



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

May 19, 2016

Kenai Peninsula Borough
Attn: Johni Blankenship
VIA Email: jblankenship@kpb.us

License Number:	10216
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Alaska Bud Brothers Aerogardens, LLC
Doing Business As:	ALASKA BUD BROTHERS AEROGARDENS LLC
Physical Address:	22720 Yukon Road Kasilof, AK 99610 - 0571
Designated Licensee:	James Gossman
Phone Number:	907-593-2338
Email Address:	gossmanfamily@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.

May 23, 2016

Page 2

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



THE STATE

of

ALASKA

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

AK Entity #: 10032047
Date Filed: 10/12/2015
State of Alaska, DCCED

FOR DIVISION USE ONLY

Limited Liability Company
Initial Biennial Report

Web-10/12/2015 1:48:21 PM

Entity Name: Alaska Bud Brothers Aeroponics, LLC
Entity Number: 10032047
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

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

Entity Physical Address: 22720 YUKON ST., KASILOF, AK 99610

Entity Mailing Address: PO BOX 571, KASILOF, AK 99610

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Laura Gossman	PO Box 571, Kasilof, AK 99610	5	Member
Jim Gossman	PO Box 571, Kasilof, AK 99610	95	Member

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

New NAICS Code (optional):

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

Name: Sonja Redmond

Alaska Business License #

1034111

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

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

This is to certify that

ALASKA BUD BROTHERS AEROGARDENS LLC

PO BOX 571 KASILOF AK 99610

owned by

ALASKA BUD BROTHERS AEROGARDENS, LLC

is licensed by the department to conduct business for the period

March 18, 2016 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 Hladick

2015-2016

Alaska Entity #10032047

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

Certificate of Organization

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

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

Alaska Bud Brothers Aeroponics, LLC



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

A handwritten signature in black ink, appearing to read "Chris Hladick".

Chris Hladick
Commissioner



THE STATE
of **ALASKA**

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

AK Entity #: 10032047
Date Filed: 09/10/2015
State of Alaska, DCCED

FOR DIVISION USE ONLY

Articles of Organization

Domestic Limited Liability Company

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1 - Entity Name

Legal Name: Alaska Bud Brothers Aeroponics, LLC

2 - Purpose

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

3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

4 - Registered Agent

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

5 - Entity Addresses

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

6 - Management

The limited liability company is managed by its members.

7 - Officials

Name	Address	% Owned	Titles
Laura Gossman			Organizer
Jim Gossman			Organizer

Name of person completing this online application

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

Name: Sonja Redmond

[Division of Corporations, Business & Professional Licensing]

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

Confirmation

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

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

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

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

Entity Details

Entity Number: 10032047

Legal Name: Alaska Bud Brothers Aeroponics, LLC

Filing Type: Creation Filing - Domestic Limited Liability Company

Payment Information

Receipt Number: 10449743

Receipt Date: 9/10/2015 4:39:14 PM

Payer Name: SONJA K. REDMOND

Payment Amount: \$250.00

Corporations Email corporations@alaska.gov Contact Phone (907) 465-2559



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

006427.613909.144435.27271 1 MB 0.439 850



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

Date of this notice: 11-12-2015

Employer Identification Number:
47-5524151

Form: SS-4

Number of this notice: CP 575 A

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

IF YOU WRITE, ATTACH THE
STUB OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

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

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

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

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

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

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

006427

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

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

ARTICLE 1

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

Formation of Company

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

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

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

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

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

ARTICLE III

Business of Company

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

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

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

ARTICLE IV

Names and Addresses of Members

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

Laura Gossman

Jim Gossman

PO Box 571

PO Box 571

Kasilof, Alaska 99610

Kasilof, Alaska 99610

ARTICLE V

Management of Company

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

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

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

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

- a. To acquire property from any Person as the Members or Managers may determine. The fact that a Member or Manager is directly or indirectly affiliated or connected with any such Person shall not prohibit the Members or Managers from dealing with that Person;
- b. To borrow money for the Company from banks, other lending institutions, the Members or Managers, or affiliates of the Members or Managers on such terms as the Members or Manager deem appropriate, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Members or Managers, or to the extent permitted under the Alaska Limited Liability Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Members or Managers;
- c. To purchase liability and other insurance to protect the Company's property and business;
- d. To hold and own any real and/or personal properties in the name of the Company;
- e. To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments;
- f. Upon the affirmative vote of the Members holding at least two-thirds of all Capital Interests, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as that disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound, provided, however, that the affirmative vote of the Members shall not be required with respect to any sale or disposition of the Company's assets in the ordinary course of the Company's business;
- g. To execute on behalf of the Company all instruments and documents, including, without limitation: checks; drafts; notes and other negotiable instruments; mortgages, or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

Rights and Obligations of Members

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

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

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

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

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

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

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

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

ARTICLE VII

Meetings of Members

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

Contributions to the Company and Capital Accounts

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

Allocations of Net Profits and Losses

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

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

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

9.03 Other Allocation Rules.

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

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

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

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

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

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

December 31.

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

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

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

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

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

ARTICLE X

Transferability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XI

Additional Members

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

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

ARTICLE XII

Dissolution and Termination

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XIII

Miscellaneous Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

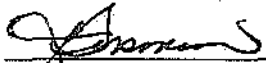
CERTIFICATE

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

MEMBERS



LAURA GOSSMAN



JIM GOSSMAN

12-21-2015

Date

12-21-2015

Date



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:	Alaska Bud Bud Brothers Aerogardens, LLC	License Number:	10216		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Alaska Bud Brothers Aerogardens LLC				
Premises Address:	22720 Yukon Road				
City:	Kasilof	State:	ALASKA	ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	James R Gossman
Title:	Owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

☐ ☒

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



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

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

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

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

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

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

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

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

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

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

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

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



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

Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

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

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



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

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



All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that 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.

Signature of licensee



Subscribed and sworn to before me this 20 day of April, 2018.

Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



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Form MJ-00: Application Certifications

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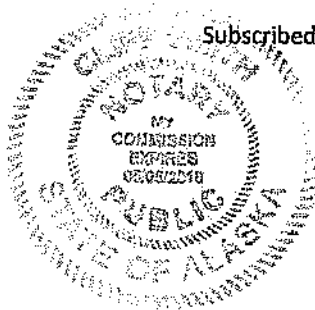


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Signature of licensee

Subscribed and sworn to before me this 20 day of April, 2018.



Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



Alaska Marijuana Control Board

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

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

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

Section 1 – Establishment Information

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

Licensee:	Alaska Bud Brothers Aerogardens, LLC	License Number:	10216		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Alaska Bud Brothers Aerogardens, LLC				
Premises Address:	22720 Yukon Road				
City:	Kasilof	State:	ALASKA	ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Laura J. Gossman
Title:	Owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

☐☒

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

--



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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.

JS

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

JS

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

JS

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.

JS

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.

JS

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.

JS

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).

JS

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

JS

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.

JS

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.

JS

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

JS

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.

JS



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Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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



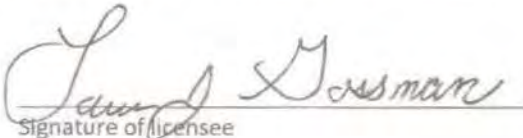
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All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that 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.


Signature of licensee

Subscribed and sworn to before me this 21 day of April, 2016.




Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



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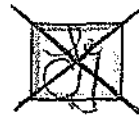
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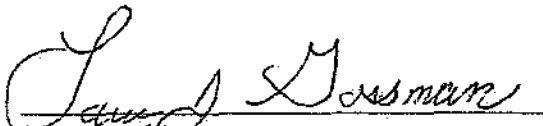
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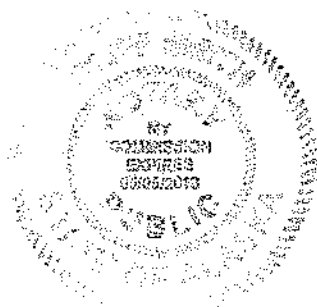



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As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying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


Signature of licensee

Subscribed and sworn to before me this 21 day of April, 2016.




Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



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:	Alaska Bud Brothers Aerogardens, LLC	License Number:	10216
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Alaska Bud Brothers Aerogardens, LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	ALASKA
		ZIP:	99610

Mailing Address:	PO Box 571		
City:	Kasilof	State:	ALASKA
		ZIP:	99610

Primary Contact:	Jim Gossman		
Main Phone:	907 953 2338	Cell Phone:	907 398 9758
Email:	gossmanfamily@gmail.com		



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 AAC 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:

All visitors must schedule visits in advance. All visitors will be met at the locked front entrance where they will provide a drivers licenses or valid Alaskan picture ID. Visitors name and license number, along with the date, time and badge number will be recorded on the log sheet prior to visitors pass being issued. No one under the age of 21 will be allowed past the entrance area. After a visitors badge is issued, a designated manager or representative will escort the visitor throughout the facility. At no time will a visitor be outside a 10 foot radius from the representative. No more than 5 tags will be issued at one time. If more than 2 visitors are on premises at the same time, more than 1 authorized agent for Bud Brothers must be on site.

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

All visitors must schedule visits in advance. All visitors will be met at the locked front entrance where they will provide a drivers licenses or valid Alaskan picture ID. Visitors name and license number, along with the date, time and badge number will be recorded on the log sheet prior to visitors pass being issued. No one under the age of 21 will be allowed past the entrance area. After a visitors badge is issued, a designated manager or representative will escort the visitor throughout the facility. At no time will a visitor be outside a 10 foot radius from the representative. No more than 5 tags will be issued at one time. If more than 2 visitors are on premises at the same time, more than 1 authorized agent for Bud Brothers must be on site.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

A visitors log will be maintained at the locked and enclosed entrance area. All visitors will sign in next to the company agent. The log will also contain date, time, badge number and license/ID number.

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

SEE ATTACHMENT #3 (Bud Brothers I.D.)



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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:

A total of 10 exterior, motion sensor flood lights will be mounted approximately 9 feet from the ground. Three lights will be mounted on each of the north and south walls. Two lights will be mounted on each of the east and west walls. Each of the entrances will have one of these lights positioned near it.

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

There will be three exterior doors; each will have mechanically activated alarms. They will be turned on when the last agent leaves at night and turned off when the first agent arrives in the morning. If the alarm is activated the owners and agents will automatically be notified on their cell phones.

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:

There will be three exterior doors; each will have mechanically activated alarms. They will be turned on when the last agent leaves at night and turned off when the first agent arrives in the morning. If the alarm is activated the owners and agents will automatically be notified on their cell phones.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Surveillance cameras will be positioned within 20 feet of all three of the exterior doors from both the exterior and the interior. Each of the three restricted areas will have 2 cameras. The first camera in each area will cover the entrance and the second will cover the balance of the working area not seen by the first camera. An employee or agent may be suspended or dismissed for diverting product or theft.

P and P manual P manual Section 2, subsection VIII, items B and C

Describe your policies and procedures for preventing loitering:

Loitering is not allowed before, during or after business hours. The only time anyone is allowed on the premises is to work or view the facility with a pre-approved visitor pass. No loitering signs will be posted at each entrance to the building.

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 to stated in this operating plan



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:

All licensee's/owners, employee's and agents are automatically contacted by phone when an unauthorized entry has occurred. They will confirm with the other associates that there is a legitimate violation and designate one person to contact the local law enforcement, then report immediately report to the facility to assess the possible infraction.

P and P manual section two, subsection IV, item A, sub item 2

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

☒ ☐

Both the interior and exterior of each entrance to the facility

☒ ☐

Each point of sale area

☒ ☐

Each video surveillance recording:

Yes No

Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing

☒ ☐

Clearly and accurately displays the time and date

☒ ☐

Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated

☒ ☐



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:

All entrances to the building and to secure areas will be monitored by cameras mounted within 20 feet of entry point, both from the interior and the exterior. A second camera will be mounted in secure areas to encompass areas not seen by the entrance cameras.

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:

A utility room above the bathroom will contain the security system receiver, networking equipment and data storage. I will have a dead bolt lock that remains locked whenever maintenance is not being performed. The owners/managers will retain the keys for this room.

Location of Surveillance Equipment and Video Surveillance Records:

Yes

No

Surveillance room or area is clearly defined on the premises diagram

☒☐

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

☒☐

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

☒☐

Video surveillance records are stored off-site

☐☒



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan**Business Records (3 AAC 306.755):**

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

Business Records Maintained and Kept on the Licensed Premises:

Yes

No

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

☒☐

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

☒☐

The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises

☒☐

Records related to advertising and marketing

☒☐

A current diagram of the licensed premises including each restricted access area

☒☐

A log recording the name, and date and time of entry of each visitor permitted into a restricted access area

☒☐

All records normally retained for tax purposes

☒☐

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

☒☐

Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)

☒☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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:

Where applicable a second set of paper receipts and documents will be kept off site at owners/manager home. Electronic accounting will be performed using quick books, which is accessed through Internet from a computer with access. Accounting data storage will be at owner/managers home. The marijuana tracking system (Franwell, METR system) may be a cloud based system allowing for access from a computer with internet access. If files need to be kept on a single computer, a USB storage device will be used to backup data, and stored off site at owner/manager home. P and P manual Section 5, subsection I, item A



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

☒ ☐

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

☒ ☐

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:

Franwell, METR system. Still in development. Information available at this time; tags are purchased, corresponding 26 digit ID numbers are downloaded from the cloud. hand held scanner optional.



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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

All Managers, employee and agents working at Bud Brothers will provide for display a Marijuana Handlers permit, or a copy, to be displayed in the entry way of the facility. Handlers permits are a prerequisite for hiring as stated in the policy and procedure manual. P and P manual section two, subsection II, item A



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:

Stems and leaves will be mixed with natural bio-waste including but not limited to, grass clippings, leaves, sticks and dirt, and allowed to compost at the southeast corner of the building. Or the stems and leaves will be mixed with non-compostable materials like plastics, paper, tin, and household disposable items in a 55 gallon trash bag. When bag is full it will be mixed with bleach and taken to the Soldotna landfill. The depleted water will be disposed of in the drain field or be used as landscaping irrigation.

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

Stems and leaves will be mixed with natural bio-waste including but not limited to, grass clippings, leaves, sticks and dirt, and allowed to compost at the southeast corner of the building. Or the stems and leaves will be mixed with non-compostable materials like plastics, paper, tin, and household disposable items.



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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:

Stems and leaves will be mixed with natural bio-waste including but not limited to, grass clippings, leaves, sticks and dirt, and allowed to compost at the southeast corner of the building. Or the stems and leaves will be mixed with non-compostable materials like plastics, paper, tin, and household disposable items in a 55 gallon trash bag. When bag is full it will be mixed with bleach and taken to the Soldotna landfill.



