(s), corporation(s), limited liability company(ies), limited liability partnership(s), unincorporated association(s), trust(s), estate(s) and any other type of entity.

### ARTICLE I ORGANIZATION AND PURPOSE

1.1. Organization. Bruce Martin, has organized this LLC pursuant to the Act and the provisions of this Agreement and, has caused the Articles of Organization to be executed and filed for record with the State of Alaska.

1.2. Name of the Company. The name of the Company shall be "Budding Alaska, LLC." The Company may do business under that name and under any other name that the members select. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

1.3. Purpose. The Company is organized for any lawful purpose and to do any and all things necessary, convenient, or incidental to that purpose.

1.4. Term. The term of the Company shall begin upon the acceptance of the Articles of Organization by the State and shall be perpetual.

1.5. Principal Office. The principal office of the Company in the State of Alaska shall be located at 32295 Old Nash Rd., (PO Box 724) Seward, AK 99664, or at any other place within the State of Alaska that the members select.

1.6. Registered Agent. The name and address of the Company's registered agent in the State of Alaska shall be Bruce Martin, PO Box 724, Seward, AK 99664.

1.7. Members. The name, present mailing address, and Percentage of each Members' percentage of ownership in the Company are set forth on Exhibit A.

1.8. Agreement. It is the express intention of the Members and Company that this Agreement be the agreement of the parties, and, except where a provision of the Agreement expressly incorporates sections of the I.R.S. Code or Regulations or is prohibited or ineffective under the Act, the Agreement shall govern, even when inconsistent with, or different from, the provisions of the Act or any other law or rule.

## **ARTICLE II CONTRIBUTIONS**

2.1 Initial Contributions. The initial capital contributions to the Company shall be made concurrently with the Members' execution and delivery of this Agreement. The Members' initial capital contributions include a contribution of \$ 100,000. The Members shall not be required to make additional capital contributions.

2.2 Loans. In the event the capital needs of the Company exceed the capital contributions provided by section 2.1, the Members may, but are not required to, loan additional monies to the Company in amounts and on terms and conditions to be agreed upon by the Company and the Members. The Members or the Members' employees may also cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Members agree. No indebtedness shall be contracted on behalf of the Company unless authorized by Member resolution. Such authority may be general or specific.

2.3 Interest on and Return of Capital Contribution. The Members shall not be entitled to interest on any capital contribution, or to a return of any capital contribution, except as specifically provided for herein.

2.4 Limitation of liability. The Members' liability for debts and obligations of the LLC in their capacity as members of the LLC shall be limited to the value of the Contribution and any subsequent contributions that they may make to the LLC.

## **ARTICLE III DISTRIBUTIONS**

3.1 Distributions. Cash distributions shall be made in such amounts and at such times as may be determined by the Members in their discretion.

3.2 Limitations on Distributions. No distribution shall be declared or paid unless, after the distribution is made, the Company's assets exceed the Company's liabilities. Liabilities to the Members on account of their Membership interest shall not be a Company liability for purposes of this section.

## **ARTICLE IV RIGHTS AND DUTIES OF MEMBERS**

4.1 Management Rights. The Company shall be member managed. The Members are the Company's agents and shall have authority to take all actions, including incurring debt, entering contracts, and acquiring and transferring property, on the Company's behalf and such actions shall bind the Company.

4.2 Liability of Member. The Members shall not 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 to be within the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320, or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

4.3 Indemnification. To the fullest extent permitted by applicable law, a Member shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by reason or any act or omission performed or omitted by such Member in good faith on behalf of the Company and in a manner reasonably believed to be within the authority conferred on such Member by this Agreement; provided, however, that any indemnity shall be provided out of and to the extent of Company assets only, and no other Member shall have any personal liability on account thereof.

## **ARTICLE V BOOKS, RECORDS AND ACCOUNTING**

5.1 Bank Accounts. All Company revenues shall be deposited in the Company bank accounts at such financial institutions as determined by the Members.

5.2 Books and Records. The Managing Member shall cause complete and accurate books and records of the Company be kept regarding the Company's business. The records shall include complete and accurate information regarding the financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's returns. The books and records shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

5.3 Reports. The Members shall file a biennial report as required by the Department.

5.4 Annual Accounting Period. The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the Members, subject to the requirements and limitations of the Code.

5.5 Tax Elections. The Managing Member shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the Managing Member's sole and absolute discretion.

5.6. Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

5.7. Contracts. The Members may authorize any Member or agent of the Company, to enter into any contract or execute any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

5.8. Accountant. An Accountant may be selected from time to time by the Members to perform such tax and accounting services as may, from time to time, be required.

5.9. Legal Counsel. One or more Attorney(s) at Law may be selected from time to time by the Members to review the legal affairs of the Company and to perform such other services as may be required and to report to the Members with respect thereto.

## **ARTICLE VI TRANSFER OF MEMBERSHIP INTEREST**

6.1 Transfer. The Members may sell, hypothecate, pledge, assign or otherwise voluntarily, during the Members' lifetime or upon death, transfer any part or all Membership Interest or Membership Rights in the Company to any other person. In the event a Member transfers his or her entire Membership Interest, the transferee(s) shall become a member without any further action, unless the Member and the transferee agree otherwise.

## **ARTICLE VII DISSOLUTION AND LIQUIDATION**

7.1. Events of Dissolution. The Company shall be dissolved upon the unanimous written agreement of the Members.

7.2. Procedure for Winding Up and Dissolution. If the Company is dissolved, the Managing Member shall wind up its affairs. On winding up of the Company, following an accounting, the assets of the Company shall be distributed and applied in the following order:

7.2.1 to pay all liabilities of the Company (other than liabilities to Members), including costs relating to dissolution, winding up, and liquidation and distribution of assets;

7.2.2 to establish such reserves as reasonably may be necessary to provide for contingent liabilities of the Company;

7.2.3 to discharge any liabilities of the Company to the Members other than on account of their interests in Company capital or profits;

7.2.4 to distribute the remaining assets to the Members.

7.3 Termination. The Managing Member shall comply with any 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.

**ARTICLE VIII  
MISCELLANEOUS PROVISIONS**

8.1. Amendment. This Agreement may be amended by a vote of the members holding 51% percent of the capital accounts of all of the Members, *provided however* that no amendment that materially reduces the distributions that may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

8.2. Complete Agreement. This document constitutes the complete and exclusive Agreement of the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without written consent of all Members.

8.3. Applicable Law, Jurisdiction and Venue. This Agreement shall be governed by the laws of the State of Alaska. Any suit under this Agreement shall be brought in the Alaska Superior Court at Fairbanks.

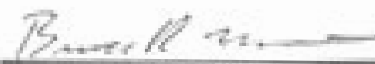
8.4. Section Titles. Headings are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

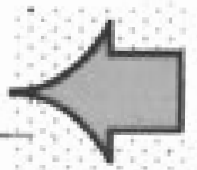
8.5. Binding Provisions. This Agreement is binding upon, and inures to the benefit of parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

8.6. Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

8.7. Separability of Provisions. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid by law, such invalidity shall not impair the operation of or affect those portions of this Agreement that are valid.

IN WITNESS WHEREOF, Bruce Martin hereto has executed this Agreement as of the date and year first above written.

  
\_\_\_\_\_  
Bruce Martin, Member





**EXHIBIT A  
Members**

<b>Member/Address</b>	<b>Contribution</b>	<b>Percentage Ownership Interest</b>
Bruce Martin PO Box 724 Seward, AK 99664	\$ <u>100,000</u>	100%

**Alaska Department of Commerce, Community, and Economic Development**

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

This is to certify that

**BUDDING ALASKA, LLC**

**PO BOX 724 SEWARD AK 99664**

owned by

**BUDDING ALASKA, LLC**

is licensed by the department to conduct business for the period

August 19, 2015 through December 31, 2016  
for the following line of business:


11 - Agriculture, Forestry, Fishing and Hunting



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

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

Chris Huelick

 **State of Alaska**

myAlaska


My Government

Resident

Business in Alaska

Visiting Alaska

State Employees



Department of Commerce, Community, and Economic Development

Corporations, Business & Professional Licensing

Q

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☒ CBPL ☐ State of Alaska

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Agents Download

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Tobacco Endorsement Download

Professional License Download

Guide Use Area Download

NAME(S)

Type	Name
Legal Name	Budding Alaska, LLC

ENTITY DETAILS

Entity Type:

Limited Liability Company

Entity #:

10031509

Status:

Good Standing

AK Formed Date:

8/17/2015

Duration/Expiration:

Perpetual

Home State:

ALASKA

Next Biennial Report Due:

1/2/2017

Entity Mailing Address:

PO BOX 724, SEWARD, AK 99664

Entity Physical Address:

32295 OLD NASH RD, SEWARD, AK 99664

REGISTERED AGENT

Agent Name:

Bruce Martin

Registered Mailing Address:

PO BOX 724, SEWARD, AK 99664

Registered Physical Address:

32295 OLD NASH RD, SEWARD, AK 99664

OFFICIALS

☐ Show Former

AK Entity#	Name	Titles	Percent Owned
	Bruce Martin	Member	100

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
8/17/2015	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
8/17/2015	Initial Report	<a href="#">Click to View</a>	


TOP OF PAGE

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

## 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:	Budding Alaska LLC	License Number:	10025		
License Type:	Standard Cultivation Facility				
Doing Business As:	Budding Alaska LLC				
Premises Address:	32273 Old Nash Rd				
City:	Seward	State:	ALASKA	ZIP:	99664

#### Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Bruce R Martin
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?