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

☒☐

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

☒☐

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

☒☐

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

☒☐

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

☒☐

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

☒☐

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

☒☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Marijuana will be trimmed, dried, separated from the stem, cured and be sealed in individual packages. It will be stored in a safe until an order is made for the product. It will be delivered in a secured "Homek GS00727021 Steel 2 door locking cabinet.

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

"Homek GS00727021 Steel 2 door locking cabinet.



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 advertising or marketing signs will be used.

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Promotes excessive consumption	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Represents that the use of marijuana has curative or therapeutic effects	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Depicts a person under the age of 21 consuming marijuana	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	<input type="checkbox"/>



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

☒ ☐

On or in a public transit vehicle or public transit shelter

☒ ☐

On or in a publicly owned or operated property

☒ ☐

Within 1000 feet of a substance abuse or treatment facility

☒ ☐

On a campus for post-secondary education

☒ ☐

Signage and Promotional Materials:

Agree Disagree

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

☒ ☐

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

☒ ☐

All advertising for marijuana or any marijuana product will contain the warnings required under 3 AAC 306.360(e)

☒ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

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:

All visitors must schedule visits in advance. All visitors will be met at the locked front entrance where they will provide a drivers licenses or valid Alaskan picture ID. Visitors name and license number, along with the date, time and badge number will be recorded on the log sheet prior to visitors pass being issued. No one under the age of 21 will be allowed past the entrance area.

P and P manual P manual Section 2, subsection VIII, items B and C.

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

JAMES R. GOSSMAN

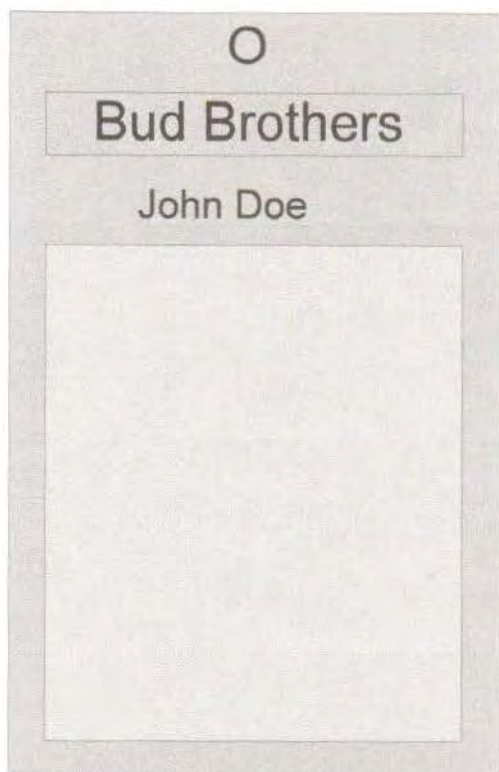
Printed name



Subscribed and sworn to before me this 20 day of April, 2018.

Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



BUD BROTHERS AEROGARDENS

Business Plan

Executive summary

Alaska Bud Brothers Aerogardens LLC. is dedicated to the production of quality Cannabis. Alaska Bud Brothers has been formed as an Alaska based Limited Liability Corp (L.L.C.) located in Kasilof Alaska. Alaska Bud Brothers is working hard to become a leading producer of quality Cannabis on the Kenai Peninsula, by leveraging a well thought out business plan, executed by a skilled management team. Alaska Bud Brothers will generate over 1million in sales in the first three years of operation.

Keys To Success

Alaska Bud Brothers has identified three keys that will be instrumental in their success. First is the implementation of strict financial controls. By having the proper controls, production efficiency will be maximized. The second key will be the never ending pursuit for the industry's highest quality Cannabis. The third key is the recognition and implementation of the philosophy that 100% customer satisfaction is required to ensure a profitable business.

Products

Alaska Bud Brothers is located on a 20 acre farm that concentrates on the growing of quality Cannabis. Alaska Bud Brothers will grow package and sell a mix of Sativa and Indica strains of Cannabis, Alaska Bud Brothers has chosen several strains that have a significant demand, as well, being well suited for growth at our facility.

Market

Alaska Bud Brothers has two distinct market segments: Retail Cannabis Companies and processors of raw product. The retail stores will purchase tested and packaged products for the adult consumer. The second market segment is the processors. This market is smaller with limited potential customers, but will have a consistent demand throughout the year. Surveys show that 50% of Alaskans consume Cannabis; half of those will chose to buy their product at a retail outlet. Those who have been purchasing Cannabis through the black market, or have grown their own, will visit a legal Cannabis retail store that is stocked with a variety of legal Cannabis that is tested, contamination free and of consistent quality.

Financial Plan

To finance Alaska Bud Brothers Aerogardens, Jim and Laura refinanced their 20 acres. This will provide Alaska Bud Brothers with start-up costs and working capital. Jim and Laura have also created Gossman Leasing LLC. to provide a leased 4800 sq. ft. building on the property. Gossman Leasing will also provide leased equipment and inventory. Sales forecasts indicate projected revenue of over \$200,000.00 in the first year. The three year projected sales revenue increases to over 1 million.

Personnel Plan

Jim: Daily Operations including vendor and sales relations, transportation of product, production scheduling, overseeing private contractors, cost analysis, and some growing responsibility.

Laura: Data entry, general office duties, accounting and tax accounting, and some growing responsibility.

Master Grower #1: All production and packaging responsibilities.

Master Grower #2: All production and packaging responsibilities.

(Master Grower positions will be contracted out, and will not be employees of Alaska Bud Brothers)

Alaska Bud Brothers Aerogardens

POLICIES AND PROCEDURES MANUAL

Table of Contents

Section One: Purpose

Section Two: Personnel Policies

Includes; policies on Affirmative Action, employment, benefits, supervision and evaluation, resignation, termination, travel, conflict of interest, sexual harassment, and service with other organizations.

Section Three: Accounting

Includes Audit and Financial Management Policies Includes policies on accounting, petty cash, cash receipts, cash disbursements, general ledger account coding, revenue, expenses, writing off delinquent debts, financial reporting, investing, budgeting, and banking.

Section Four: Procurement Policies

Includes policies on managing the awarding of general contracts, acquiring goods or professional services and property/equipment standards

Section Five: Records Management Policy

Includes a business record retention schedule and product inventory system.

Section Six: Acknowledgment Forms

SECTION ONE: PURPOSE

The Executive Committee of Alaska Bud Brothers, have developed and enacted the following policies and procedures by virtue of the by-laws of the organization. These policies and general operating procedures were enacted and are being adopted for the effective operation of Alaska Bud Brothers. The day-to-day functional implementation of these policies and procedures is the responsibility of the Executive Director of Alaska Bud Brothers.

The purpose of these policies and procedures is to serve as a reference tool in making decisions involving the management and operation of Alaska Bud Brothers; to establish guidelines to be followed by the Executive Director in determining employment practices; and to acquaint employees with their general employment rights, benefits and responsibilities. The manual will also provide employees with information on Alaska Bud Brothers policies and procedures with respect to accounting and financial

management, procurement, records retention and a drug-free work environment. Organizational policies and procedures may be amended through the Board of Directors on recommendation of the Executive Director and/or the Executive Committee. Organizational policies and procedures should be reviewed on a periodic basis by the Executive Committee to determine if any changes are necessary.

SECTION TWO: PERSONNEL POLICIES

I. Policy on Affirmative Action

It is the policy of Alaska Bud Brothers that it will operate and conduct business without discrimination or segregation because of age, sex, race, color, religion, national origin, or handicap, except where there is a bonafide occupational qualification for the job tasks to be performed.

II. Employment

All positions not filled by internal promotion of existing employees or agents will be advertised, and all applicants will be considered for employment or contract in compliance with all applicable state and local laws.

A. Hiring

The Executive Committee has the responsibility of interviewing, screening and hiring all staff, agents and consultants that are 21 years of age and have a current Marijuana handlers permit issued by the State of Alaska.

Termination

The Executive Director, with consultation of the Executive Committee, has the responsibility to oversee the termination of all employees in accordance with these policies.

III. Employment Status

A. Employment at Will

Employees and agents hereby understand and acknowledge that, unless otherwise defined by applicable law, any employment relationship with Alaska Bud Brothers is of an "at-will" nature.

B. Full-time

A full-time regular employee is one who works between 33 and 40 hours per week.

C. Part-time

Part-time employees are staff members who work less than full-time in a regular job slot.

D. Consultants

Consultants are contracted for a specific scope of work and/or time period and are not employees of Alaska Bud Brothers

IV. Work Schedule and Pay Periods

A. Work Schedule

(1) All full-time employees typically work a 40-hour, five-day week including meal breaks. The normal office hours of the organization are Monday through Friday from 9:00 a.m. to 5:00 p.m. Employees will be paid time and one half for each hour worked beyond 40 each week or will be awarded compensatory time at a rate of one hour for every hour over forty worked during a single week.

(2) All employees and agents are considered "on call" whenever they are notified of an unauthorized entry or fire alert. It is their responsibility to contact associates to confirm, and then report immediately to the facility.

B. Time Sheets

All employees shall be required to complete time sheets on a weekly basis. Employees whose salary is funded from multiple federal, state or local sources are required to allocate their time accordingly to the various funding sources on their time sheet.

C. Pay Period

Employees will be paid on a bi-weekly cycle. Wage changes will be made once per year after annual evaluations have been completed in conjunction with the preparation of the annual operating budget.

V. Benefits

A. Insurance Alaska Bud Brothers provides a benefit package to all full-time employees which includes:

(1) Contributions towards Individual or Family Health Insurance, or contributions towards medical and/or prescription costs, not to exceed \$200.00 per month.

(2) 5 paid holidays per year

B. Personal Sick Leave

Personal sick leave will be accumulated as follows: 2 days at one year of service. All accumulated sick time is also forfeited upon termination of employment for any reason.

C. Bereavement

Two working days of paid bereavement leave will be granted to employees who have a death in the immediate family. The immediate family is defined as grandparents, parents, children, spouses, domestic partners and siblings.

D. Leave of Absence

Employees may request an unpaid leave of absence that must be submitted in writing to the Executive Director. Granting of such leave is at the discretion of the Executive Director except in such cases where granting of leave is required by law, such as the Family Medical Leave Act.

E. Vacation

Vacation will be accumulated as follows: 1 weeks of vacation during the first year after 6 months of employment, 2 weeks per year after three years of service, and 3 weeks per year after five years of service. Vacation time can be taken at any time with approval of an employee's immediate supervisor. Employees may accumulate up to 20 days of vacation time. Employees will be paid for accumulated vacation time at termination of employment.

F. Disability Leave

A disability leave of absence should be requested in writing and should be submitted to an employee's immediate supervisor as soon as practical and with a doctor's recommendation and medical documentation. Request should indicate the date on which the employee will stop work and a projected return date. Alaska Bud Brothers will hold the job, or one at the same level of any employee on disability leave for a period of up to six months. After the employee's sick leave is exhausted, vacation and/or compensatory time may be used for continued absence. The employee will contact their immediate supervisor as soon as possible regarding their intentions to return to work or not, following an absence due to illness. Pregnancy will be considered a temporary medical disability for purposes of this document. A leave of absence for disability purposes will not constitute a break in tenure for purposes of calculating length of service; however, no additional sick leave, vacation or tenure time will be accumulated during the absence.

G. Military Service

Full-time, regular employees who are inducted in the Armed Forces are considered to be on leave of absence without pay and accrue only those benefits specified by law. Upon completion of military assignment, the employee is eligible for rehire in their former job or a job of similar status and pay providing the following conditions are met:

- (1) The employee must have been employed in a position other than temporary before their induction;
- (2) They must have left their job to enter military service;
- (3) They must have received certificate(s) of satisfactory completion of military service;
- (4) They must apply for re-employment within 90 calendar days of their discharge; and,
- (5) They must be able to perform the duties of their former job or a job of similar status. Veterans will be re-employed with the same seniority, status, and pay they would have had if they had not entered military service.

H. National Guard/Reserves

Staff members who are members of the National Guard or the Reserve will be granted a leave of absence for any period or required service with their unit other than normal tour duty. Periods and such duty will not be considered a break in service. The employee must be reinstated in their position providing they meet all of the conditions listed under Military Service (Section G) with the following exception:

(1) The employee must report to work at the beginning of the next regularly scheduled working period following their release from duty. Employees who must take time off to participate in the Reserve or National Guard must submit a written request for leave to the immediate supervisor indicating the period of absence and the expected return date.

VI. Holidays

The following paid holidays will be observed, each employee may pick 5 of the following 10:

1) New Year's Day, Labor Day, Martin Luther King Jr. Day, Columbus Day, President's Day, Veteran's Day, Memorial Day, Thanksgiving, Independence Day, Christmas Day.

VII. Supervision and Evaluation

The Executive Committee is the direct supervisor of Alaska Bud Brothers Executive Director, and these entities working in conjunction, will conduct an annual performance evaluation of the Executive Director. The Executive Director is the direct supervisor of each individual employee.

A. Annual Evaluation

All employees and agents will be evaluated by their direct supervisor, using established standards of performance for their position, on an annual basis. The employee's anniversary date will be revised to be the same as the budget year, for budget and funding purposes only.

B. Initial Evaluation

The immediate supervisor or the Executive Director (see above) will perform an evaluation, three months after employment with the organization begins.

VIII. Resignation, Suspension, Termination, Reduction

A. Resignation

Employees who wish to resign from their positions will give two weeks written notice to their immediate supervisor with the reasons stated therein. If a two week notice is not given before resignation, the employee may lose any accumulated vacation time or other benefits.

B. Suspension

An employee or agent may be suspended by the Executive Director without pay for breach of client confidentiality, unsatisfactory job performance, non-compliance with visitor pass procedure, diverting

product, allowing or participating in loitering activities, allowing or participating in loitering activities, or any other just cause as determined by the Executive Director. The Executive Committee must review the facts of the case at or before the next regularly scheduled board meeting to either confirm or reverse the suspension. The decision of the Executive Committee will be given in writing.

C. Termination

Dismissal will be for unsatisfactory job performance, violation of the Personnel Policies and Procedures, non-compliance with visitor pass procedure, diverting product, allowing or participating in loitering activities, illegal acts, or any other just cause as determined by the Executive Director. Written notice of termination will be given with reasons for the action stated to the employee. Immediate termination will occur for breach of client confidentiality, theft, and/or just cause. A disciplinary conference will be held prior to termination for unsatisfactory performance. Unsatisfactory job performance includes, but is not limited to excessive absenteeism, tardiness, failure to cooperate with other employees, and unauthorized use of company property.

D. Reduction

If an employee must be terminated due to a reduction in workforce, he or she will be notified 30 calendar days prior to the event.

IX. Travel and Other Expenses

Employees will be reimbursed for travel and expenses provided the trip is pre-approved by the employee's immediate supervisor. Employees using personal automobiles for travel will be reimbursed at the current IRS approved rate. All requests for mileage reimbursement will be documented on the approved mileage reimbursement form.

X. Conflict of Interest

1. No employee or agent will participate in activities or other employment that cause a conflict of interest with the activities of Alaska Bud Brothers. Activities or employment that create possible conflicts will be disclosed to the Executive Director in writing for review.
2. Any employee or agent of the organization, who accepts gifts or gratuities from individuals, companies, clients, or suppliers in conjunction with their job, will be subject to disciplinary action up to and including dismissal.
3. No Alaska Bud Brothers employee or agent of Alaska Bud Brothers is to become involved in real estate development, outside of his or her work at Alaska Bud Brothers, in any neighborhood where Alaska Bud Brothers operates a business.
4. No officer, employee or agent may serve as an official, director, or trustee of any for-profit or non-profit enterprise without obtaining the approval of their immediate supervisor.

5. Alaska Bud Brothers encourages service with constructive and legitimate not-for profit organizations. Participation in civic affairs is encouraged as part of our commitment to community involvement. There are cases, however, in which organizations have business relationships with the organization in which the handling of confidential information might result in a conflict of interest. An employee's immediate supervisor must be advised when a potential conflict exists.

XI. Policy Prohibiting Unlawful Harassment, Including Sexual Harassment It is the policy of CDC that it will not tolerate verbal or physical conduct by any employee which harasses, disrupts, or interferes with another agents work performance or which creates an intimidating, offensive, or hostile environment.

As an equal opportunity employer, it is Alaska Bud Brothers policy that every applicant and employee shall enjoy a work environment free from all forms of unlawful harassment, including sexual harassment. Unwelcome verbal, physical or visual conduct involving any individual's race, color, religion, sex, sexual orientation, pregnancy, age, national origin, ancestry, citizenship, medical condition, physical disability, marital status, or military service, or any other basis protected by any federal, state or local law which impairs an employee's ability to perform their job is illegal and is strictly prohibited. Sexual harassment is an unlawful employment practice under Title VII of the Civil Rights Act of 1964 and various state laws. The regulations of the Equal Employment Opportunity Commission define "sexual harassment" as follows:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitutes sexual harassment when:

- (1) submission to such conduct is made either explicitly or implicitly a term or a condition of an individual's employment;
- (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Some examples of sexual harassment include, but are not limited to, the following:

- Unwelcome requests for sexual favors or dates.
- Unwelcome physical touching.
- Jokes or gestures that have a sexual content or sexual connotation.
- Posters or cartoons that have a sexual content or sexual connotation.
- Sending or forwarding written or electronic correspondence of a sexually explicit nature.
- Creating an otherwise offensive working environment or unreasonably interfering with another agents ability to perform his or her job.

Alaska Bud Brothers does not condone sexual relationships between supervisors and their staff. A relationship of this type can easily be considered sexual harassment. If such a relationship develops, one of the individuals must transfer to another position in the organization. Both as a matter of law and common decency, each employee of Alaska Bud Brothers is entitled to pursue his or her employment, free of harassment or discrimination on any of the prohibited bases enumerated above. Accordingly, unlawful harassment or discrimination against any employee of Alaska Bud Brothers not be tolerated. Violation of this policy may subject an employee to discipline, up to and including immediate termination. Any employee who believes that he or she (or another employee) is the object of harassment or discrimination on any of the above-enumerated bases is strongly encouraged to follow the complaint procedure outlined below. Any employee may initiate the complaint procedure, without fear of reprisal, by immediately reporting such complaints to the:

- the employee's immediate supervisor.
- an officer of Alaska Bud Brothers, if the employee feels that he or she is unable to report a complaint to the Supervisor.

Alaska Bud Brothers takes all complaints of harassment or discrimination seriously. All complaints will be investigated immediately by an impartial assignees to be determined by senior management of Alaska Bud Brothers. Any employee who believes that the actions or words of a supervisor or fellow employee or some other person(s) encountered in the workplace constitute unwelcome harassment has a responsibility to report such incident as soon as possible to the appropriate supervisor, manager or officer of Alaska Bud Brothers. Employees are encouraged to utilize the foregoing complaint procedure. No employee will be retaliated against for having opposed unlawful harassment or discrimination, or for having filed a complaint or otherwise participating in an investigation concerning a complaint. Employees are also notified that there are governmental agencies that handle claims of unlawful discrimination and harassment. These agencies include the Equal Employment Opportunity Commission and parallel state agencies.

Each employee will be required to sign an acknowledgment of the Policy Prohibiting Unlawful harassment, Including Sexual Harassment contained at the back of this manual.

XII. Personnel Files and Employment Information

All staff members have a right of access to their personnel file, with the exception of access to reference checks that were obtained in confidence. The staff member may review the folder in the presence of their immediate supervisor. It is the responsibility of the staff member to provide information to their supervisor to keep personnel folders up-to-date (e.g., current resumes, change in marital status, name, address, telephone numbers, number of dependents, designated beneficiaries, education and training skills). The employee's immediate supervisor is authorized to verify the following information for a prospective creditor of an employee:

- 1) dates of employment;

2) title; and,

3) salary. Neither the Executive Director nor any employee is authorized to provide a prospective employer of a present or former employee of the organization with any information other than dates of employment and title.

SECTION THREE: ACCOUNTING, AUDIT AND FINANCIAL

MANAGEMENT POLICIES

I. Accounting Policies

It shall be the policy of Alaska Bud Brothers to create and maintain accounting, billing, and cash control policies, procedures and records which are consistent with Generally Accepted Accounting Principles (GAAP) and which meet the requirements of state and federal statutes and regulations.

Alaska Bud Brothers accounting, audit, and financial management policies are designed to:

- (1) Protect and secure the assets of Alaska Bud Brothers
- (2) Ensure the maintenance of accurate records of the Alaska Bud Brothers financial activities.
- (3) Ensure compliance with governmental and private fund-er reporting requirements.

A. Cash

- (1) Bank accounts are established as required by donors and funding requirements.
- (2) All checks written on Alaska Bud Brothers accounts require an officer's signature.
- (3) Individuals generally authorized to sign checks include the Executive Directors of Alaska Bud Brothers. All persons approved to sign checks will be formally approved by the Alaska Bud Brothers Executive Committee.
- (4) The Executive Committee authorizes all bank accounts and approves all check signers. The approval of signers shall be reflected in the Board of Director's meeting minutes.
- (5) Banks are promptly notified of all changes of authorized check signers.
- (6) All checks are to be numbered and accounted for by a check custodian (used, voided, not used).
- (7) Voided checks are to be properly defaced and maintained.
- (8) Bank or cash deposit reconciliations to the general ledger are to be done monthly and provided to the Executive Director or Treasurer at their regular meeting.

B. Petty Cash

- (1) Receipts or itemized slips are required for every disbursement. The Executive Director or his/her designee will be responsible for verification of receipts and cash.
- (2) Petty cash should be used for such things as small and odd jobs, local travel and sundry items. It is not intended for purchases that can be made with designated suppliers. Activities or needs should be planned ahead so necessary funds will be available in the petty cash account.
- (3) Whenever petty cash is used, "Receipt of Petty Cash" slip must be filled out. A completed slip will include date, the amount taken and returned, the cash category and the total spent. When a staff person receives cash, he/she will sign on the "Received By" line of the petty cash log. Items purchased should also be listed on the log, unless the receipt that must always be clipped to the log lists items purchased. The Executive Director or his/her designee will sign on the "Approved By" line of the petty cash log.
- (4) The Finance Officer will be responsible for the reconciliation and replenishment of the petty cash account.

C. Cash Receipts

- (1) Someone other than the person making deposits is responsible for opening the daily mail, making a log of cash receipts, restrictively endorsing the payment, making note of any restrictions on the log entry, and account coding the receipt by receivable or revenue account.
- (2) The Executive Director or Financial Officer prepares cash and/or bank deposit slip, listing each item.
- (3) Receipts are accounted for daily. The bank's stamped duplicate deposit slip is attached to the remittance documentation.
- (4) The deposit log and duplicate deposit slip is forwarded to the Financial Officer for verification and data entry.
- (5) Cash is deposited in the appropriate location/bank account based on funding restrictions.

D. Cash Disbursements

- (1) Cash disbursements are made by check or electronic disbursement (with the exception of petty cash).
- (2) The Executive Director approves all invoices for payment.
- (3) Vendor invoices are recalculated on site to ensure accuracy. This recalculation must occur prior to the preparation of a check to pay the invoice. After the recalculation is complete, the employee who performed the recalculation must initial the vendor invoice, indicating that the amount is correct and the invoice can be paid.
- (4) Checks for payment are signed only when supported by approved invoices (checks will not be processed and signed in advance of proper invoicing approval procedures).
- (5) Check signers compare data on supporting documents to checks presented for their signature.

(6) Bank transfers are scheduled and investigated to ascertain that both sides of the transaction are recorded.

(7) The employee responsible for mailing checks will not be responsible for recording cash reimbursement's. These two functions must be handled by different employees to ensure that the appropriate checks and balances are in place.

(8) Supporting documentation is noted as paid, check number, date paid, and general ledger account code. Supporting documentation is noted as approved for payment.

(9) Account coding's for each payment are reviewed for accuracy.

(10) Alaska Bud Brothers finance and accounting staff will ensure that all costs paid through the utilization of external funding sources are recognized as ordinary, necessary, within the budget, are arm's length transactions, and do not deviate from established practices of the organization. A cost will be considered reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

E. General Ledger Account Coding

(1) All cash receipts and disbursements are account coded and reviewed by the Executive Director.

(2) A policy will be developed that documents the rationale used to allocate shared expenses among functions, grants, and/or contracts and reviewed periodically.

(3) Funding from multiple sources may be kept in an account with other funding; however, it must be tracked independently.

F. Revenue

(1) Revenue is earned using the accrual basis of accounting.

(2) Cost reimbursement grants or contracts earn revenue when the expenses are incurred (not committed).

G. Expenses

(1) Expenses are charged directly to accounts when specific identification is available.

(2) Expenses are charged to accounts based upon a shared cost rationale when the direct charge cannot be established.

H. Loan Loss Reserve

(1) Periodically, the members of the Executive Committee will meet to review the adequacy of the organization's loan loss reserve. Necessary adjustments will be determined and made quarterly.

I. Collection of Delinquent Accounts

(1) Alaska Bud Brothers may utilize outside collection agencies if all past efforts to collect money due have been exhausted.

(2) The Executive Director has discretionary authority to submit delinquent debts (over 90 days) to an outside collection agency.

J. Write-off of Delinquent Debts/Charges

(1) Records must indicate that all efforts to obtain payment have been exhausted before the decision is made to write off any debt.

(2) The request for approval of a write-off must include a short narrative of actions taken to collect and the rationale for the debt being considered noncollectable.

(3) The Executive Directors of Alaska Bud Brothers have the discretion to approve debt write-offs of a board-authorized amount. Any amount above the board-authorized amount that is requested to be considered a write-off must be approved by the Executive Committee. Reference to this action will be included in the board packet for the next regularly scheduled Board of Directors Meeting.

(4) The budget line item for fees and collections must be updated by means of a budget revision to reflect noncollectable fees/debts. If collection is made of a debt previously written-off as uncollectable, it will be recognized as revenue in the current period.

II. Financial Reporting Procedures

A. The Financial Officer will be responsible for compiling monthly and year-to-date reports on all cost centers by revenue source, expense code, and asset and liability account balances.

B. Financial reports are reconciled to the general ledger and accounting records prior to submission to the funding source.

C. If an expenditure is different from an external funding source's approved budget, prior approval must be obtained from the funding source prior to the submission of the financial report.

III. Investment/Banking Policies

The Alaska Bud Brothers Board of Directors will approve the placement of assets not needed for immediate operations assuring compliance with all contractual requirements and using the principles identified below.

A. Principles:

(1) Minimize Risk: The Board will define a minimum risk strategy that will be reviewed annually to ensure appropriate discharge of responsibilities to donors, lenders, and contractual relationships.

(2) Maximize Investment Return: Within the parameters defined as "minimum risk", funds will be invested at the highest area interest/return available at the time of decision.

(3) Support Local Banks and Institutions if Economically and legally Feasible: "Local" is defined as having a physical presence for customer service within Alaska Bud Brothers service area.

B. Procedures:

(1) Each quarter, the Executive Director or his/her designee will review the projected cash needs of the corporation and the assets available for investment.

C. Banking Policy

(1) Support Local Banks if Economically and legally feasible: All assets kept in bank accounts will be in banks defined as local. "Local" is defined as having a physical presence for customer service within Alaska Bud Brothers service area.

IV. Budget Principles/Procedure

Structure of the budgetary process shall evolve from the mission and by-laws of Alaska Bud Brothers with consideration given to the requirements of any of the organization's funding partners.

A. Budget Principles

(1) The budgetary process shall comply with the organization's funding partners and in accordance with applicable state laws.

(2) The budgetary process shall comply with the guidelines and principles set forth by the Board of Directors.

(3) Annually, each process area shall identify and develop a plan for its operation. The budgets needed to execute the plan shall be developed by appropriate personnel, with concurrence from the Executive Director.

B. Procedures:

(1) The organization's Executive Director will prepare and submit an operating budget to the Board of Director's 30-60 days prior to the beginning of the new fiscal year and prior to submission to funding sources.

(2) If budget submission is due to funding sources prior to 60 days before the beginning of the fiscal year, the Executive Director will review a preliminary budget and adopt it if necessary.

C. Adjustments in Budget/Spending Plans

(1) Any adjustments or changes in spending policies/budget plans which vary by more than 10% from the original approved budget will be initialed by the Executive Director and submitted for approval to the Executive Committee.

(2) These changes will be communicated in writing to funding sources as required by contractual agreements.

(3) If proposed changes are unsatisfactory to the fund-er, the Executive Director will communicate this response to the Executive Committee, who may authorize:

- a. Changing the budget/plan to one which is satisfactory to the fund-er, or
- b. Entering into negotiations to develop a compromise satisfactory to the fund-er and the Board of Directors.

SECTION FOUR: PROCUREMENT POLICIES

The following policies and procedures will be followed at all times when Alaska Bud Brothers is purchasing supplies, property, equipment and services from an external source:

I. General Contract Award Management Policy

(1) No Alaska Bud Brothers officer, employee, and/or agent will participate in the selection, award, and/or administration of any contract for equipment, materials, and supplies or consulting or professional services if a real or apparent conflict of interest would be involved. Such a conflict will arise when:

- a. the employee, officer, or agent;
- b. any member of his/her immediate family;
- c. his/her partner; or
- d. an organization which employs or is about to employ, any of the above has a financial or other interest in the firm or individual selected for award.