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## 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.

BAM

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

BAM

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

BAM

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.

BAM

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.

BAM

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.

BAM

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).

BAM

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

BAM

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.

BAM

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application.

BAM

I certify that all proposed licensees have been listed on my application with the Division of Corporations.

BAM

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.

BAM



## Form MJ-00: Application Certifications

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.

BSM

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 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 I have examined the online application and this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

BSM

Signature of licensee

Subscribed and sworn to before me this 17 day of May, 2016



Sierra Gribble  
Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018



## 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:

- Security
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Waste disposal
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising
- Control plan for persons under the age of 21

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 Information

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

Licensee:	Budding Alaska LLC	License Number:	10025		
License Type:	Standard Cultivation Facility				
Doing Business As:	Budding Alaska LLC				
Premises Address:	32273 Old Nash Rd, Suite B				
City:	Seward	State:	ALASKA	ZIP:	99664

MailingAddress:	PO Box 724				
City:	Seward	State:	ALASKA	ZIP:	99664

Primary Contact:	Bruce Martin				
Main Phone:	907-491-0395	Cell Phone:	Same		
Email:	<a href="mailto:buddingalaskallic@gmail.com">buddingalaskallic@gmail.com</a>				





## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

### Section 2 — Security

Review the requirements under 3 AAC 306.710 — 3 AAC 306.720 and 3 MC 306.755, and identify how the proposed premises will meet the listed requirements.

Describe how the proposed premises will comply with each of the following:

**Restricted Access Areas (3 AAC 306.710):**

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

In order to enter the facility, an individual must enter through a steel entry door with a commercial grade combination access entry security lock set. This door enters into the office/foyer of the building. From this location, an individual must pass through an additional locked steel door to get into any secured area of the facility. All doors and rooms are under video surveillance and exterior openings are secured by an alarm system.

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

Once a visitor enters into the office/foyer area, they will be required to sign in on the visitors log to include name, date, time, driver's license # and purpose of the visit. They will then be issued a Visitors ID badge and a lab coat to be worn at all times while in the facility. No unauthorized person will be allowed into a secure area unescorted.



Alcohol and Marijuana Control Office 550 W  
7<sup>th</sup> Avenue, Suite 1600 Anchorage, AK  
99501 [marijuana.license@alaska.gov](mailto:marijuana.license@alaska.gov)  
<https://www.commerce.alaska.gov/web/amc>  
co Phone: 907.269.0330

## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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Describe your recordkeeping of visitors who are escorted into restricted access areas:

A visitors log will be kept in the office/foyer area of the building. Visitors are required to sign in upon entrance into the facility. All information on the log will be transferred to a digital file on the site computer at the end of each business day.

Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises:

Please see attached page.



## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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

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

Exterior 500 W MH Lights are mounted on 3 sides of the building and located above the entrance doors. A street light lights up the north, (street), side of the building.

An alarm system is required for all license types. Describe the security alarm system for the proposed premises:

At this time the alarm system has not been installed. The planned system, however, should have connections to all exterior openings, both doors and windows, and sound an alarm in the owners residence which is on the property immediately adjacent to the east. The system should also send an automated message to all authorized persons in the event the system is tripped. Each person will be directed to come to the facility and will aid law enforcement officers in any way practical.

The alarm system must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe how the security alarm system meets this requirement:

The system is envisioned to have electronic sensors at each exterior opening that monitors the condition of the openings. If a sensor is tripped while the system is activated it should activate the alarm protocol.



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

## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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Describe your policies and procedures for preventing diversion of marijuana or marijuana product:

All product of the facility is to be tracked using the state proscribed tracking system.  
All areas of the facility are under video surveillance.  
Standing policy will be, any person caught stealing will have their employment terminated and prosecuted under the provisions of state law.

Describe your policies and procedures for preventing loitering:

The facility is in an lite industrial area and typically does not have much pedestrian traffic. The property is posted for trespassing and the long range plan is to install a chain link fence around the facility. This would allow free roaming of dogs at the facility which will further improve security.

Describe your policies and procedures regarding the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of the proposed premises:

No additional plans or policies are currently planned beyond the measures outlined above. In the event additional security becomes required, additional options will be weighed.



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Phone: 907.269.0350

## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security:

When an alarm system is tripped, law enforcement will be immediately contacted. All authorized persons will be directed to go to the facility and will assist law enforcement in any way practical.

### Video Surveillance (3 AAC 306.720):

All licensed marijuana establishments must meet minimum standards for surveillance equipment. Applicants should be able to answer "Yes" to all items below.

Video surveillance and camera recording system covers the following areas of the premises:	Yes	No
Each restricted access area and each entrance to a restricted access area	X	
Both the interior and exterior of each entrance to the facility	X	
Each point of sale area	X	
Each video surveillance recording:	Yes	No
Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing	X	
Clearly and accurately displays the time and date	X	
Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated	X	



**Alaska Marijuana Control Board**

**Form MJ-01: Marijuana Establishment Operating Plan**

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:

Cameras will be mounted on the exterior of the building at all entrances to view the entire area within 20 feet in any direction. 360° cameras will be mounted in each room of the facility to eliminate any blind spots.

Describe the locked and secure area where video surveillance recording equipment and 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 board:

Video recorder and computer hard drive will be stored in a locked cabinet of the office desk station.

A back up recording and monitors will be maintained in the owners residence adjacent to the facility in addition to the recording maintained on site.

**Location of Surveillance Equipment and Video Surveillance Records:**

Yes No

Surveillance room or area is clearly defined on the premises diagram

X

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

X

Surveillance recording equipment access is limited to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board

X

Video surveillance records are stored off-site

X



**Alaska Marijuana Control Board**

**Form MJ-01: Marijuana Establishment Operating Plan**

**Business Records (3 AAC 306.753):**

All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records. Applicants should be able to answer "Yes" to all items below.

<b>Business Records Maintained and Kept on the Licensed Premises:</b>	<b>Yes</b>	<b>No</b>
All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises		X
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		X
The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises		X
Records related to advertising and marketing		X
A current diagram of the licensed premises including each restricted access area		X
A log recording the name, and date and time of entry of each visitor permitted into a restricted access area		X
All records normally retained for tax purposes		X
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		X
Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)		X



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## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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

Records will be maintained on site as required in a lock secure cabinet. Digital records will be backed up daily on an external hard drive and stored at the owner's residence on the adjacent property.





## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

### Section 3 - Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730, and identify how the proposed establishment will meet the listed requirements.

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

Applicants should be able to answer "Yes" to all items below.

#### Marijuana Tracking and Weighing:

Yes No

A marijuana inventory tracking system, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used

X

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

X

Describe the marijuana tracking system that you plan to use and how you will ensure that it is capable of sharing information with the system the board implements:

The facility will use the tracking system yet to be prescribed by the State of Alaska. The facility has internet access for the transfer of information to the state system.



## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

### Section 4 - Employee Qualification and Training

Review the requirements under 3 AAC 306.700, and identify how the proposed establishment will meet the listed requirements.

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

Applicants should be able to answer "yes" to all items below.

#### Marijuana Handler Permit:

Yes No

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

☒ ☐

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 premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

☐ ☐

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

☒

Describe how your establishment will meet the requirements for employee qualifications and training:

All employees and authorized persons will be required pass an educational course and secure and maintain a handler's permit yet to be prescribed by the State of Alaska.



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## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

### Section 5 — Waste Disposal

Review the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to the statement below.