(2) Alaska Bud Brothers officers, employees, and/or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

(3) Alaska Bud Brothers will conduct a cost or price analysis and document such analysis in the procurement files in conjunction with every procurement action.

(4) If a contract is competitively bid, Alaska Bud Brothers will enter into a contract with the winning bidder that specifies the services to be completed and payment terms.

(5) At a minimum, to adequately evaluate contractor, consultant, and supplier performance, Alaska Bud Brothers will evaluate each respective provider of goods and services performance at the completion of

each contract. This evaluation will be utilized when making award decisions for future contracts. Evaluations may be conducted on a more frequent basis if deemed necessary.

(6) Procurement records and files will include the basis for contractor selection, justification for the lack of competition when competitive bids or offers are not obtained, and basis for award cost of price.

II. Acquisition Policy for Goods and Services the following procurement procedure applies to all purchases of goods and services, including equipment, materials, supplies and professional and consulting services. Employees will conduct all procurement transactions in a manner that maximizes free and open competition. Awards should be made to the bidder or offer or whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Alaska Bud Brothers reserves the right to reject any and all bids or offers, if deemed to be in its best interest. Alaska Bud Brothers may select from numerous methods of procurement, depending on the amount of the purchase and other considerations. Following are a few examples of possible procurement procedures that Alaska Bud Brothers may choose to use:

(1) Open Market Inquiry. The Executive Director, or other qualified individuals delegated by the Executive Director may inquire in the open market to ensure that the price and quality is the most advantageous to Alaska Bud Brothers.

(2) Request Competitive Oral Quotes. The Executive Director or his/her designee may request competitive quotes orally. A file shall be kept with an abstract of invitations made and offers received.

III. Property/Equipment Standards

When purchasing property (both real property and equipment), the following procedures will be followed:

(1) Title to all property purchased with will vest with the Alaska Bud Brothers.

(2) Property records will be kept showing the general name of the property, identification number, original cost, and depreciated value. These records will be reviewed and necessary revisions made on an annual basis at the end of Alaska Bud Brothers fiscal year.

(3) Alaska Bud Brothers will provide the equivalent insurance coverage for real property and equipment regardless of how the property was acquired by the organization.

SECTION FIVE: RECORDS MANAGEMENT POLICY

I. Records Management Policy

To ensure that all products produced by Alaska Bud Brothers are properly managed and reported on, Alaska Bud Brothers will establish and monitor a comprehensive records and inventory management policy.

A. To ensure that pertinent records are properly managed, Alaska Bud Brothers will implement a data base maintenance and disposition plan for each individual source when that product becomes inactive/closes-out. When a product is closed a file maintenance and disposition record entry will be filled out and filed for the product. The inventory tracking includes, but is not limited to, individual designation, the date the product began, the date the product ended, amount of product, name, a contact number for project's manager, a description of the files within the storage case and their filing arrangement, and disposition instructions. Once the inventory control entry has been completed, it will be filed on site and a second copy sent to an Alaska Bud Brothers officer, off-site.

B. Financial records, supporting documents, statistical records, and all other records shall be retained for a period of three years from the date of the submission of the final expenditure report. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings have been resolved and final action taken.

C. Records for real property and equipment acquired with federal funds must be retained for three years after final disposition of said property.

SECTION SIX: ACKNOWLEDGEMENT FORMS

I, _____, acknowledge that I have read the Policy Prohibiting Unlawful Harassment, Including Sexual Harassment, contained in Article XI of Section Two of this Policies and Procedures Manual, and I agree to the terms and provisions contained in such policy.

Name of Employee: _____

Title: _____

Date: _____

Witness: _____

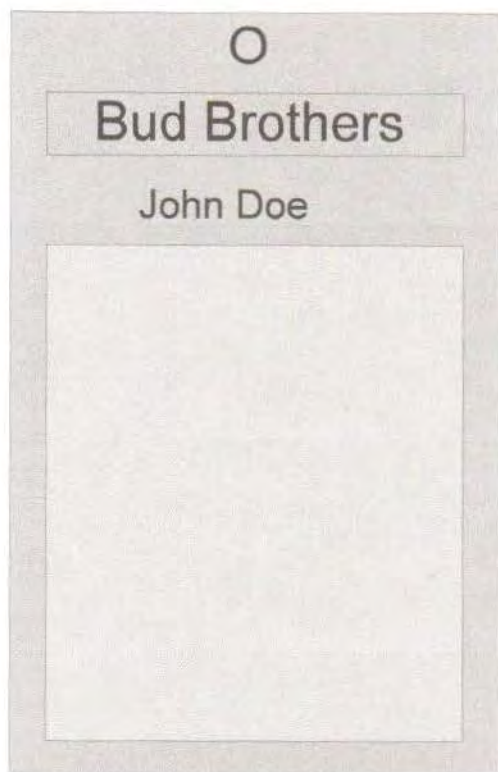
I, _____, acknowledge that I have read the Alaska Bud Brothers Policies and Procedures Manual, and I agree to comply with the terms and provisions contained in this manual.

Name of Employee: _____

Title: _____

Date: _____

Witness: _____



APR 25 '16 PM 1:23



Alaska Marijuana Control Board

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

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). 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:	Alaska Bud Brothers Aerogardens. LLC	License Number:	10216
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Alaska Bud Brothers Aerogardens. LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	ALASKA
		ZIP:	99610



Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

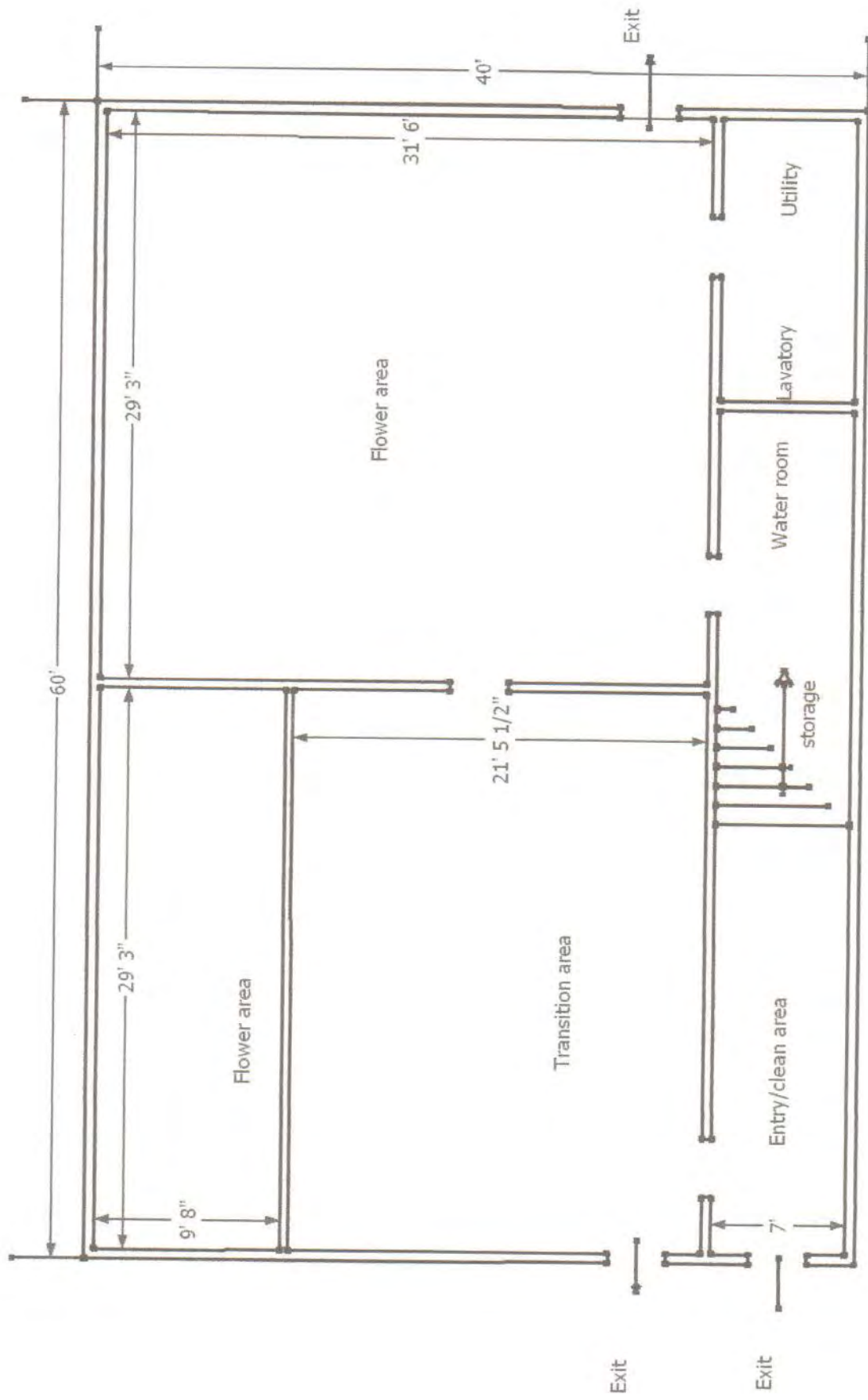
Section 2 – Detailed Premises Diagram

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.

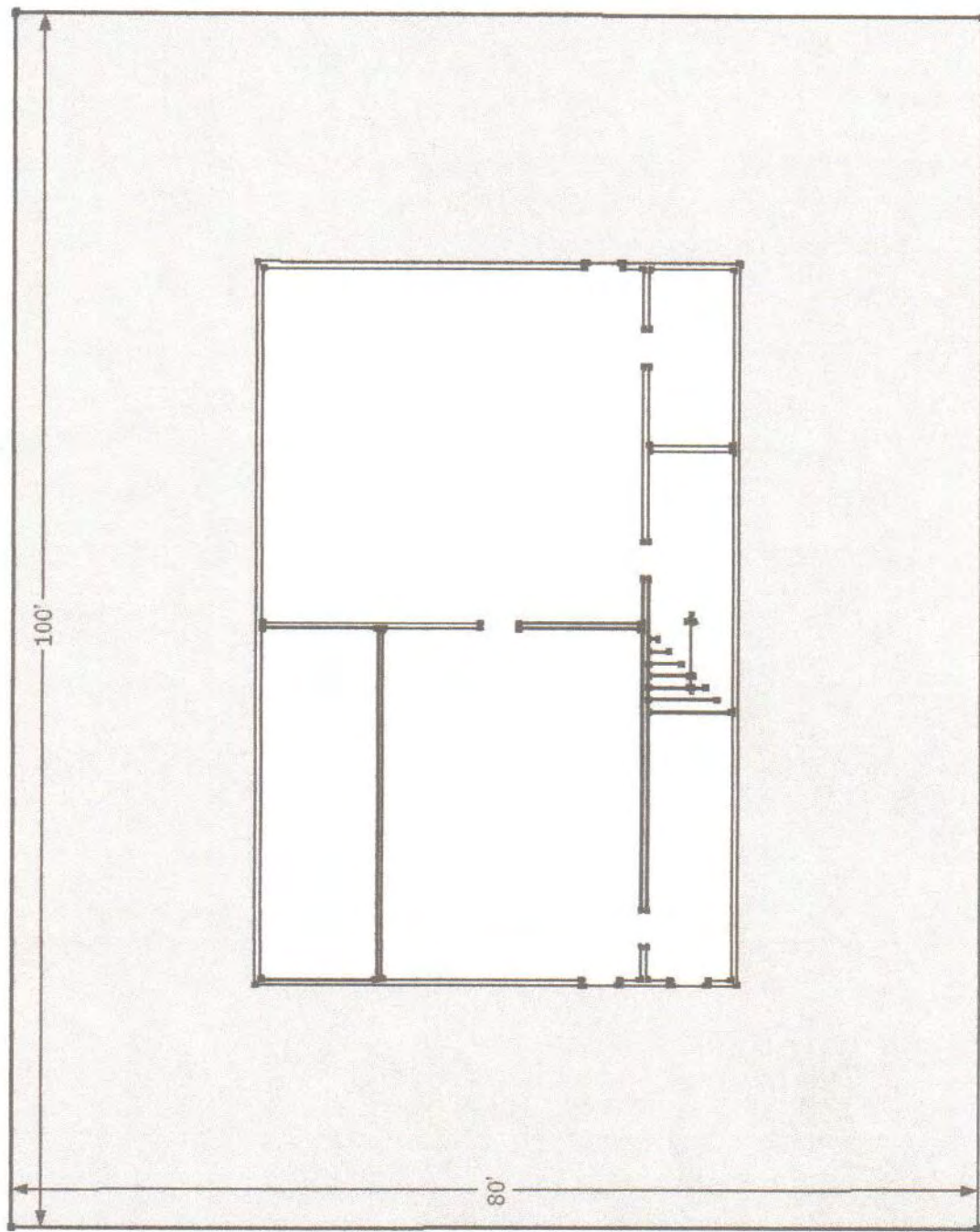
Attachments:

8. Dimensions
9. Perimeter
10. Dry-cure area
11. Restricted area - cameras
12. Canopy

08/25/16

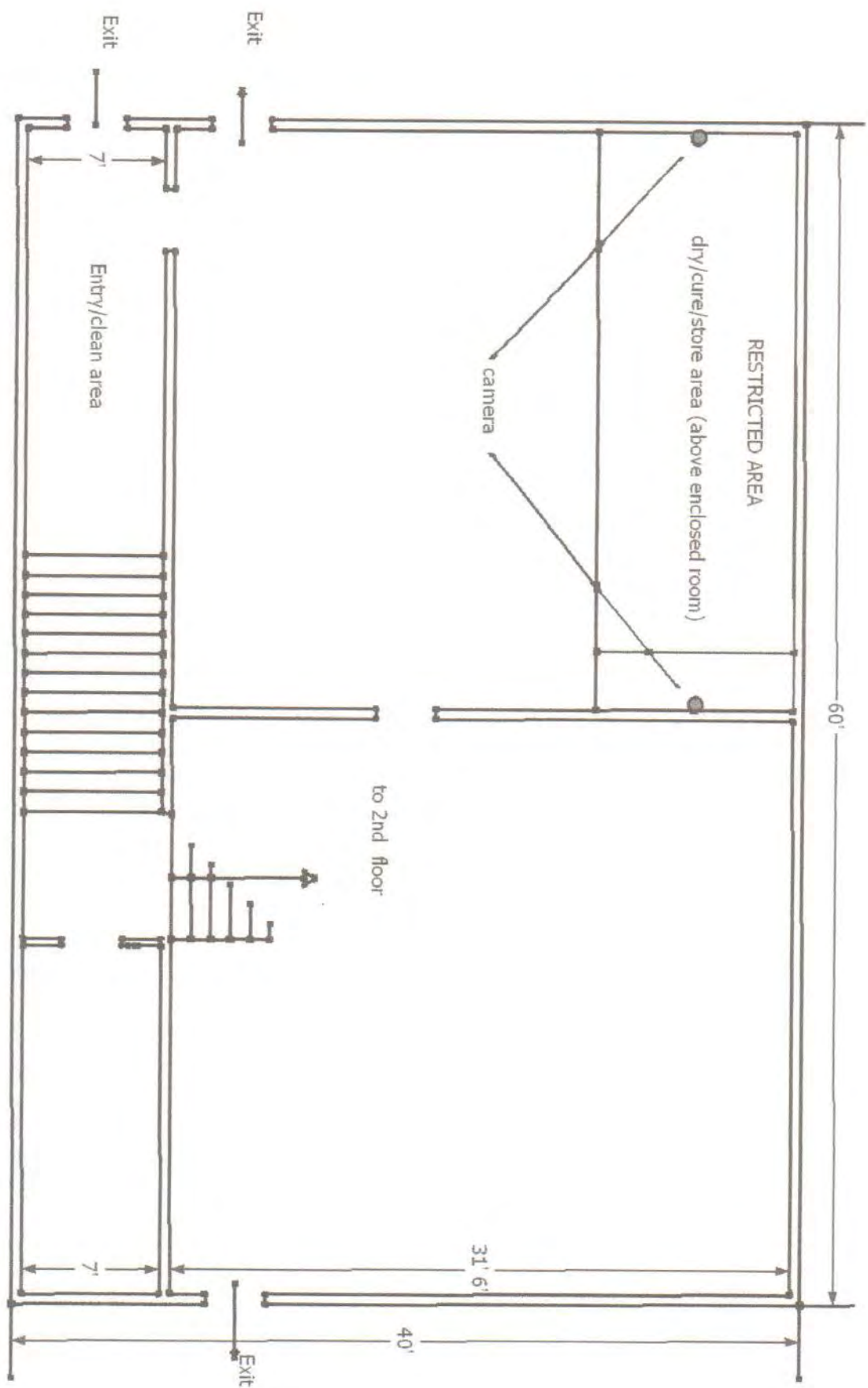


ATTACHMENT # 9 (PERMETER)



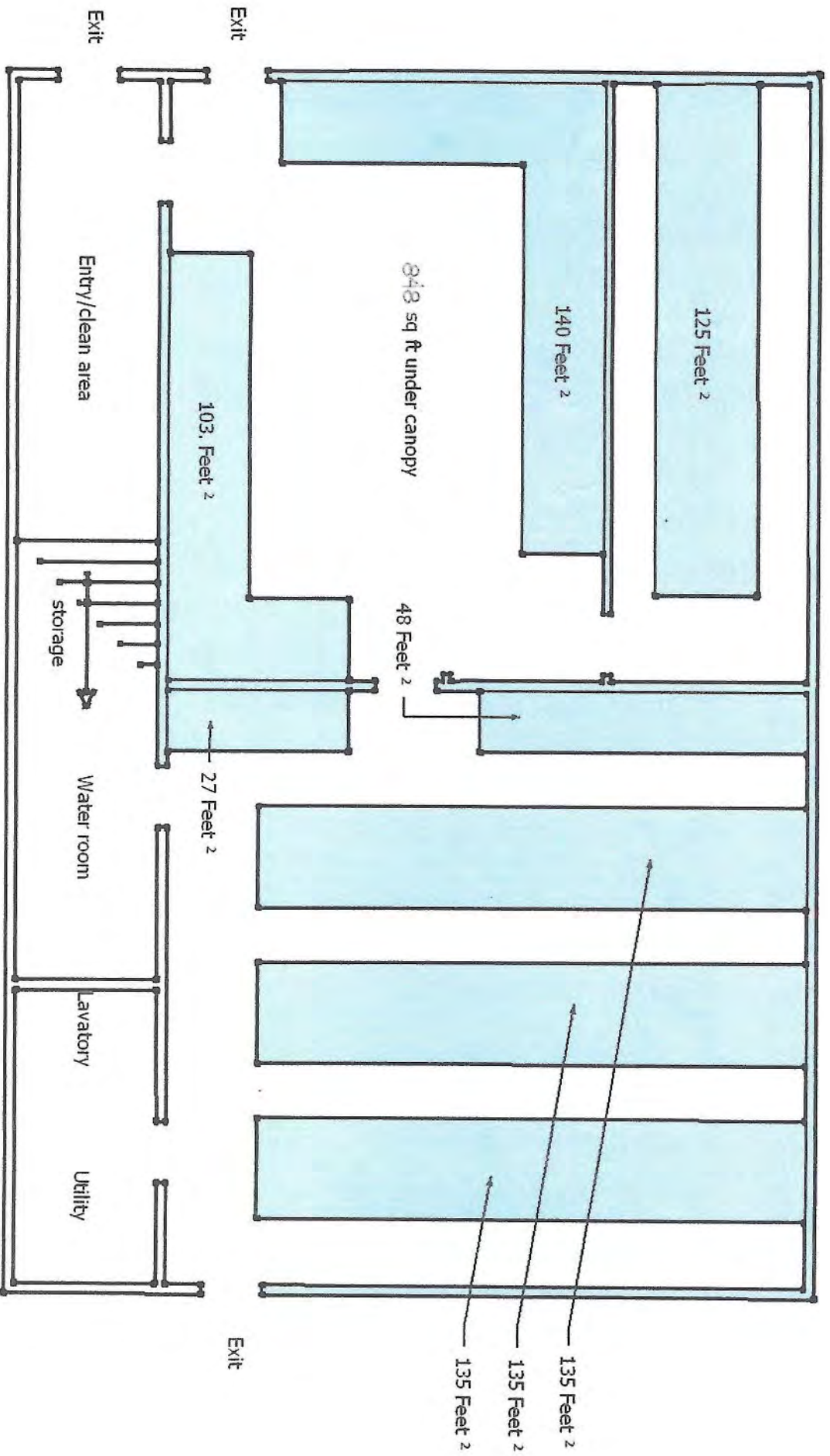
APR 25 '16 PM 1:28

Attachment # 10 Dry-Cure Area Camera



APR 25 '16 PM 1:23

Attachment #12 Canopy



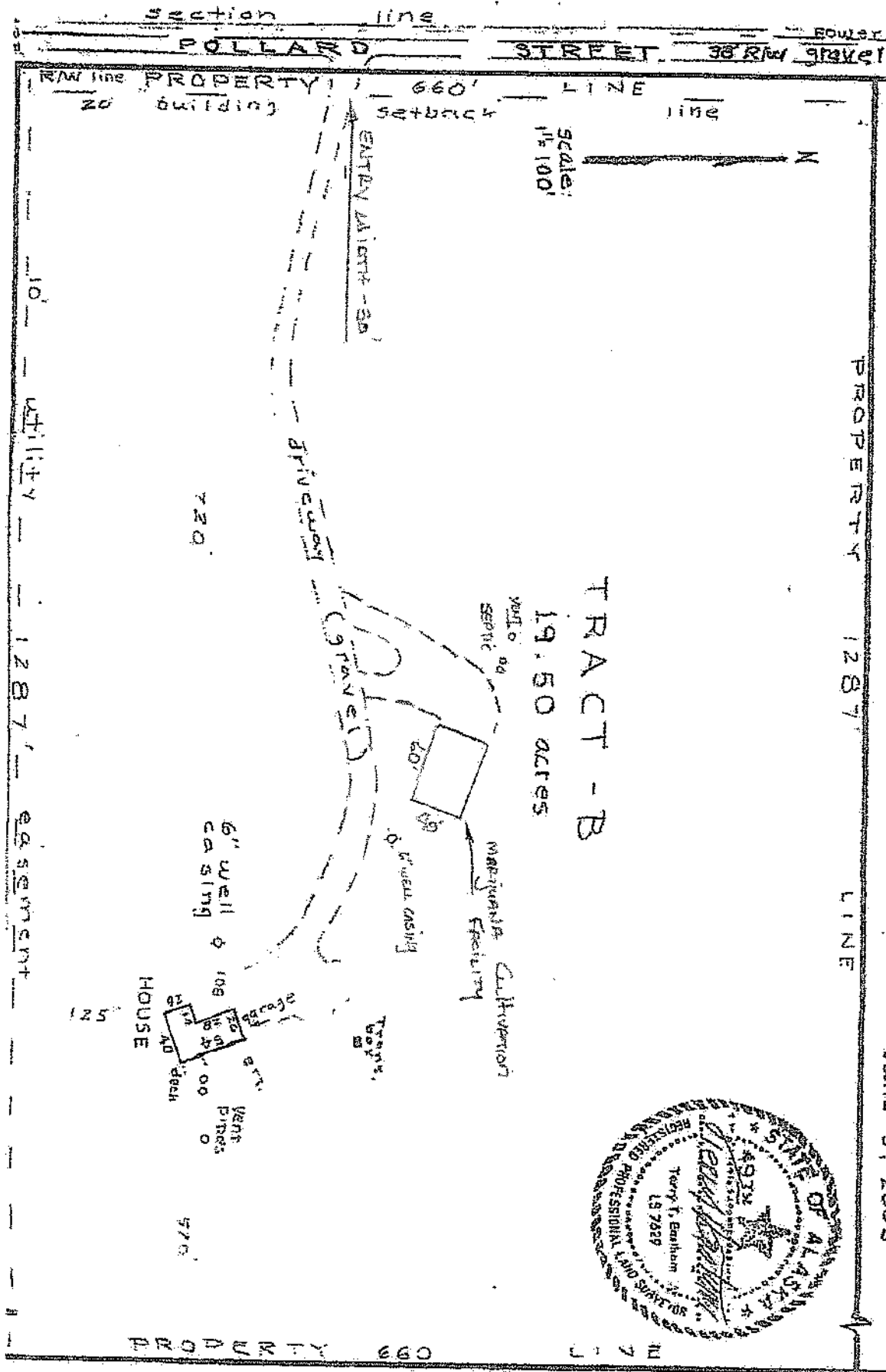
I HEREBY CERTIFY THAT I HAVE SURVEYED THE LOCATION OF THE IMPROVEMENTS ON TRACT B of FORT MOREAN SUBD. ADDY (83-229) amended H&D, A.K.

1. SAID IMPROVEMENTS ARE WITHIN THE PROPERTY LINES AS SHOWN HEREON
2. NO IMPROVEMENTS ON THE ADJOINING PROPERTY ENCRACH ON TRACT B
3. NO ROADWAYS, TRANSMISSION LINES, OR OTHER VISIBLE EVIDENCE OF EASEMENTS CROSS TRACT B.