#### Marijuana Waste Disposal:

Yes No

☒ ☐

The marijuana establishment shall give the board at least 3 days notice in the marijuana inventory tracking system required under 3 AAC 306.730 before making the waste unusable and disposing of it.

Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations:

Liquid waste will be disposed of onsite via an waste water leach field system.  
Solid waste will be disposed of by either incineration or composted as prescribed by the State of Alaska.

Describe what material or materials you will mix with the ground marijuana waste to make it unusable:

Composted waste material will be mixed at a ratio of approximately .5 CY dirt, .5 L blood meal and 5 gallons of water to each CY of waste produced by the facility. The compost stations will be outside of the building, within range of a video camera.



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**Alaska Marijuana Control Board**

**Form MJ-01: Marijuana Establishment Operating Plan**

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Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves the marijuana establishment. Describe the process or processes that you will use to make the marijuana plant waste unusable:

Waste material will either be composted as described above or incinerated.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

**Section 6 - Transportation and Delivery of Marijuana and Marijuana Products**

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to all items below.

Marijuana Transportation:	Yes	No
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	X	
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	X	
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	<u>X</u>	
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	X	
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	X	
The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest	X	



## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment:

Upon harvesting, marijuana will be hung to dry in a climate controlled room, manicured and cured in glass containers. This process will take approximately 2 weeks.  
Next the product will be divided into batches and batch samples will be taken for testing purposes. No batch will contain product from more than one individual plant. The batches will be packaged in hermetically sealed plastic pouches and stored in the secure quarantine room until the product test results are completed.  
Product that fails to meet testing requirements will be destroyed per State of Alaska procedures.  
Product passing testing requirements will be transported to licensed dispensaries for sale.

Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijuana or marijuana product:

Product for shipment will be locked into a lockable box mounted behind the front row seats in a Ford F250 extended cab pickup truck. This container is not visible from outside of the vehicle or without opening the rear doors.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 7 — Signage and Advertising

Describe any signs that you intend to post on your establishment with your business name, including quantity and dimensions:

No signage will be provided for the business beyond street numbers on the building. We will not be trying to attract customers to the location and will sell product wholesale only, to licensed dispensaries.

If you are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, including Page 17.

Restriction on advertising of marijuana and marijuana products (3 AAC 306.360):

All licensed retail marijuana stores must meet minimum standards for signage and advertising.

Applicants should be able to answer "Agree" to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:	Agree	Disagree
Is false or misleading	X	—
Promotes excessive consumption	X	
Represents that the use of marijuana has curative or therapeutic effects	X	
Depicts a person under the age of 21 consuming marijuana	X	
Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana	X	



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Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

Within one thousand feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21

X

On or in a public transit vehicle or public transit shelter

X

On or in a publicly owned or operated property

X

Within 1000 feet of a substance abuse or treatment facility

X

On a campus for post-secondary education

X

Signage and Promotional Materials

Agree

Disagree

I understand and agree to follow the limitations for signs under 3 AAC 306.360(a)

X

The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products

X

All advertising for marijuana or any marijuana product will contain the warnings required under 3 AAC 306.380(e)

X





Alaska Marijuana Control Board

**Form MJ-01: Marijuana Establishment Operating Plan**

**Section 8 - Control Plan for Persons Under the Age of 21**

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:

No unauthorized person will ever be admitted to the facility unescorted. ID will be required upon entry.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

  
Signature of licensee

Bruce R Martin  
Printed name

Subscribed and sworn to before me this 17 day of May, 2016



  
Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018



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or Phone: 907.269.0350

## Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

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(Additional Space as Needed):

Please see attached operation plan for a detailed overview of how we expect the business/production flow to occur.

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## Alaska Marijuana Control Board

# Form MJ-02: Premises Diagram

Alcohol and Marijuana Control Office

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Phone: 907.269.0350

### 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). Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. For those applying for a limited marijuana cultivation license, the proposed area(s) for cultivation must be clearly delineated.

**The second page of this form is not required.** Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached, and submitted to any supplemental premises diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

**This form must be submitted to AMCO's main office before any license application will be considered complete.**

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.



## Section 1 – Establishment Information

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

Licensee:	Budding Alaska LLC	License Number:	10025
License Type:	Standard Cultivation Facility		
Doing Business As:	Budding Alaska LLC		
Premises Address:	32273 Old Nash Rd		
City:	Seward	State:	ALASKA
		ZIP:	99664



**Alaska Marijuana Control Board**

**Form MJ-02: Premises Diagram**

**Section 2 – Detailed Premises Diagram**

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances, walls, partitions, counters, windows, areas of ingress and egress, restricted access areas, and storage areas. Include dimensions in your drawing. Use additional copies of this form or attached additional documents as needed.

Please see Floor Plans provided.



Alaska Marijuana Control Board

## Cover Sheet for Marijuana Establishment Applications

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Anchorage, AK 99501  
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Phone: 907 269 0250

### What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

### Section 1 – Establishment Information

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

Licensee:	Budding Alaska, LLC	License Number:	10025		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	BUDDING ALASKA, LLC				
Physical Address:	32273 Old Nash Rd.				
City:	Seward	State:	AK	Zip Code:	99664
Designated Owner:	Bruce R Martin				
Email Address:	buddingalaska@icloud.com				

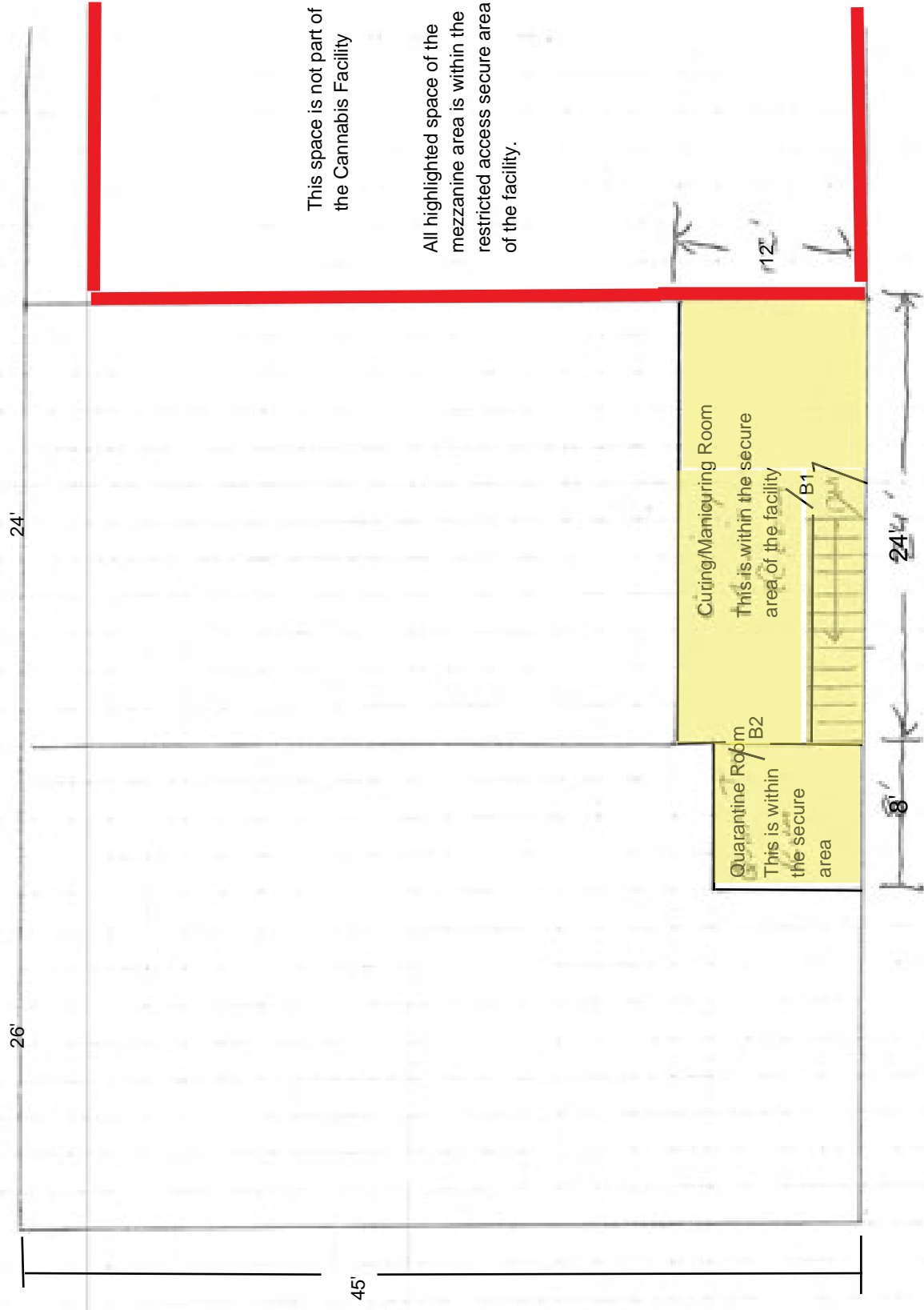
### Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
Cover Page	
MS-02	
Floor Plan	
1 <sup>st</sup> & 2 <sup>nd</sup>	
floor	