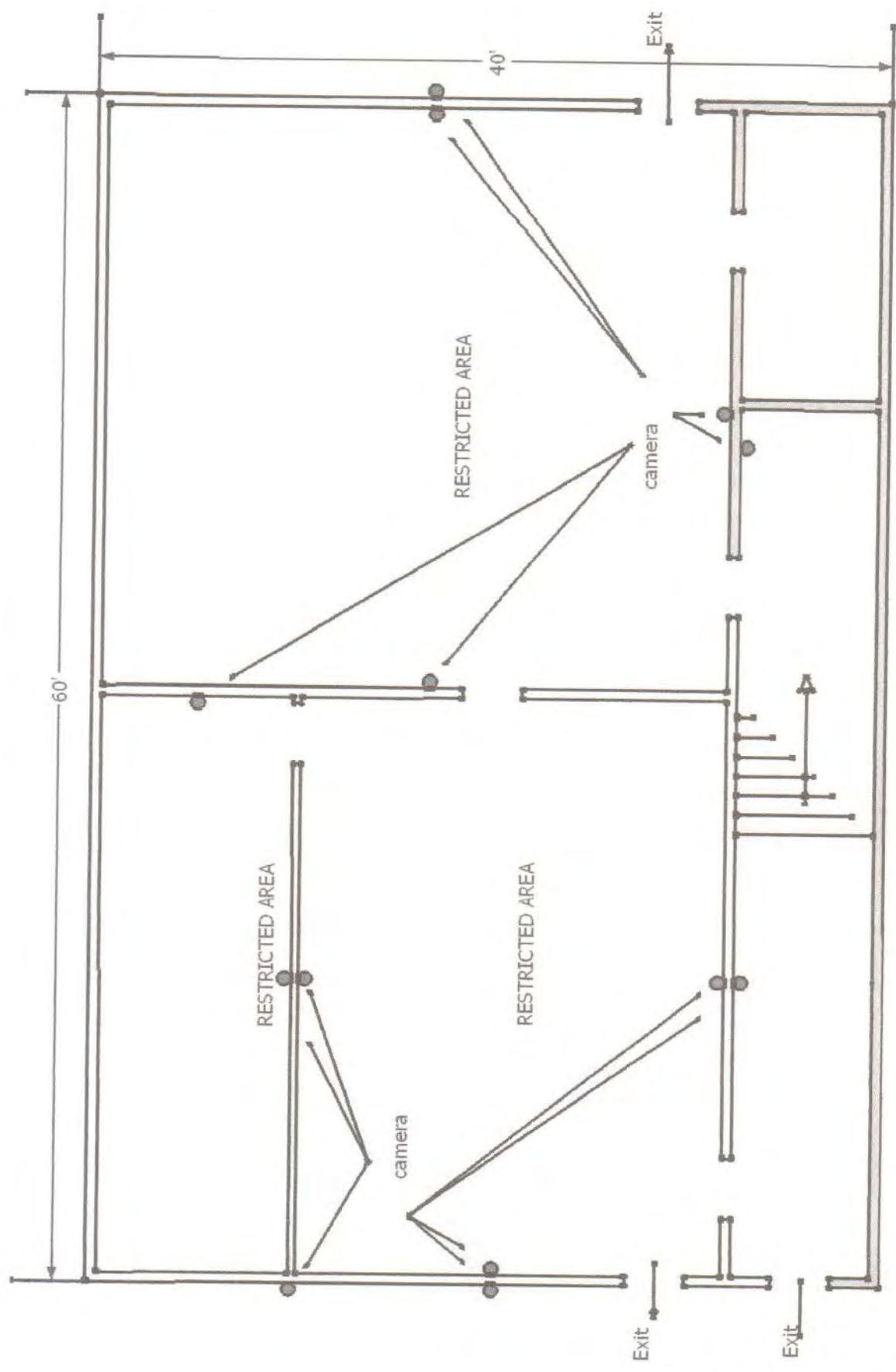
TERRY T. EASTHAM RSL 7629

SOLDOITNA, ALASKA

June 5, 2003

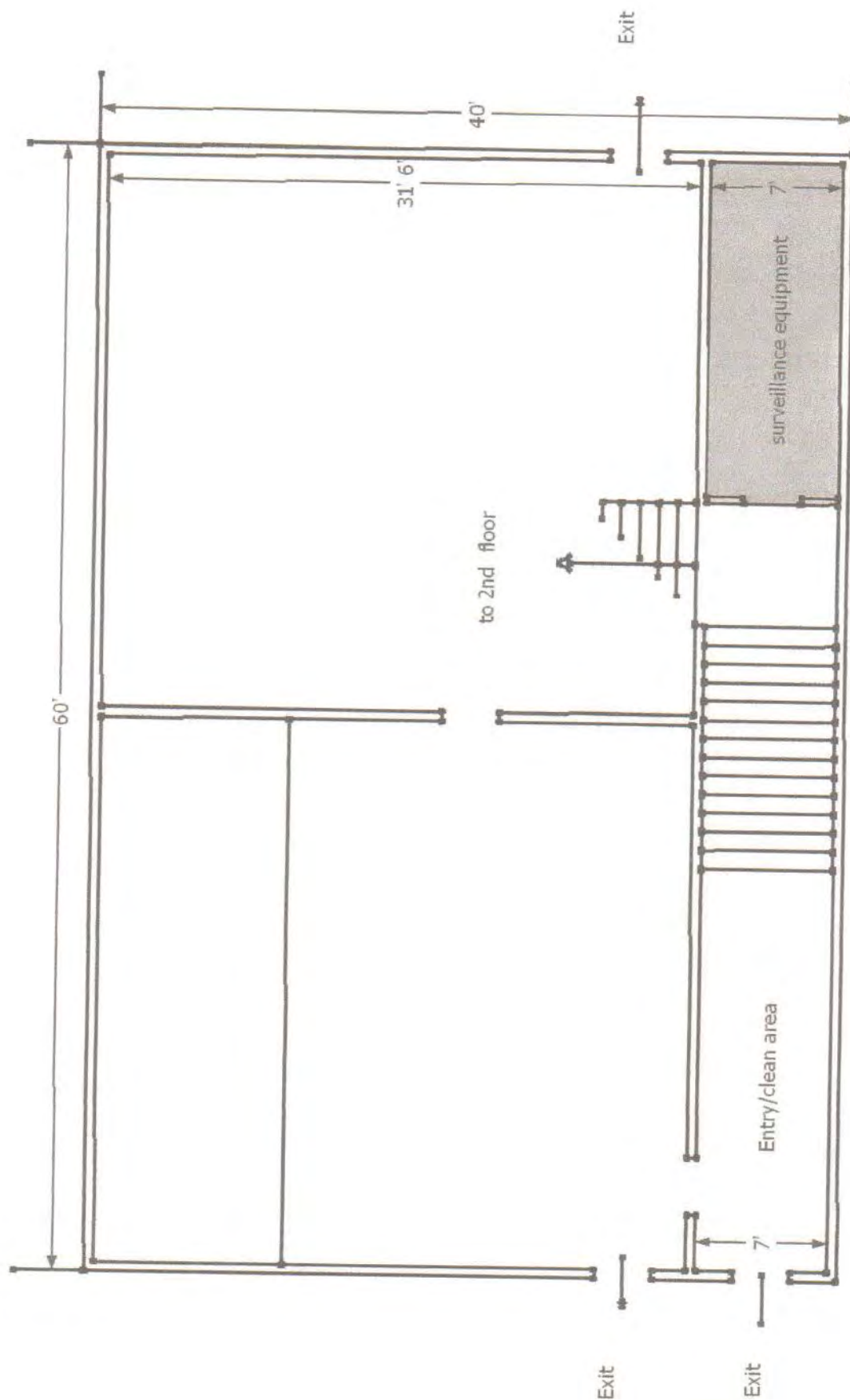


Attachment #11 Restricted Area Control



APR 25 '16 PM 1:24

ATTACHMENT # 13 (SURVEILLANCE EQUIPMENT)





Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

What is this form?

This 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:	Alaska Bud Brothers Aerogardens. LLC	License Number:	10216
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Alaska Bud Brothers Aerogardens. LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	ALASKA
		ZIP:	99610



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

Alcohol and Marijuana Control Office
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marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

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 Disagree

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

☒ ☐

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

☒ ☐

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

☒ ☐

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:

848 square feet under canopy. —

See attachment: 12. Canopy. SHADEN AREAS SHOW CANOPY AREA



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:

Water
Clay pellets
Rockwool
Soil
Coconut husk fiber (coir)
Peat-moss
Sphagnum moss
Perlite
Vermiculite

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

Fertilizers to be used:

Cloning (To be used only during cloning of process):

Harvest Liquid Concentrate (Contains: 1-Naphtholeneacetic Acid, Indole-3-Butyric Acid (IBA), Vitamin B1 Thiamin Hydrochloride), Hormex Rooting Powder (Contains: Indole-3-Butyric Acid (IBA), TWC), DipH Grow Liquid Concentrate (Contains: 1-Naphtholeneacetic Acid, Indole-3-Butyric Acid (IBA), Ethyl Alcohol, Isopropyl Alcohol), Cloner Rooting Gel (Contains: Indolebutyric Acid), "Wet Grow" Weeping Willow (Safe Babytonics) Contains: Natural Plant Hormones (Indolebutyric Acid (IBA), Salicylic Acid), Dip 11 Grow (Contains: Indole-3-Butyric Acid, (IBA), 1-Naphtholeneacetic Acid, Ethyl Alcohol, Isopropyl Alcohol)

Vegetation and weak 162 of flowering (To be used only during plant vegetation and weak 162 of flower only):

Superthrive Plant Vitamin (Contains: Kelp, Vitamin B1 Thiamin Hydrochloride), Extreme Blend (Contains: Soluble Kelp, Humic Acid, Fulvic Acid, L-Amino Acids), Magic Green (Contains: Soluble Kelp, Soy Protein Hydrolysate, Molasses)

Synthetic (To be used during all stages of growth):

JR Peters Professional S-12-20 / S-11-20 (Contains: Potassium Nitrate, containing up to 5% Sodium Nitrate), Magnesium Sulfate, Mono-potassium Phosphate, Boric Acid, Copper EDTA, Sodium Molybdate, Manganese EDTA, Zinc EDTA, Iron EDTA) General Hydroponics "Kool Bloom" Powder (Contains: Ammonium Phosphate, Ammonium Sulfate, Magnesium Sulfate, Potassium Phosphate, Potassium Sulfate) General Hydroponics "Maxi Bloom / Maxi Grow" (Contains: Ammonium Molybdate, Ammonium Nitrate, Calcium Nitrate, Calcium Sulfate, Copper Sulfate, Iron DTPA, Iron EDTA, Magnesium Sulfate, Manganese Sulfate, Potassium Borate, Potassium Nitrate, Potassium Phosphate, Potassium Sulfate, Zinc Sulfate) Calcium Nitrate, Potassium Nitrate (Low Sodium US approved), Magnesium Sulfate (Epsom Salts), Mono-potassium Phosphate (MPK), Sulfuric Acid (pH Down), Nitric Acid (pH Down), Pelacid (pH Down), Phosphoric Acid (pH Down), Citric Acid (pH Down), Potassium Hydroxide (pH Up), Calcium Carbonate (pH Up), Calcium Bicarbonate (pH Up).

Organic (To be used during all stages of growth):

Rock Phosphate, Bone meal, Fish Bone Meal, Dolomite Lime, Oyster Shell, Crab Meal, Blood Meal, Alfalfa Meal, Green Sand, Azomite (micro nutrients), High Phosphorus Bat Guano, High Nitrogen Bat Guano, Pen-Van Seabird Guano, Earth Worm Castings, Brewers Yeast, Pond-Cor Pond-Zyme (Contains: Vinegar, Iron, Bently Green, Bacterial spores (non-pathogenic)), Organic Digester (Contains: Natural Bacteria Enzyme), Fulvic Acid, Humic Acid, Molasses Powder, Liquid Molasses, Kelp Extract (liquid and powder), Kelp Meal, Longchella (K-Mag), Soy Protein Hydrolysate, Fish Protein Hydrolysate, Sulfate of Potash, EndoZyme Mycorrhizae (liquid and powder), Mycorrhizae + Trichoderma powder, Dolomitic Earth, Compost.

Pesticides and Fungicides (To be used only during stages noted in attached's appendices):

Any and all products listed in Appendix A (Pesticides 1), (Attachment 14)
Any and all products listed in Appendix B (Pesticides 2), (Attachment 15)

SEE ATTACHMENT #21 FOR ENLARGED FONT.

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

Water with the proper nutrients is held in a 100 gallon reservoir under the plants. At regular intervals this reservoir is utilized to deliver this water to the plant roots in a sealed container. the water is allowed to drain back to the reservoir where it will be reused. The reservoir water will be changed every 1-2 weeks. The waste water will be used for landscaping/irrigation or sent to the drain field.

Attachment #21

Fertilizers to be used:

Cloning (to be used only during cloning process)

Hormex Liquid Concentrate (contains; 1-Naphthaleneacetic Acid, Indole-3-Butyric Acid (IBA), Vitamin B1 Thiamin Hydrochloride), Hormex Rooting powder (contains Indole-3-Butyric Acid (IBA), Talc, Dip 'N Grow Liquid Concentrate (contains; 1-Naphthaleneacetic Acid, Indole-3-Butyric Acid (IBA), Ethyl Alcohol, Isopropyl Alcohol), Clonex Rooting Gel (contains: Indolebutyric Acid), "Willow Water" Weeping Willow (Salix Babylonica) contains; Natural Plant Hormones (Indolebutyric Acid (IBA), Salicylic Acid)). Dip 'N Grow (contains; Indole-3-Butyric Acid (IBA), 1-Naphthaleneacetic Acid, Ethyl Alcohol, Isopropyl Alcohol).

Vegetation & weeks 1 & 2 of flower (used only during plant vegetation and weeks 1 and 2 of flower):

Superthrive Plant Vitamin (contains; Kelp, Vitamin B1 Thiamin Hydrochloride), Extreme Blend (contains; Soluble Kelp, Humic Acid, Fulvic Acid, L Amino Acids), Magic Green (contains; Soluble Kelp, Soy Protein Hydrolysate, Molassas)

Synthetic (to be used during all stages of growth)

J R Peters Professional 5-12-26 / 5-11-26 (contains; Potassium Nitrate Containing up to 5% Sodium Nitrate), Magnesium Sulfate, Mono-potassium Phosphate, Boric Acid, Copper EDTA, Zinc EDTA, Iron EDTA), General Hydroponics "Kool Bloom" Powder (contains; Ammonium Phosphate, Ammonium Sulphate, Magnesium Sulphate, Potassium Phosphate, Potassium Sulphate), General hydroponics "MaxiBloom / MaxiGro" (contains; Ammonium Molybdate, Ammonium Nitrate, Calcium Nitrate, Calcium Sulphate, Copper Sulphate, Iron DTPA, Iron EDTA, Magnesium Sulphate, Manganese Sulphate, Potassium Borate, Potassium Nitrate, Potassium Phosphate, Potassium Sulphate, Zinc Sulphate), Calcium Nitrate, Potassium Nitrate (Low Sodium US approved), Magnesium Sulphate (Epsom Salts), Mono-potassium Phosphate (MPK), Sulfuric Acid (pH Down), Nitric Acid (pH Down), Pekacid (pH Down), Phosphoric Acid (pH Up), Citric Acid (pH Down), Potassium Hydroxide (pH Up), Calcium Carbonate (pH Up), Calcium Bicarbonate (pH Up).

Organic (to be used during all stages of growth)

Rock Phosphate, Bone Meal, Fish Bone Meal, Dolomite Lime, Oyster Shell, Crab Meal, Blood Meal, Alfalfa Meal, Green Sand, Azomite (micro nutrients), High Phosphorous Bat Guano, Peruvian Seabird Guano, Earth Worm Castings, Brewers Yeast, Pond Care Pond-zyme (contains; Wheat Bran, Barely Straw, Bacterial Spores (non-pathogenic), Organic Digest-er (contains Natural Bacterial Enzyme), Fulvic Acid, Humic Acid, Molasses Powder, Liquid Molasses, Kelp Extract (liquid and powder), Kelp Meal, Langbeinite (K-mag), Soy Protein Hydrolysate, Fish Protein Hydrolysate, Sulphate of Potash, Endo/Ecto Mycorrhizea (liquid and powder), Mycorrhizea + Trichoderma powder, Diatomaceous Earth, Compost.

Pesticides and Fungicides (to be used only in the stages noted in attached appendices)

Any and all products listed in Appendix A (Pesticides 1) (Attachment 14)

Any and all products listed in Appendix B (Pesticides 2) (Attachment 15)



Alaska Marijuana Control Board

Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Describe the marijuana cultivation facility's waste disposal arrangements:

Two forms of waste disposal will be utilized. A 4'x4'x3' hole will be open for composting at the northeast corner of the building to throw plant waste mixed with biodegradable compost material such as leaves, grass clippings, table scraps, dirt... etc. The second method of disposal will be 55 gallon bags filled with plant waste and non-biodegradable. These will be mixed with bleach and taken to the Borough land fill or put in the 4 cu yard dumpster. All mediums other than water will be used as landscaping materials.

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:

Carbon filters will be mounted on each of the exhaust fans. A negative pressure inside the building should ensure the only air leaving the building goes through these filters.



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

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<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Section 5 – Testing Procedure and Protocols

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 Disagree

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



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

Every harvest batch of buds will be segregated and a random sample will be taken by the Manager. That sample will be accompanied by a copy of a signed statement by the manger confirming that is random. A second copy will be retained at Bud Brothers.

The sample will be delivered to the test facility and the batch will be segregated and properly stored.

The batch may be packaged and sold only after the results from the testing facility have been combined with the signed random affirmation document.



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

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

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

☒☐

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

☒☐

Restricted Access Area (3 AAC 306.430):

Yes

No

Will the marijuana cultivation facility include outdoor production?

☐☒

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



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

Alcohol and Marijuana Control Office

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Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

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:

Facility is surrounded by no less than 250 feet of trees to the nearest road.
There are no windows in the facility.

I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 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

Printed name

Subscribed and sworn to before me this 20 day of April, 2018.



Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



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:	Alaska Bus Brothers Aerogardens. LLC	License Number:	10216		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Alaska Bud Brothers Aerogardens. LLC				
Premises Address:	22720 Yukon Road				
City:	Kasilof	State:	ALASKA	ZIP:	99610

Section 2 – Certification

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

Start Date: **March 18, 2016**End Date: **March 29, 2016**Other conspicuous location: **Kasilof, Alaska Post Office**

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 20 day of April, 2016.

Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



Public Notice

Application for Marijuana Establishment License

License Number: 10216

License Status: Initiated

License Type: Standard Marijuana Cultivation Facility

Doing Business As: ALASKA BUD BROTHERS AEROGARDENS LLC

Business License Number: 1034111

Email Address: gossmanfamily@gmail.com

Latitude, Longitude: 60.309000, -151.210000

Physical Address: 22720 Yukon Road
Kasilof, AK 99610-0571
UNITED STATES

Owner #1

Owner Type: Entity

Alaska Entity Number: 10032047

Alaska Entity Name: Alaska Bud Brothers Aerogarden
s, LLC

Phone Number: 9073989758

Email Address: gossmanfamily@gmail.com

Mailing Address: po box 571
kasilof, AK 99610-0571
UNITED STATES

Affiliate #1

Owner Type: Individual

Name: Laura Gossman

Date of Birth: 07/04/1954

Phone Number: 9073989758

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
Kasilof, AK 99610-0571
UNITED STATES

Affiliate #2

Owner Type: Individual

Name: James Gossman

Date of Birth: 06/20/1957

Phone Number: 9075932338

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
kasilof, AK 99610-0571
UNITED STATES

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

POSTING DATE _____





Public Notice

Application for Marijuana Establishment License

License Number: 10216

License Status: Initiated

License Type: Standard Marijuana Cultivation Facility

Doing Business As: ALASKA BUD BROTHERS AEROGARDENS LLC

Business License Number: 1034111

Email Address: gossmanfamily@gmail.com

Latitude, Longitude: 60.309000, -151.210000

Physical Address: 22720 Yukon Road
Kasilof, AK 99610-0571
UNITED STATES

Owner #1

Owner Type: Entity

Alaska Entity Number: 10032047

Alaska Entity Name: Alaska Bud Brothers Aerogardens, LLC

Phone Number: 9073989758

Email Address: gossmanfamily@gmail.com

Mailing Address: po box 571
kasilof, AK 99610-0571
UNITED STATES

Affiliate #1

Owner Type: Individual

Name: Laura Gossman

Date of Birth: 07/04/1954

Phone Number: 9073989758

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
Kasilof, AK 99610-0571
UNITED STATES

Affiliate #2

Owner Type: Individual

Name: James Gossman

Date of Birth: 06/20/1957

Phone Number: 9075932338

Email Address: gossmanfamily@gmail.com

Mailing Address: PO Box 571
kasilof, AK 99610-0571
UNITED STATES

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

POSTING DATE 3-18-2016

TAKEN DOWN - 4-2-2016

[Signature]

APR 25 '16 10:21



Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

What is this form?

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:	Alaska Bud Brothers Aerogardens. LLC	License Number:	10216
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Alaska Bud Brothers Aerogardens. LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	ALASKA
		ZIP:	99610

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):

Local Government: Kenai Peninsula Borough

Date Submitted: March 19, 2016

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

Date Submitted: _____

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]
Signature of licensee

Subscribed and sworn to before me this 20 day of April, 2018.



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

My commission expires: 05/05/2018

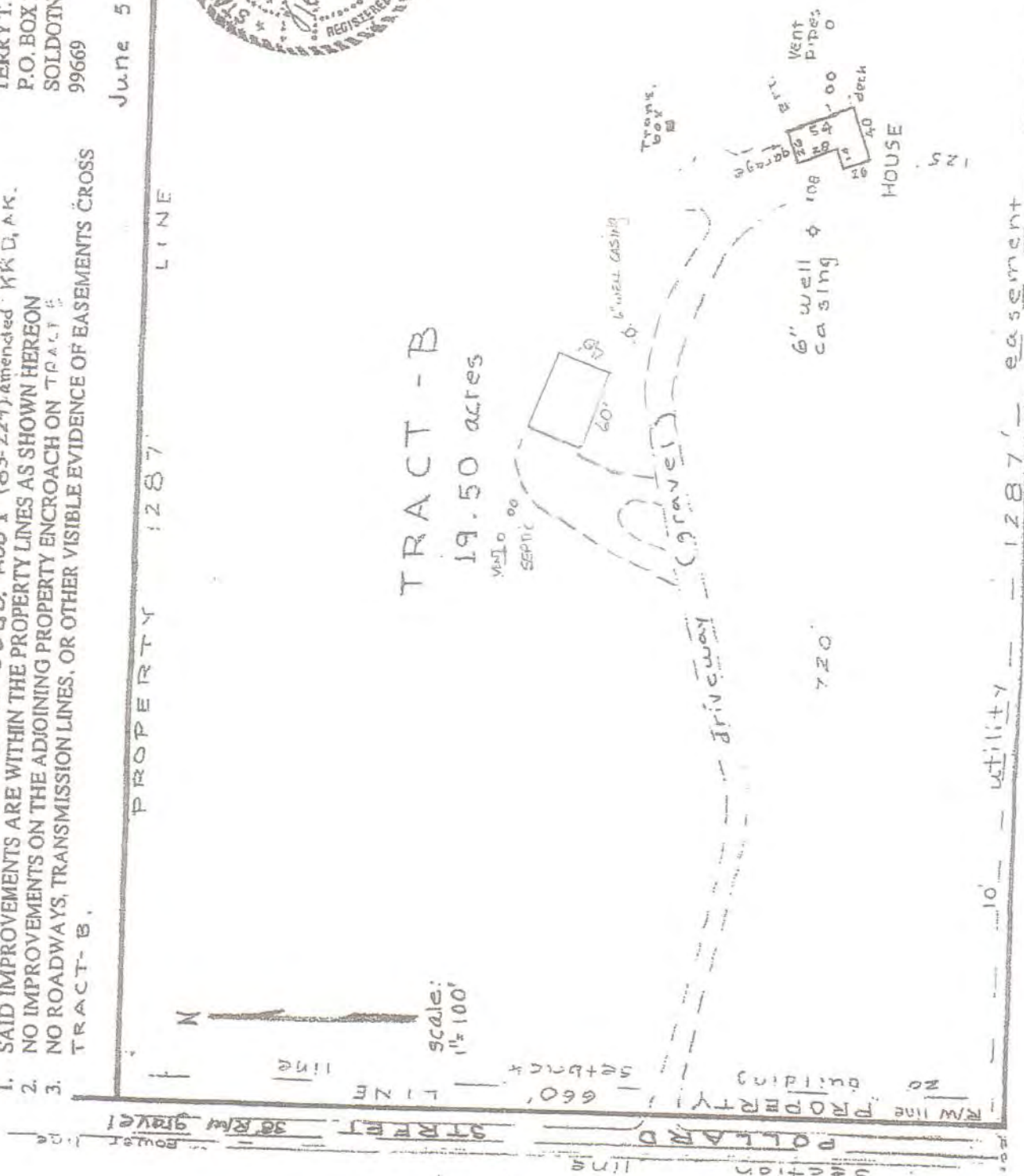
CERTIFICATION:

I HEREBY CERTIFY THAT I HAVE SURVEYED THE LOCATION OF THE IMPROVEMENTS ON TRACT B of FORT MOREAN SUBD. ADD T (83-227) amended MKD, A.K.

1. SAID IMPROVEMENTS ARE WITHIN THE PROPERTY LINES AS SHOWN HEREON
2. NO IMPROVEMENTS ON THE ADJOINING PROPERTY ENCROACH ON TRACT B.
3. NO ROADWAYS, TRANSMISSION LINES, OR OTHER VISIBLE EVIDENCE OF EASEMENTS CROSS TRACT- B.

AS - BUILT SURVEY... BY
TERRY T. EASTHAM RSL 7
P.O. BOX 2891
SOLDOTNA, ALASKA
99669

June 5, 2003





KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

PHONE: (907) 714-2160 • FAX: (907) 714-2388

Toll-free within the Borough: 1-800-478-4441 Ext. 2160

Email: assemblyclerk@kpb.us

JOHNI BLANKENSHIP, MMC
BOROUGH CLERK

MARIJUANA LICENSE LOCAL REVIEW STANDARDS

March 21, 2016

Alaska Bud Brothers Aerogardens LLC
gossmanfamily@gmail.com

RE: *DBA – Application for Standard Marijuana Cultivation Facility (License Number: 10216)*

We received your public notice for application for Marijuana Establishment License on *March 18, 2016*. Once your complete application is received by the Borough Clerk's office from the Alcohol & Marijuana Control Office (AMCO) it will be forwarded to the Kenai Peninsula Borough (Borough) Planning and Finance Department for review. The borough has 60 days from receipt of your complete application from AMCO to make recommendations to the Marijuana Control Board (MCB). A staff report will be prepared based upon standards set out in KP.B 7.30. The Planning Commission will hold a public hearing on the application and forward its recommendation to the Borough Assembly. The Assembly is the borough's commenting authority to the MCB. The Assembly will also hold a public hearing regarding the license application prior to making its recommendation to the MCB.

In order for the Borough to determine compliance with standards set out in KP.B 7.30.020(C)(1), you will need to provide a site development plan with adequate detail to accurately depict the following:

If your parcel is accessed from a borough road:

- The width and location of the entrance and exit;
- a clear route for delivery vehicles which shall allow vehicles to turn safely;
- the location of on-site parking and loading areas designed to preclude vehicles from backing out into the roadway;

If your parcel is accessed from a state road:

- a clear route for delivery vehicles which shall allow vehicles to turn safely;
- the location of on-site parking and loading areas designed to preclude vehicles from backing out into the roadway; and

The Kenai Peninsula Borough's standards and process are more completely set forth in the enclosed copy of KP.B Chapter 7.30 "Marijuana License Protests." If you have any questions regarding the borough's role in the state's processing of marijuana license applications please contact the Borough Clerk's office at 714-2160. Please return your completed acknowledgement form and site development plan within the next two (2) weeks in order to facilitate the process.

Included with this packet please find the following documents:

- KP.B 7.30
- Acknowledgement Form

Thank you,
Johni Blankenship, MMC
Borough Clerk

PP-21 18-1-2016



KENAI PENINSULA BOROUGH

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JOHNI BLANKENSHIP, MMC
BOROUGH CLERK

MARIJUANA LICENSE LOCAL REVIEW STANDARDS ACKNOWLEDGEMENT FORM

Please review the statements below and acknowledge your understanding of the conditions and intent to comply by your signature below.

There shall be no parking in borough rights-of-way generated by the marijuana establishment.

If I have a retail marijuana license, I will not conduct any business on, or allow any consumer to access, the premises, between the hours of 2:00 a.m. and 8:00 a.m. each day.

I must stay current in obligations owed to the Kenai Peninsula Borough or my license may be subject to a protest by the KPB Assembly.

It is my responsibility to abide by all federal, state, and local laws applicable to my marijuana establishment.

I understand Kenai Peninsula Borough staff will enter my property for purposes of evaluating ongoing compliance with KPB 7.30 and any conditions placed on the license by the State of Alaska Marijuana Control Board.

I have received, read and understand the additional review standards and conditions set out in KPB 7.30.

*Alaska Bud Brothers Aerogardens LLC
22720 Yukon Rd.; T 3N R 11W SEC 33 Seward Meridian KN 0830229 FORT MORGAN SUB
ADDN 1 TRACTS B & C AMENDED TRACT B
Application for Standard Marijuana Cultivation Facility (License Number: 10216)*

Signature

Date

Please return completed form along with site development plan to the KPB Clerk's Office within the next two (2) weeks. The KPB has 60 days to review your application after receipt from AMCO.

CHAPTER 7.30. - MARIJUANA LICENSE PROTESTS

7.30.010. Assembly review—Applications—Renewals—Hearings—Action.

- A. The assembly shall review and make recommendations to the state on applications submitted to the State Marijuana Control Board for marijuana establishment licenses, or the renewal of a license, within the borough in the following situations:
 1. applications for a new license; or
 2. applications requesting approval of a relocation of the licensed premises; or
 3. applications requesting the renewal of a license; or
 4. applications requesting approval of a transfer of a license to another person.
- B. Prior to the assembly making a recommendation to the Marijuana Control Board the planning commission shall hold a public hearing and make a recommendation to the assembly on the license application applying the standards set forth in KPB 7.30.020. The planning department shall prepare a staff report for the planning commission addressing items set forth in KPB 7.30.020. Notice of the public hearing shall be given in accord with the provisions of KPB 21.11.
- C. After assembly public hearing, review and action as provided in KPB 7.30.010(A) and 7.30.020, the borough clerk shall provide a letter to the State of Alaska Marijuana Control Board informing it of the assembly's non-objection, protest, or recommended conditional approval as appropriate.

7.30.020. Assembly review—Standards.

- A. The assembly shall cause a protest to be filed with the State of Alaska Marijuana Control Board on any application submitted for a new marijuana license, or any application requesting approval of a relocation of the licensed premises, or any application requesting approval of a transfer of a license to another person, or the application for renewal of a license, within the borough, in the following situations:
 1. Where borough records indicate that the applicant and/or transferor is in violation of the borough sales, and/or personal and real property tax ordinances and regulations, has any unpaid balance due on tax accounts for which the applicant and/or transferor is liable or has failed to comply with any of the filing, reporting or payment provisions of the borough ordinances or regulations. A protest shall not be filed for balances due secured by a payment agreement authorized by borough ordinances, as long as:
 - a. the applicant or transferor is in compliance with the payment agreement; and
 - b. the payment agreement requires payment in full by the end of the next license year; and
 - c. the applicant or transferor is involved in no more than two payment agreements within the prior five (5) years.