### OFFICE USE ONLY

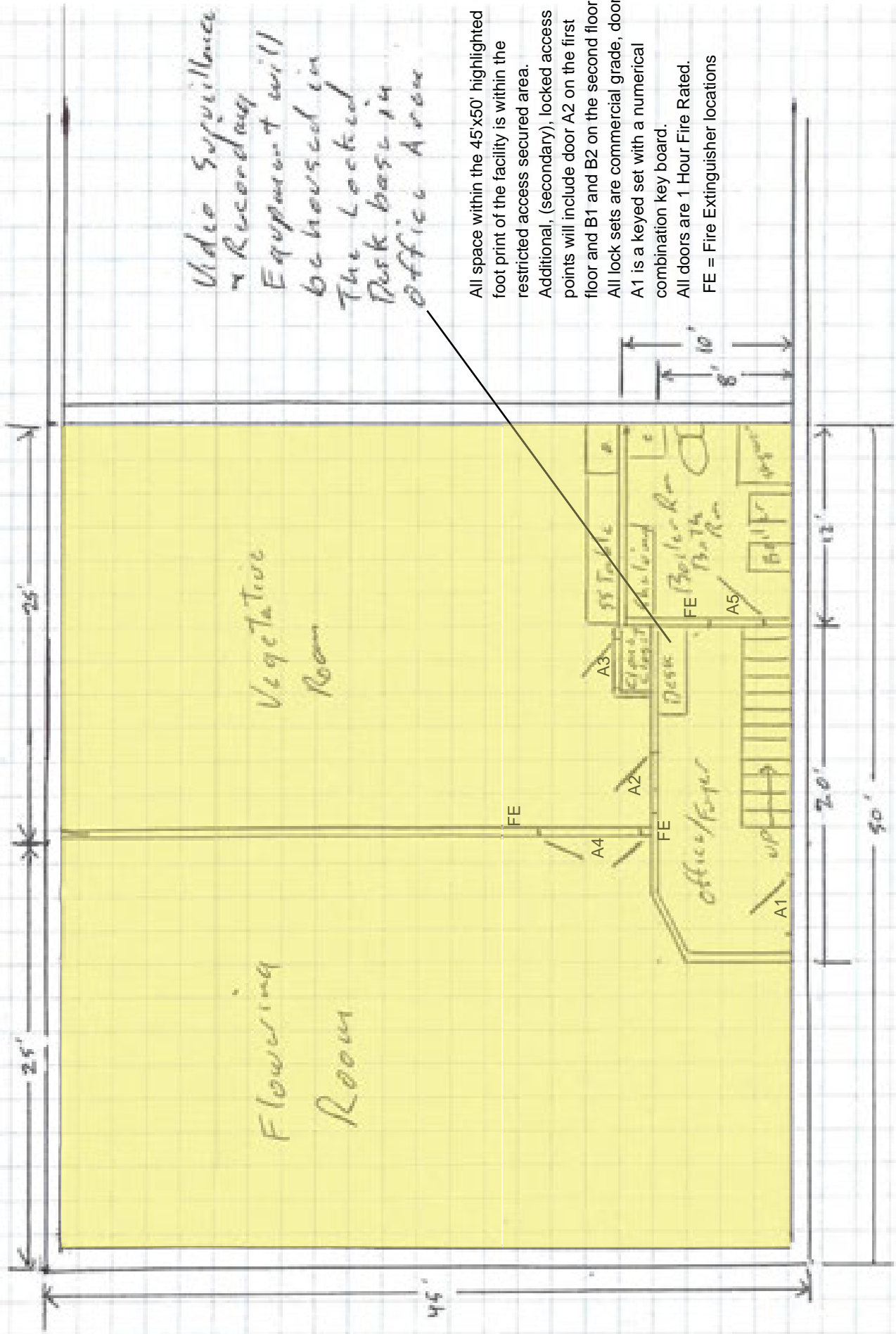
Received Date:		Payment Submitted Y/N:		Transaction #:	
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This space is not part of the Cannabis Facility

All highlighted space of the mezzanine area is within the restricted access secure area of the facility.

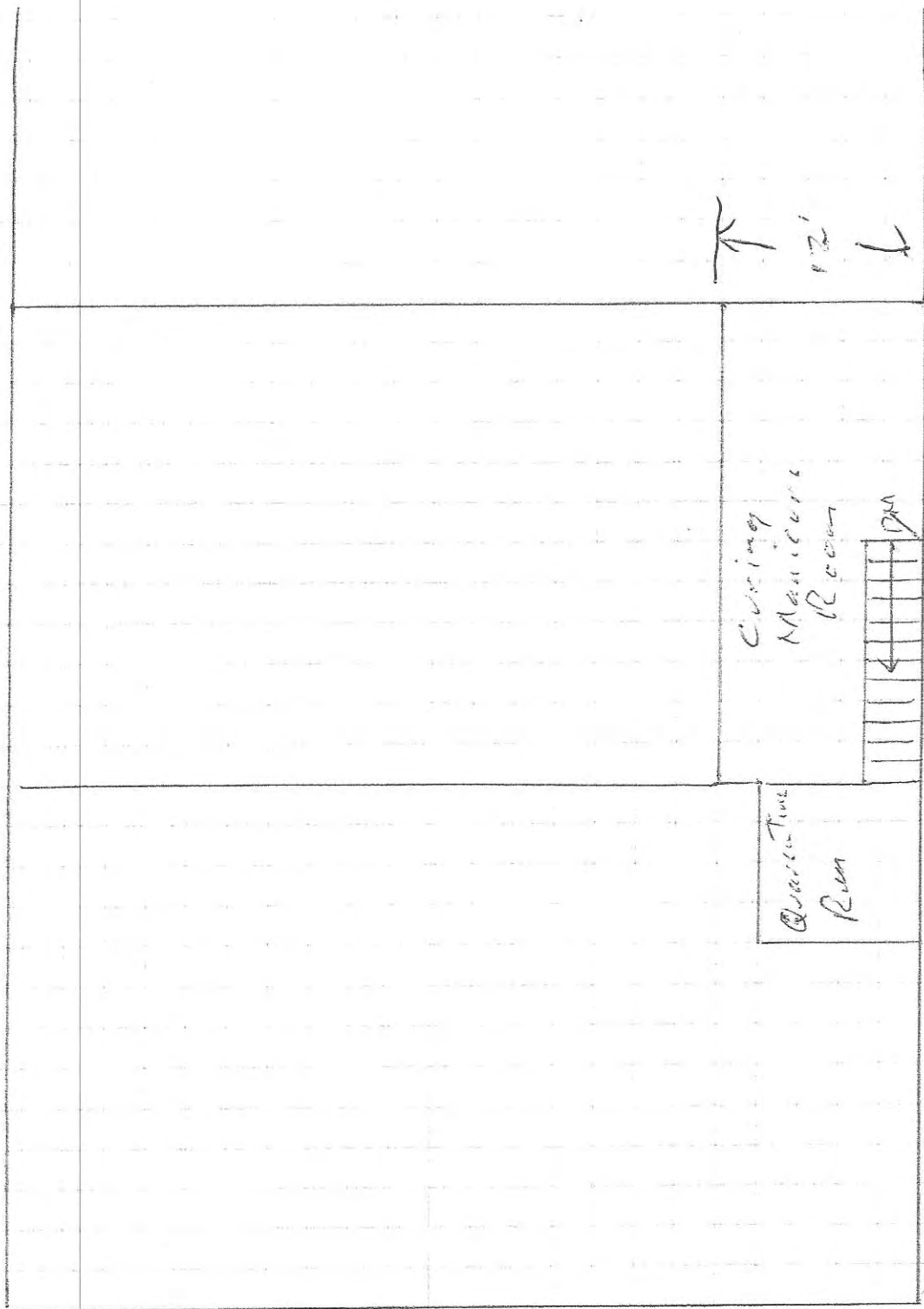
2nd Floor Mezzanine Plan  
**2nd Floor Mezzanine Plan**



Video Surveillance  
& Recording  
Equipment will  
be housed in  
the locked  
Desk base in  
Office Area

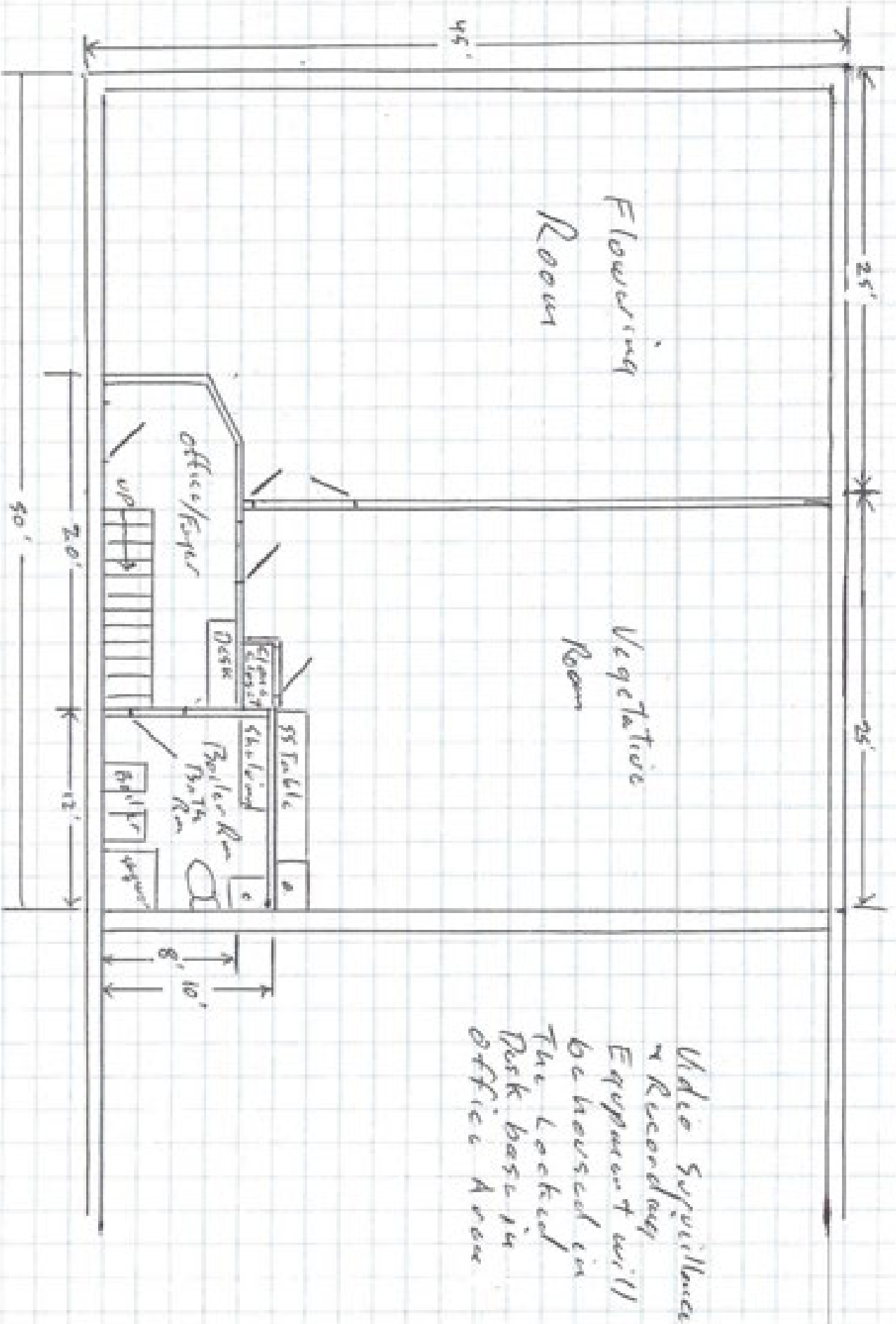
All space within the 45'x50' highlighted foot print of the facility is within the restricted access secured area.  
Additional, (secondary), locked access points will include door A2 on the first floor and B1 and B2 on the second floor.  
All lock sets are commercial grade, door A1 is a keyed set with a numerical combination key board.  
All doors are 1 Hour Fire Rated.  
FE = Fire Extinguisher locations





24' 8' 24' 12'

2nd Floor Mezzanine Plan





Alaska Marijuana Control Board

<https://www.comtmc.org/alaska.gov/tmc/pla/mcc>

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## 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 the Marijuana Establishment Operating Plan (Form MJ-01), 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 those 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
- Odor control
- Testing procedure and protocols
- Security

This form must be submitted to AMCO's main office before any marijuana cultivation facility 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:	Budding Alaska LLC	License Number:	10025
License Type:	Standard Cultivation Facility		
Doing Business As:	Budding Alaska LLC		
Premises Address:	32273 Old Nash Rd		
City:	Seward	State:	ALASKA
		ZIP:	99664



## Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

### Section 2 - Prohibitions

Applicants should review 3 AAC 306.405 — 3 AAC 306.410 and be able to answer "Agree" to all items below.

The marijuana cultivation facility will not:

Agree

Sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation

X

Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its licensee's premises or within 20 feet of the exterior of any building or outdoor cultivation facility

X

Treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana

X

### Section 3 - Cultivation Plan

Review the requirements under 3 AAC 306.420, and identify how the proposed premises will meet the listed requirements.

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:

The vegetation room measures 24'x35' for a total of 840 SF. All mother plants, clones and plants in the vegetative cycle will be staged in this room.  
The flowering room is 25'x44' minus a 64 SF space used as part of the entry space into the foyer/office as noted on the plan view floor plan, for a total of 1034 SF in the flowering room.



## Alaska Marijuana Control Board

# Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

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

Budding Alaska will use a fully automated hydroponic drip and drain system. The rooting medium will be clay balls. Nutrient solution will be Advanced Nutrients Brand using their basic PH Perfect system which includes Micro, which is their base nutrient formula, Grow which is primarily N with supporting micro nutrients to support vegetative growth and Bloom, which is primarily P with micro nutrients designed to support flowering phase of growth. In addition, system additives will be used, including Root, to support improved rooting performance, Igniter to boost flowering in early stages of flowering phase, Big Bud used to plants in mid cycle flowering and Finish, used to support nutrient needs at the close of the blooming cycle. All additives are a part of Advanced Nutrients System and designed to support different stages of growth. This system is an organic based nutrient system.

In addition PH Up or Down will be used as required to maintain a PH range of 5.7-6.3 and H2O2, (which is liquid oxygen), will be used to control algae in the hydroponics system.

Describe the marijuana cultivation facility's fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used:

At this time, Budding Alaska LLC does not have plans to inject CO2 into the growing space. This may change in the future and the State of Alaska will be notified in that event. Outside filtered air will be pumped into the building using an air handling system designed to provide 3 air changes per hour. Outside air will be draw through a HEPA filter to remove any outside contaminants, i.e. pollen, mold, mildew, insects, etc. prior to entering the building. Exhaust air will be drawn through a carbon filter at a rate of 1 air change per hour to eliminate any odor outside of the building.

Advanced Nutrients brand PH Perfect system will be used as described above.

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

Nutrient solution will be mixed and stored in 5 separate 300 gallon tanks. This solution, which is a growth stage specific mix will be pumped to the grow tables to provide solution to the plants in a drip and drain system at a rate of 3-4 floods per light cycle. The solution will drain to a float controlled reservoir and will be pumped back to the main storage tank. Solution will be changed and disposed of every 12-14 days as determined by EC test readings taken every day.

Waste solution will be disposed of in an onsite liquid waste disposal leach field.



Alaska Marijuana Control Board

Operating Plan Supplemental  
Form MJ-04: Marijuana Cultivation Facility

Describe the marijuana cultivation facility's waste disposal arrangements:

Liquid waste will be disposed of in an onsite liquid waste water leach field.  
Organics solid waste will be either incinerated or composted on site but outside of the building as required by 3 AAC 306.740.

Section 4 — Odor Control

Review the requirements under 3 AAC 306.430, and identify how the proposed premises will meet the listed requirement.

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:

Geographically the building is located in a sparsely populated area primarily used as lite industrial. Very little pedestrian traffic is common.

The prevailing wind at this location blows south out of Resurrection Valley and out into the bay. There is no development to the south and 300' to our south property line. We generally experience a significant breeze if not wind in this location. It is our belief that the natural wind current will dissipate any escaping odor.