- d. Notwithstanding the provisions of this subsection, the borough is not required to file a protest if the transferor and/or applicant have made satisfactory arrangements with the borough for the discharge of a tax obligation from the proceeds of the transfer or by payment from the person to whom the license is to be transferred. Further, if the proposed transferee holds a security interest in the license or licensed premises and seeks the transfer as part of an action foreclosing or protecting that security interest the borough will not protest a transfer to the holder of the security interest so long as satisfactory arrangements have been made by the transferee to pay the delinquent taxes in accordance with this chapter and other provisions of the borough code and no other provisions of this chapter would cause or allow a protest to be made.
- B. Marijuana establishments shall not:
1. be located within 1,000 feet of any school. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer parcel boundaries of the school.
 2. be located within 500 feet of a recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility. The distance specified in this subsection must be measured by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer boundaries of the recreation or youth center, or the main public entrance of the building in which religious services are regularly conducted, or the correctional facility.
 3. be located within a local option zoning district.
- C. Marijuana establishments shall:
1. be located where there is sufficient ingress and egress for traffic to the parcel including
 - a. The approach shall be constructed to a minimum of 28 feet in width where it accesses a borough right-of-way;
 - b. There shall be no parking in borough rights-of-way generated by the marijuana establishment;
 - c. The site development shall delineate a clear route for delivery vehicles which shall allow vehicles to turn safely;
 - d. on-site parking and loading areas shall be designed to preclude vehicles from backing out into the roadway; and
 2. not conduct any business on, or allow any consumer to access, the retail marijuana store's licensed premises, between the hours of 2:00 a.m. and 8:00 a.m. each day; and
 3. be current in all Kenai Peninsula Borough obligations consistent with KPB 7.30.020(A); and
 4. maintain a state license issued pursuant to AS 17.38 and 3 AAC 306.
- D. Applicant is responsible for complying with all federal, state and local laws applicable to marijuana. By issuing a recommendation to the Marijuana Control Board the borough is not authorizing the violation of local, state, or federal law.

- E. The assembly may recommend conditions on a license to meet the following standards: protection against damage to adjacent properties, offsite odors, noise, visual impacts, road damage, and criminal activity, and protection of public safety.

7.30.900. Definitions.

Unless the context requires otherwise, the following definitions apply:

"Marijuana" has the meaning given in Alaska Statute 17.38.900.

"Marijuana cultivation facility" means an entity registered to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers.

"Marijuana establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store as defined in AS 17.38.

"Marijuana product manufacturing facility" means an entity registered to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

"Marijuana products" means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

"Marijuana testing facility" means an entity registered to analyze and certify the safety and potency of marijuana.

"Registered" means issued a registration or license by the State of Alaska.

"Retail marijuana store" means an entity registered to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities, and to sell marijuana and marijuana products to consumers.

"Recreation or Youth Center" means a building, structure, athletic playing field, or playground

- (A) Run or created by a local government or the state to provide athletic, recreational, or leisure activities for minors; or
- (B) Operated by a public or private organization licensed to provide shelter, training, or guidance for persons under 21 years of age.



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

What is this form?

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

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

Section 1 – Establishment Information

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

Licensee:	Alaska Bud Brothers Aerogardens. LLC	License Number:	10216
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Alaska Bud Brothers Aerogardens. LLC		
Premises Address:	22720 Yukon Road		
City:	Kasilof	State:	ALASKA
		ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	James R. Gossman
Title:	Owner
SSN:	



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

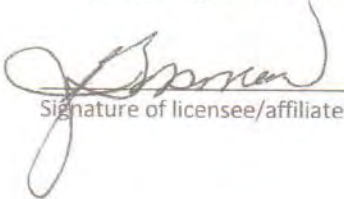
Phone: 907.269.0350

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.

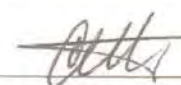
I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

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

Subscribed and sworn to before me this 20 day of April, 2018.




Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

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

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License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Alaska Bud Brothers Aerogardens. LLC				
Premises Address:	22720 Yukon Road				
City:	Kasilof	State:	ALASKA	ZIP:	99610

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Laura J. Gossman
Title:	Owner
SSN:	[REDACTED]

APR 25 '16 10:22



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

Alaska Marijuana Control Board

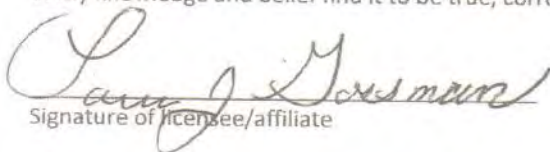
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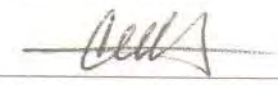
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Signature of licensee/affiliate

Subscribed and sworn to before me this 21 day of April, 2016.




Notary Public in and for the State of Alaska.

My commission expires: 05/05/2018

Alcohol & Marijuana Control Office

Initiating License Application

3/18/2016 6:16:20 AM

License Number: 10216**License Status:** New**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** ALASKA BUD BROTHERS AEROGARDENS LLC**Business License Number:** 1034111**Designated Owner:** James R Gossman**Email Address:** gossmanfamily@gmail.com**Latitude, Longitude:** 60.309000, -151.210000**Physical Address:** 22720 Yukon Road
Kasilof, AK 99610-0571
UNITED STATES**Owner #1****Owner Type:** Entity**Alaska Entity Number:** 10032047**Alaska Entity Name:** Alaska Bud Brothers Aerogarden
s, LLC**Phone Number:** 9073989758**Email Address:** gossmanfamily@gmail.com**Mailing Address:** po box 571
kasilof, AK 99610-0571
UNITED STATES**Affiliate #1****Owner Type:** Individual**Name:** Laura Gossman**SSN:** [REDACTED]**Date of Birth:** 07/04/1954**Phone Number:** 9073989758**Email Address:** gossmanfamily@gmail.com**Mailing Address:** PO Box 571
Kasilof, AK 99610-0571
UNITED STATES**Affiliate #2****Owner Type:** Individual**Name:** James Gossman**SSN:** [REDACTED]**Date of Birth:** 06/20/1957**Phone Number:** 9075932338**Email Address:** gossmanfamily@gmail.com**Mailing Address:** PO Box 571
kasilof, AK 99610-0571
UNITED STATES

LEASE AGREEMENT

THIS LEASE made this 20th day of APRIL, ~~2015~~ ²⁰¹⁶ by and between, Gossman Leasing, LLC., hereinafter referred to as "LESSOR", and Alaska Bud Brothers Aerogardens, LLC., hereinafter referred to as "LESSEE".

WITNESSETH:

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

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

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

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

I

RECITALS

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

II

LEASED PROPERTY

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

22720 YUKON ROAD
KASILOF ALASKA 99610

III

LEASE TERM

The term of this lease shall be for One (1) year commencing on the 1st day of MAY, 2016, and ending on the 31st day of MAY, 2018, unless continued as hereinafter provided.

IV

OPTION TO RENEW

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

V

RENTAL PAYMENTS

- (a) The monthly rental payments due from the 1st day of May, 2016, until the 1st day of May, 2018, shall be THREE THOUSAND DOLLARS (\$3000.00) each and being due on the first day of the month, commencing on the 1st day of May, 2016.
- (b) During any extended term of this Lease Agreement (2018 - 2020), the monthly rental payments which Lessee shall pay to Lessor shall be the sum of (3000⁰⁰) Three THOUSAND DOLLARS (\$ 3000⁰⁰) per month, each being due on the first day of the month.

VI

SECURITY DEPOSIT

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

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

VII

USE OF PREMISES/QUIET ENJOYMENT

The Leased Premises shall be used by Lessee for the purpose of conducting commercial activity. Lessee shall not use or permit the Leased Premises or any part thereof to be used for any purpose in violation of any municipal, borough, state, federal, or other governmental law, ordinance, rule or regulation.

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

VIII

TAXES AND ASSESSMENTS

Lessee, in addition to the rent provided for herein, shall pay all taxes and assessments upon the Lease Premises, and upon the buildings and improvements thereon, which are assessed during the Lease Term or any extension thereof. All taxes assessed prior to but payable in whole or in installments after the effective date of the Lease Term,

and all taxes assessed during the Lease Term but payable in whole or in installments after the Lease Term, shall be adjusted and prorated, so that Lessor shall pay prorated share for the period prior to and for the period subsequent to the Lease Term and Lessee shall pay his/her/their prorated share for the Lease Term.

IX

DEFAULT BY LESSEE AND REMEDIES

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

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

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

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

X

SUBORDINATION

Lessee accepts that this lease is subject and subordinate to any mortgage, deed of trust or other lien presently existing upon the Leased Premises and to any renewals and extensions thereof.

XI

LIENS AND ENCUMBRANCES

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

Lessor shall keep the Leased Premises free and clear from any liens and encumbrances.

(g) Lessee shall do or permit to be done anything which creates a lien upon the premises.

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

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

* SEE
FOOTNOTE

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

FOOTNOTE * EXCEPT MARIJUANA AND MARIJUANA PRODUCTS.

[Signature]

XII

UTILITIES AND OTHER SERVICES

Lessee shall, shall not, at his/her/their expense, furnish all utilities and services used or consumed upon the Leased Premises. Lessor shall not be liable for any loss or damage caused or resulting from any violation, interruption or failure of such utility or services due to any cause whatsoever.

XIII

CONSTRUCTION OF IMPROVEMENTS

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

XIV

MAINTENANCE OF PREMISES

Lessor shall, at his/her/their expense, maintain and keep in good repair the foundations, exterior walls, roof, means of common ingress and egress, and other structural portions of the Leased Premises. Lessee shall, at his/her/their expense, maintain the interior of the Leased Premises at all times in good condition and repair, and shall commit no waste of any kind in, on or about the Leased

Premises, nor create or suffer a nuisance to become on the Leased Premises. At the expiration of the term of this Lease, Lessee shall surrender the Leased Premises to Lessor in good condition, normal wear and tear and damage by fire or other casualty excepted. Lessee shall pay for any and all damage to the Leased Premises, the building located on the Leased Premises and the personal property of Lessor or other tenants or occupants of the Leased Premises, its apparatus or appurtenances. If abnormal wear and tear, abuse or waste of the Leased Premises are found during the term of this Lease, Lessee shall, upon demand by Lessor, immediately eliminate such abnormal wear and tear, abuse or waste and restore the Leased Premises to its condition at the beginning of the Lease, normal wear and tear excepted. Lessee shall be responsible for repair and replacement of doors and window located on the Leased Premises for any cause except for causes attributable to Lessor.

XV

ASSIGNMENT – SUBLEASE

- (a) Lessee shall not assign this Lease Agreement or any interest therein, nor shall this Lease Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court or otherwise, without first obtaining the written consent of Lessor which will not be unreasonably withheld by Lessor. Any unauthorized assignment or transfer of the Lease Agreement or the Leased Premises shall be voidable by Lessor at option. Any assignment or transfer by Lessee with the consent of Lessor shall not relieve Lessee of any of duties and obligations under this Lease Agreement.
- (b) Lessee shall have the right to sublet the whole or any part of the Lease Premises, provided that no part of the Leased Premises shall be sublet for any purpose which is unlawful, dangerous, noxious or offensive. Nor subletting by Lessee shall affect the obligation of Lessee to perform all of the covenants required to be performed by Lessee under the terms of this Lease Agreement.

XVI

INSURANCE

- (a) Lessee, during the lease term, shall carry, at its sole expense, public liability insurance covering the leased premises, and for injury or death to any person, and for injury or death to any number of persons in one accident, and for property damage or destruction. The minimum requirements in this section may be increased by Lessor in accordance with customs and usage for comparable property in the neighboring area.
- (b) All insurance policies required to be maintained by Lessee under subsection (a) above shall name Lessor (or Lessor's designee) and Lessee as the insured, as their respective interests appear. All such policies shall contain an agreement by the insurer(s) that such policies shall not be cancelled without at least ten (10) days' prior written notice to Lessor. Certificates or copies of all insurance policies shall be furnished to Lessor promptly after the issuance thereof.
- (c) Lessor shall not be liable to Lessee, its sublessees, or their respective agents, employees, licensees, and invitees for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with a broad form extended coverage.
- (d) Lessee agrees to maintain, at its own cost and expense, in full force and effect during the term of this lease and any extensions thereof, fire and casualty insurance with extended coverage endorsement covering all of its furniture, fixtures, equipment, records, and any other personal property in the premises for full replacement value.

XVII

INDEMNIFICATION

Lessor shall not be liable to Lessee or to any other person or persons for any injuries or death or for loss for damage to property (including property of Lessee) occurring on the Leased Premises from any cause whatsoever other than the fault or negligence of Lessor, his/her/their agents or employees. Lessee agrees to indemnify and save Lessor harmless from all loss, damage, liability or expense (including expense of defending claims) relating to any action or alleged injury to or death of any person, or actual or alleged loss or damage to property caused by

or resulting from any occurrence to the Leased Premises other than an occurrence resulting from the fault or negligence of Lessor, his/her/their agents or employees.

Lessee shall not be liable to Lessor or to any other person or persons for any injuries or death or for loss or damage to property (including property of Lessor) occurring on the Leased Premises from any cause whatsoever other than the fault or negligence of Lessee, its agents or employees.

XVIII

WAIVER

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

XIX

NOTICES

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

LESSOR:

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

LESSEE:

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

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

XX

HOLDING OVER

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

XXI

BENEFIT

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

XXII

DEFINITIONS

The words "Lessor", "Lessors", and "Lessee", "Lessees" as used in this lease shall include both the singular and plural, the masculine, the feminine and the neuter whenever appropriate and shall include any individual or person acting in a fiduciary capacity as an executor, administrator, trustee or in any other representative capacity. The titles of paragraphs herein are for identification only and not to be considered to be a part of this lease nor to be restrictive in any manner of the provisions of any of the paragraphs of this lease.

XXIII

INVALIDITY

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

XXIV

APPLICABLE LAW

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

SIGNATURES

LESSOR: Gossman Leasing, LLC

By: Larry J. Gossman / Owner

LESSEE: Alaska Bud Brothers Aerogardens, LLC.

By: J. Gossman (Owner)

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA, }
STATE OF ALASKA } ss:

Denise Reece being first duly
sworn, on oath deposes and says:

That I am and was at all times here in this
affidavit mentions, Supervisor of Legals of the
Morris Publishing Group/Peninsula Clarion, a
newspaper of general circulation and pub-
lished at Kenai, Alaska, that the
Standard Cultivation Marijuana Facility

a printed copy of which is hereto annexed was
published in said paper one each and
every week for three successive and
consecutive weeks in the issues on the
following dates:

March 22, 29, 2016

April 5, 2016

X Denise Reece

SUBSCRIBED AND SWORN to me before
this 5th day of April, 2016

L Peikert

NOTARY PUBLIC in favor for the
State of Alaska.

My Commission expires 07-09-2017

STANDARD MARIJUANA CULTIVATION FACILITY LICENSE

Alaska Bud Brothers Aerogardens, LLC is applying for a new Standard Marijuana Cultivation Facility License 3 AAC 306.400(1), d/b/a ALASKA BUD BROTHERS AEROGARDENS LLC located at 22720 Yukon Road, Kaslof, AK, 99610-0571, UNITED STATES.

Interested persons should submit written comment or objection to their local government, the applicant, and to the Alcohol & Marijuana Control Office at 550 W 7th Ave, Suite 1600, Anchorage, AK 99501 or to marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

PUBLISH: 3/22, 29, 4/5, 2016 2683/715699