However, any air leaving the building will be forced through our existing exhaust air system which is filtered by a charcoal filter system. This filter should eliminate any odor escaping the building.



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

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**Section 5 — Testing Procedure and Protocols**

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Review the requirements under 3 AAC 306.455 and 3 AAC 306.465, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the item below.

**I understand and agree that:**

*Agree*

The board will or the director shall 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

X

**Describe the testing procedure and protocols the marijuana cultivation facility will follow:**

All nutrient solutions and distribution systems will be tested on a daily basis for PH, EC and contaminants.

Any person working with or around plants will be required to hold a marijuana handlers permit and to wear latex glove and clean lab over coat.

Any new personnel will be required to work closely with other experienced staff to assure compliance with company and state policies and protocols.

Budding Alaska LLC shall provide a sample of each harvest batch of marijuana produced at the facility to a marijuana testing facility. No produce will be sold prior to test results and all produce will be stored in a secure quarantine room until test results clear produce for sale.

The procedure for compliance with this requirement will be as follows:

A random, homogenous sample will be collected for testing by segregating harvested marijuana into batches of individual strains of bud and flower, and then a random sample from each batch will be selected in an amount required by the marijuana testing facility.

A designated individual will be responsible for collecting each sample; that individual shall:

- (A) Prepare a signed statement showing that each sample has been randomly selected for testing;
- (B) Provide the signed statement to the marijuana testing facility; and
- (C) Maintain a copy as a business record under 3 AAC 306.755;

The sample will then be transported to the marijuana testing facility's licensed premises in compliance with 3 AAC 306.750.

The entire batch from which the testing sample was selected shall be segregated until the marijuana testing facility reports the results from its tests. During this period of segregation, Budding Alaska LLC staff will insure that the provided sample shall maintain the batch in a secure, climate controlled quarantine room to prevent the marijuana from becoming contaminated or losing its efficacy. The test results shall be maintained as part of the facilities business books and records.

Samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water will be provided to the board for random compliance checks upon request.



Alaska Marijuana Control Board

Alcohol and Marijuana Control  
Office 550 W 7<sup>th</sup> Avenue, Suite  
1600 Anchorage, AK 99501  
marijuana.licensing@alaska.gov  
<https://www.as.mta.state.ak.us/office/bja/mco>  
Phone: 907.269.0350

## Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

### Section 6 - Security

Review the requirements under 3 AAC 306.430 and 3 AAC 306.470 — 3 AAC 306.475, and identify how the proposed premises will meet the listed requirements.

Applicants should be able to answer "Agree" to the two items below.

The marijuana cultivation facility applicant has:

Agree Disagree

Read and understands and agrees to the packaging of marijuana requirements under 3 AAC 306.470

X

Read and understands and agrees to the labeling of marijuana requirements under 3 AAC 306.475

X

Restricted Access Area (3 AAC 306.430):

Yes No

Will the marijuana cultivation facility include outdoor production?

X

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

N / A





Alaska Marijuana Control Board

Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
marijuana.licensing@alaska.gov  
<https://www.commerce.state.ak.us/online/boards/marijuana>  
Phone: 907-269-0350

## Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Describe the method(s) used to ensure that any marijuana at the marijuana cultivation facility cannot be observed by the public from outside the facility:

The facility is a fully enclosed warehouse with very few exterior wall penetrations. None that are not under video surveillance.

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 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 perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

  
Signature of licensee

Bruce R. Martin  
Printed name

Subscribed and sworn to before me this 17 day of May, 20 16



  
Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018



Alcohol and Marijuana Control  
Office 550 W 7<sup>th</sup> Avenue, Suite  
1600 Anchorage, AK 99501  
[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/a/mco>  
Phone: 907.259.0350

Alaska Marijuana Control Board

Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

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(Additional Space as Needed):

Please see our Operation Plan submitted with this package for more information.



Alcohol and Marijuana Control Office  
550 W 7<sup>th</sup> 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-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 new marijuana establishment license application, an applicant must give notice of the application to the public by posting a copy of the application (produced by the board's application website) 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 submitted to AMCO's main office 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:	Budding Alaska LLC	License Number:	10025		
License Type:	Standard Cultivation Facility				
Doing Business As:	Budding Alaska LLC				
Premises Address:	32273 Old Nash Rd				
City:	Seward	State:	ALASKA	ZIP:	99664

#### Section 2 - Certification

I certify that I have met the public notice requirement set forth under 3 MC 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: 8/8/16

End Date: 8/18/16

Other conspicuous location: Carrs Safeway Community Bulletin Board

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

  
Signature of licensee



Subscribed and sworn to before me this 17 day of May, 20 16

  
Notary Public in and for the State of Alaska

My commission expires: 04/08/2018



Alcohol and Marijuana Control Office 550 W  
7<sup>th</sup> Avenue, Suite 1600 Anchorage, AK  
99501 [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)  
<https://www.commerce.alaska.gov/web/am>  
Cell Phone: 907.269.0350

## 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 new marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application (produced by the board's application website) to the local government and any community council in the area of the proposed licensed premises.

This form must be submitted to AMCO's main office 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:	Budding Alaska LLC	License Number:	10025		
License Type:	Standard Cultivation Facility				
Doing Business As:	Budding Alaska LLC				
Premises Address:	32273 Old Nash Rd				
City:	Seward	State:	ALASKA	ZIP:	99664

### 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 and community council (if applicable):

**Kenia Peninsula Borough**

Local Government: \_\_\_\_\_


Date Submitted: 3/21/18

Community Council: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

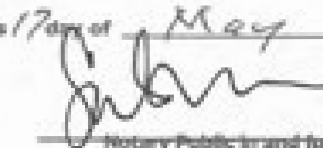
(Municipality of Anchorage and Matanuska-Susitna Borough only)

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

  
Signature of licensee

Subscribed and sworn to before me this 17<sup>th</sup> day of May, 2018



  
Notary Public for the State of Alaska

My commission expires: 04/08/2018



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 MC 306.020(b)(2)) and affiliate (as defined in 3 MC 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 MC 306.015(a)(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:	Budding Alaska LLC	License Number:	10025
License Type:	Standard Cultivation Facility		
Doing Business As:	Budding Alaska LLC		
Premises Address:	32273 Old Nash Rd		
City:	Seward	State:	ALASKA ZIP: 99664

### Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Bruce R Martin
Title:	Owner
SSN:	[REDACTED]



## 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 declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee/affiliate

[Signature]

Subscribed and sworn to before me this 17 day of May 20 16



[Signature]  
Notary Public in and for the State of Alaska.

My commission expires: 04/08/2018

# Alcohol & Marijuana Control Office

Initiating License Application

3/4/2016 6:05:40 AM

**License Number:** 10025

**License Status:** New

**License Type:** Standard Marijuana Cultivation Facility

**Doing Business As:** BUDDING ALASKA, LLC

**Business License Number:** 1025295

**Designated Owner:** Bruce R Martin

**Email Address:** buddingalaskallc@gmail.com

**Latitude, Longitude:** 60.140862, -149.411040

**Physical Address:** 32273 Old Nash Rd.  
Seward, AK 99664  
UNITED STATES

## Owner #1

**Owner Type:** Entity

**Alaska Entity Number:** 10031509

**Alaska Entity Name:** Budding Alaska, LLC

**Phone Number:** 907-491-0395

**Email Address:** buddingalaskallc@gmail.com

**Mailing Address:** PO Box 724  
Seward, AK 99664  
UNITED STATES

## Affiliate #1

**Owner Type:** Individual

**Name:** Bruce Martin

**SSN:** [REDACTED]

**Date of Birth:** 06/12/1959

**Phone Number:** 907-491-0395

**Email Address:** buddingalaskallc@gmail.com

**Mailing Address:** 32273 Old Nash Rd  
PO Box 724  
Seward, AK 99664  
UNITED STATES

## Commercial Building Lease Agreement

THIS AGREEMENT, made and entered into this 1st day of January 2016 by and between,  
Franchise Lease Services LLC, the Landlord, whose address, for the purpose of this lease is:

PO Box 724, (mailing), 32295 Old Nash Road, (physical)

Seward, Alaska 99664

And,

Budding Alaska LLC, the Tenant, whose address is,

PO Box 724 Seward Alaska 99664

**1. PREMISES AND TERM.** Landlord leases to Tenant under a "Full Service Agreement", the following real estate, situated at 32273 Old Nash Rd. Seward AK in Kenai Peninsula Borough, Alaska, together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term beginning on the 1st day of, January, 2016, and ending on the 31st day of December, 2021, (a duration of five years), upon the condition that Tenant performs as provided in this lease. The lease may be extended for an additional term, up to 5 years, upon mutual agreement between the Landlord and Tenant of any changes, omissions or revisions to the lease terms as set forth by either party.

**2. RENT.** Tenant agrees to pay Landlord as rent, (net lease), \$4 per SF of floor space or \$9000 per month, in advance commencing on the first day of January and on the first day of each month thereafter, during the term of this lease. Rent for any partial month shall be prorated as additional rent. In the event the tenant terminates the lease prematurely, this will in no way release the tenant from any liability or clause put forth in this lease agreement or liability for damage to the building done by the tenant.

All sums shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall be subject to a charge of \$25 per day until paid in full. When the rent is delivered by mail it is the Tenant's responsibility to mail payment early enough to reach the Landlord by the due date.

**Sales Tax:** There is, levied by the Kenai Peninsula Borough, a consumer's sales tax of up to 3 percent maximum rate on all retail sales, on all rents, and on all services made or rendered within the borough, measured by the gross sales price of the seller. The sales tax referred to shall be applied only to the first \$500.00 of each separate sale, rent or service transaction.

**3. POSSESSION.** Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease. SHOULD LANDLORD BE UNABLE TO GIVE POSSESSION ON SAID DATE, TENANT'S ONLY DAMAGES SHALL BE A PRO RATA ABATEMENT OF RENT.

**4. PROPERTY TAX** Landlord shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Landlord's personal property, if any, on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

**5. OCCUPIED SPACE.** The space occupied by the Tenant will be equal to 2250 SF of first floor space measured from the exterior of the building structure. Tenant will have driveway access to the exterior entrances of the building to include exterior (up to 4 vehicles) and/or interior vehicle parking.

Tenant shall use the premises only for business activities, storage of equipment related to tenants business.

**6. BUILD OUT.** The Landlord will provide interior alterations as agreed, to include interior walls, ventilation system, security system, etc.

**7. SIGNAGE.** Tenant may at its expense install a sign on the building to advertise the business, provided the sign does not damage the building.

### **8. CARE AND MAINTENANCE.**

**8.1** Tenant takes the premises as is, except as herein provided.

**8.2** Landlord shall keep the following in good repair: roof, exterior walls, foundation, sewer, plumbing, heating, wiring, windows and window glass, parking area and driveways to include reasonably smooth graded and snow removal to allow access to building. Landlord shall not be liable for failure to make any repairs or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant.

**8.3** Tenant shall be responsible for the cost of repairs when damage is a result of actions of the Tenant or any of its agents, contractors, employees or invitees or as a result of any action related to the Tenant's business activities on the premises.

**8.4** Tenant shall maintain the premises in a reasonably safe, serviceable, clean and presentable condition, and except for the repairs and replacements provided to be made by Landlord in subparagraph (8.2) above, shall make all repairs, replacements and improvements to the premises, INCLUDING ALL CHANGES, ALTERATIONS OR ADDITIONS ORDERED BY ANY LAWFULLY CONSTITUTED GOVERNMENT AUTHORITY DIRECTLY RELATED TO TENANTS USE OF THE PREMISES. Tenant shall make no structural changes or alterations without prior written consent of the Landlord.



**9. UTILITIES AND SERVICES.** The Landlord shall pay for all utilities and services which may be used on the premises in the leased portion of the building. Independent heat and electrical systems will be provided to service the space leased by the Tenant. Landlord shall not be liable for damages for failure to perform as herein provided, or for any stoppage for needed repair or for improvements or arising from causes beyond the control of Landlord. Tenant is required to provide an electrical service account with Seward Public Utilities and an auto-fill heating oil account with Shoreside Petroleum or other heating oil supplier approved by the Landlord. A \$25 per day penalty will be charged for each account and each day starting at the first day of the agreement that the tenant fails to provide these required utility service accounts.

**10. SURRENDER.** Upon the termination of this lease, Tenant will surrender the premises to Landlord in good and clean condition, except for ordinary wear and tear or damage without fault or liability of Tenant. Continued possession, beyond the term of this Lease and before acceptance of a long term lease extension by both parties and the acceptance of rent by Landlord shall constitute a month-to-month extension of this Lease.

**11. ASSIGNMENT AND SUBLETTING.** No assignment or subletting, either voluntary or by operation of law, shall be effective without the prior written consent of Landlord, which consent shall not unreasonably be withheld.

**12. INSURANCE.** Tenant shall not be responsible to provide insurance documentation to the Landlord as set forth in 12.1 - 12.10 below. The Landlord will provide all insurance coverage required.

**12.1 General.** Tenant acknowledges that the Landlord has an interest in maintaining a comprehensive insurance program for the Building and its tenants.

**12.2 Liability Insurance; Indemnity.** Tenant shall obtain and keep in force during the term of this Lease an "occurrence-based" (and not a "claims-made") policy of Commercial General liability insurance insuring Tenant, and naming Landlord as an additional insured, against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all apartment areas. Such insurance shall be in an amount of not less than One Million Dollars (\$1,000,000.00) for injury, death or property damage. The limits of the insurance shall not, however, limit the liability of Tenant under this Lease.

**12.3 Property and Business Interruption Insurance.** Tenant shall, at its own expense, also obtain and keep in force during the term of this Lease a policy or policies of insurance covering loss or damage to Tenant's fixtures, equipment, office supplies and all other personal property of Tenant and its employees, agents, and invitees, and shall, at its own expense, obtain business interruption insurance with minimum limits of Fifty Thousand Dollars (\$50,000.00).

**12.4 Insurance Policies.** Tenant shall deliver to Landlord copies of policies of insurance or certificates evidencing the existence and amounts of insurance with the Landlord listed as an additional insured. Tenant shall, within thirty (30) days prior to the expiration of such policies, furnish Landlord with extensions, or Landlord may order such insurance and charge the cost to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies referred to in Article 12.

**12.5 Landlord's Insurance.** Landlord shall maintain on the Building a policy of insurance covering loss to the Building. The Landlord shall provide Tenant with a copy of the Policy of Insurance upon request.

**12.6 Waiver of Subrogation.** Notwithstanding any other Article or provision of this Lease, Landlord and Tenant each releases, relieves, and waives its entire right of recovery against, the other and the other's employees, agents and contractors, for loss of business, loss of rents, and damage to its property arising out of or incident to perils, to the extent covered by fire and extended coverage, and liability insurance endorsements approved for use in the State of Alaska, that occur in, on, or about the Premises, the Building common areas, parking areas and improvements, whether caused by the negligence of either party, their agents, employees, or contractors. Each party shall obtain from its insurer or insurers provisions permitting waiver of such claims against the other party for said loss or damage within the scope of the applicable insurance.

**12.7 Tenant's Hold Harmless.** To the extent not covered by insurance proceeds, Tenant shall indemnify, defend and hold Landlord and its officers, directors, shareholders, employees, agents and other representatives harmless from any and all claims arising from Tenant's use and/or possession of the Premises or from the conduct of its business or from any activity, work or things which may be permitted or suffered by Tenant in or about the Premises, except such work as is carried out at the request or direction of the Landlord, shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provisions of this Lease or arising from any negligence of Tenant or any of its agents, contractors, employees or invitees, and from any and all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claims or any actions or proceedings. This obligation shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless, false or fraudulent, the conducting of all negotiations of any description, and the paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against the indemnified parties. The obligations of Tenant in this paragraph shall survive the expiration or termination of this Lease, the discharge of all other obligations owed by the parties to each other, and any transfer of title to the Premises (whether by sale, foreclosure, deed in lieu of foreclosure, or otherwise).

**12.8 Landlord's Hold Harmless.** To the extent not covered by insurance proceeds, Landlord (1) shall indemnify, defend and hold Tenant and its officers, directors, shareholders, employees, agents and other representatives harmless from any and all claims arising from Landlord's use and/or possession of the Building or from the conduct of its business or from any activity, work or things which may be permitted or suffered by Landlord in or about the Building or Premises, not including the business or activities of other tenants in the Building, (2) shall indemnify, defend and hold Tenant harmless from any failure by Landlord to meet its affirmative obligations under this Lease, such as proper maintenance of parking lots, sidewalks, and common areas, and (3) shall further

indemnify, defend and hold Tenant harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Landlord's part to be performed under the provisions of this Lease or arising from any negligence of Landlord or any of its agents, contractors, employees or invitees, not including other tenants in the Building, and from any and all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claims or any actions or proceedings. This obligation shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless, false or fraudulent, and the conducting of all negotiations of any description, and the paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against the indemnified parties. The obligations of Landlord in this paragraph shall survive the expiration or termination of this Lease, the discharge of all other obligations owed by the parties to each other, and any transfer of title to the Premises (whether by sale, foreclosure, deed in lieu of foreclosure, or otherwise).

**12.9 Hazardous Substances.** Tenant agrees to indemnify, defend, save and hold Landlord harmless from any and all claims, liabilities, costs (including reasonable attorney's fees), and damages of whatsoever kind or nature, arising out of the release, threatened release, storage, generation, transportation, reclamation, recycling, or disposal of any hazardous waste, toxic substance, or any other regulated substance in, on or near the Premises caused by Tenant, its employees, agents, officers, directors, invitees or assigns use of the Premises during the term of the Lease or any extension. Notwithstanding the foregoing, Tenant's obligations and liabilities to Landlord shall be deemed not to extend to matters pre-existing at the time of the Lease, involving building components incorporated in the Building or the Premises, unless so incorporated by Tenant; or involving hazardous substances which flow, migrate or percolate into, onto, or under the Premises from locations outside the Premises. Such indemnification shall require Tenant to remediate at Tenant's sole cost and expense any such release or threatened release of hazardous waste or any regulated substance caused by Tenant to the satisfaction of the State's environmental authority department and any other governmental entity having jurisdiction, and shall require Tenant to comply with all federal, state and local statutes, rules, regulations, ordinances, orders and permits applicable to hazardous waste, toxic substance, or any other regulated substance. The Tenant agrees to provide copies of all permits require for the use, handling and storage of any controlled substance used, stored or handled on the Landlord's property leased by the Tenant. The provisions of this paragraph shall survive termination of this Lease as to any claim asserted arising out of an act or omission of Tenant prior to the termination of the Lease.

**12.10 Exemption of Landlord from Liability.** Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or for any loss of income or damage to the property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, storm, electricity, gas, water, rain or other acts of God, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places. Tenant acknowledges that its sole remedy from this kind of loss is the business interruption insurance required under Article 12.3.

### **13. DAMAGE OR DESTRUCTION.**

**13.1 Option to Terminate.** If the Premises or the Building are materially damaged or destroyed during the term of this Lease, Landlord may, at Landlord's option, cancel and terminate this Lease by giving sixty (60) days written notice to Tenant of Landlord's election to do so within sixty (60) days after the date of the occurrence of such damage.

**13.2 Abatement of Rent.** If the Premises are partially damaged or destroyed and Landlord repairs or restores it without terminating this Lease, the rent payable for the period during which such damage repair or restoration continues shall be abated in reasonable proportion to the degree to which the damage bears to the entire Premises. If damage to the Premises or the Building causes Tenant to involuntarily cease business operations, rent payable during the period of business cessation shall be abated. Landlord shall have a reasonable period of time under the circumstances to complete repairs.

### **14. Assignment and Subletting.**

**14.1 Landlord's Consent Required.** Tenant shall not voluntarily or by operation of law assign, transfer, or sublet all or any part of Tenant's interest in this Lease or in the Premises without Landlord's prior written consent, which shall not be unreasonably withheld. Any attempted assignment, transfer, or subletting without such consent shall be void and shall constitute a breach of this Lease.

**14.2 No Release of Tenant.** Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation to pay the rent and to perform all other obligations to be performed by Tenant for the term of this Lease, unless released in writing by Landlord. The acceptance of rent by Landlord from any other persons shall not be deemed to be a waiver by Landlord of any provision of this Lease. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

**15. LIABILITY FOR DAMAGE.** Each party shall be liable to the other for all damage to the property of the other negligently, recklessly or intentionally caused by that party (or their agents, employees or invitees), except to the extent the loss is insured and subrogation is waived under the owner's policy.

**16. IDEMNITY.** Except for the negligence of Landlord, Tenant will protect, defend, and indemnify Landlord from and against any and all loss, costs, damage and expenses occasioned by, or arising out of, any accident or other occurrence causing or inflicting injury or damage to any person or property, happening or done in, upon or about the premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by Tenant or any person claiming through or under Tenant.

**17. MECHANICS' LIENS.** Neither Tenant, nor anyone claiming by, through, or under Tenant, shall have the right to file any mechanic's lien against the premises. Tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the premises.

## 18. DEFAULT, NOTICE OF DEFAULT AND REMEDIES.

**18.1 Events of Default.** Each of the following shall constitute an event of default by Tenant: (1) Failure to pay rent when due; (2) failure to maintain utilities to the building, i.e. electricity and heating oil; (3) failure to observe or perform any duties, obligations, agreements, or conditions imposed on Tenant pursuant to the terms of the lease; (4) abandonment of the premises. "Abandonment" means the Tenant has failed to engage in its usual and customary business activities on the premises for more than fifteen (15) consecutive business days; (5) Institution of voluntary bankruptcy proceedings by Tenant; Institution of involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of Tenant under this lease agreement; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated within ten (10) days after the appointment of the receiver.

**18.2 Notice of Default.** Landlord shall give Tenant a written notice specifying the default and giving the Tenant ten (10) days in which to correct the default. If there is a default (other than for nonpayment of a monetary obligation of Tenant, including rent) that cannot be remedied in the (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

### 18.3 Remedies.

In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following: (1) Termination. Landlord may declare this lease to be terminated and shall give Tenant a written notice of such termination. In the event of termination of this lease, Landlord shall be entitled to prove claims for and obtain judgment against Tenant for the balance of the rent agreed to be paid for the term herein provided, plus all expenses of Landlord in regaining possession of the premises and the relating thereof, including attorney's fees and court costs, crediting against such claims, however, any amount obtained by reason of such relating; (2) Forfeiture. If a default is not remedied in a timely manner, Landlord may then declare this lease to be forfeited and shall give Tenant a written notice of such forfeiture, and may, at the time, give Tenant notice to quit.

**19. SIGNS.** Landlord, during the last ninety days of this lease, shall have the right to maintain on the premises either or both a "For Rent" or "For Sale" sign. Tenant will permit prospective tenants or buyers to enter and examine the premises.

**20. NOTICES AND DEMANDS.** All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this lease when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid.

**21. PROVISIONS BINDING.** Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and assigns of the parties hereto.

**22. ADDITIONAL PROVISIONS.** Tenant will be required to obtain and provide to the Landlord documentation of all insurances protecting the leased property and permits for the use handling and storage of and potentially hazardous materials used or stored in the course of tenants business activities.

If Tenant shall fail to keep or perform any of the covenants or agreements herein contained, the Landlord may deliver written notice giving Tenant ten (10) days to cure the breach, failing which this Agreement will terminate in twenty (20) days and Landlord may seek a court order to recover possession. If Tenant fails to exercise due care and substantially the same breach occurs within six (6) months of the first occurrence, the Landlord may terminate the Agreement upon giving Tenant five (5) days written notice. Tenant acknowledges and agrees that this provision constitutes a continuing demand for Rent on the first (1<sup>st</sup>) day of each month during which it remains in effect.

## 23. Miscellaneous Provisions.

**Amendments:** This Agreement may not be modified or amended except in writing and executed by both of the parties.

**Jurisdiction:** The parties agree that if any legal action pertaining to the enforcement of this Agreement or any of its provisions is initiated by any party to the subject Lease, the jurisdiction and venue for said action shall lie exclusively with the Courts of the Third Judicial District for the State of Alaska.

**Entire Agreement:** This Agreement shall constitute the entire agreement between the parties hereto, and no other agreement unless in writing and signed by the parties hereto shall be binding upon the parties with respect to the subject Premises. If the Landlord, its agents or employees have made any representations or promises with respect to any part of the Premises, the same shall not be valid unless reduced to writing and incorporated herein.

**Severability:** In the event any provision of this Agreement shall be held invalid, such provisions shall be deemed severable and the remaining provisions hereof shall remain in full force and effect.

**No Waiver:** No delay or failure on the part of the Landlord in insisting upon the strict performance of the terms hereof or in exercising any remedy or right under this Agreement shall operate as a waiver of such remedy or right.

**24. NOTICES.** All notices required or permitted to be given pursuant to this Agreement shall be delivered by hand to the party for which it is intended, or sent by regular mail to the party to the address for the party as set out in the preamble of this Agreement or to such other address as either party may stipulate by notice to the other.

TENANT

  
Budding Alaska LLC

  
Owner

Date 5/16/16

Landlord QAMaple

Date 5/17/16