

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600 Anchorage, AK 99501 Main: 907.269.0350

November 17, 2017

Kenai Peninsula Borough Attn: Johni Blankenship

VIA Email: jblankenship@kpb.us
CC: micheleturner@kpb.us

kring@kpb.us

License Number:	13257
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Alaska Growth, LLC
Doing Business As:	ALASKA GROWTH
Physical Address:	49787 Island Lake Road Nikiski, AK 99635
Designated Licensee:	Jon A. Tuttle
Phone Number:	907-670-7591
Email Address:	mail@alaskagrowth.biz

New Application ■	☐ Transfer of Ownership Application	☐ Onsite Consumption Endorsement
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AMCO has received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

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

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

This application will be in front of the Marijuana Control Board at our January 24-25, 2018 meeting.

Sincerely,

Enha McConnell

Erika McConnell, Director amco.localgovernmentonly@alaska.gov

Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional

Licensing

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

Name(s)

Туре	Name
Legal Name	Alaska Growth, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company

Entity #: 10059348
Status: Good Standing
AK Formed Date: 5/18/2017

Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2019

Entity Mailing Address: PO BOX 7055, NIKISKI, AK 99635

Entity Physical Address: 49787 ISLAND LAKE RD., NIKISKI, AK 99635

REGISTERED AGENT

Agent Name: Jana Weltzin

Registered Mailing Address: 3003 MINNESOTA DR., SUITE 201, ANCHORAGE, AK 99503 Registered Physical Address: 3003 MINNESOTA DR., SUITE 201, ANCHORAGE, AK 99503

OFFICIALS

Show Former

AK Entity #	Name	Titles	Owned
	Jon A. Tuttle	Member, Manager	100

FILED DOCUMENTS

Date Filed	Туре	Filing	Certificate
5/18/2017	Creation Filing	Click to View	Click to View
5/18/2017	Initial Report	Click to View	

Juneau Mailing Address

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

Physical Address

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

Phone Numbers

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

Anchorage Mailing/Physical Address

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

Phone Numbers

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

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State of Alaska

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

Certificate of Organization

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

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

Alaska Growth, LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **May 18, 2017**.

Chris Hladick Commissioner

Of Halix

OPERATING AGREEMENT

Alaska Growth, LLC an Alaska limited liability company

TABLE OF CONTENTS

SECTION I: FORMATION; NAME AND OFFICE; PURPOSE	1
SECTION II: DEFINITIONS	2
SECTION III: CAPITAL CONTRIBUTIONS	4
SECTION IV: DISTRIBUTIONS	5
SECTION V: MANAGEMENT	6
SECTION VI: MEMBERS	10
SECTION VII: TRANSFERS AND WITHDRAWALS	12
SECTION VIII: DISSOLUTION AND TERMINATION	14
SECTION IX: OTHER INTERESTS OF AN INTEREST HOLDER	15
SECTION X: INDEMNITY	16
SECTION XI: MISCELLANEOUS	17
SECTION XII: ARBITRATION	18
SECTION XIII: AGREEMENT OF SPOUSES OF MEMBERS	19
SECTION XIV: REPRESENTATION	19
EXHIBIT A: MEMBERS, CAPITAL CONTRIBUTIONS, AND INTEREST	21
EXHIBIT B: TAX MATTERS	22
FYHIRIT C. Pudchase Poice Of A Membed's Intedest And Payment Terms	32

OPERATING AGREEMENT OF

Alaska Growth, LLC an Alaska limited liability company

THIS OPERATING AGREEMENT (this "Agreement") is entered into to be effective as of <u>August 18</u>, 2017 (the "Effective Date"), by and among each of the persons listed on <u>Exhibit A</u> and executing this Agreement, or a counterpart thereof, as Members of Alaska Growth, LLC, an Alaska limited liability company (the "Company").

Section I Formation; Name and Office; Purpose

- 1.1. Formation. Pursuant to the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995 (the "Act"), the parties have formed an Alaska limited liability company effective upon the filing of the Articles of Organization of this Company (the "Articles") with the State of Alaska Department of Commerce, Community, and Economic Development. The parties have executed this Agreement to serve as the "Operating Agreement" of the Company, as that term is defined in A.S. section 10.50.095, and, subject to any applicable restrictions set forth in the Act, the business and affairs of the Company, and the relationships of the parties to one another, shall be operated in accordance with and governed bythe terms and conditions set forth in this Agreement. By executing this Agreement, the Members certify that those executing this Agreement constitute all of the Members of the Company at the time of its formation. The parties agree to execute all amendments of the Articles, and do all filing, publication, and other acts as may be appropriate from time to time hereafter to comply with the requirements of the Act.
- 1.2. Name and Known Place of Business. The Company shall be conducted under the name of, Alaska Growth, LLC and the known place of business of the Company shall be at 49787 Island Lake Rd., Nikiski, AK 99635, or such other place as the Members may from time to time determine.
 - 1.3. *Purpose*. The purpose and business of this Company shall be to operate a state licensed cultivation establishment for cannabis and related crops and goods, and any other lawful purpose as may be determined by the Members. The Company shall have the power to do any and all acts and things necessary, appropriate, or incidental in furtherance of such purpose.
 - 1.4. Treatment as a Partnership. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a partnership for federal income tax purposes, but that the Company shall not be operated or treated as a

partnership for purposes of the federal Bankruptcy Code. No Member shall take any action inconsistent with this intent.

Section II Definitions

The following terms shall have the meanings set forth in this Section II:

"Act" means the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995, as amended from time to time (or any corresponding provisions of succeeding law).

"Affiliate" means, with respect to any Interest Holder or Member, any Person: (i) who is a member of the Interest Holder's or Member's Family; (ii) which owns more than ten percent (10%) of the voting or economic interests in the Interest Holder or Member; (iii) in which the Interest Holder or Member owns more than ten percent (10%) of the voting or economic interests; or (iv) in which more than ten percent (10%) of the voting or economic interests are owned by a Person who has a relationship with the Interest Holder or Member described in clause (i), (ii), or (iii) above.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by an Interest Holder, net of liabilities secured by the contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the Members. Cash Flow shall be increased by the reduction of any reserve previously established.

"Event of Withdrawal" means those events and circumstances listed in Section 10.50.220 and 10.50.225 of the Act provided, however, that following an Event of Withdrawal described in Section 10.50.220 and 10.50.225(4) of the Act the Member shall remain a Member until it ceases to exist as a legal entity.

"Family" means a Person's spouse, lineal ancestor, or descendant by birth or adoption, sibling, and trust for the benefit of such Person or any of the foregoing.

"Fiscal Year" or "Annual Period" means the fiscal year of the Company, as determined under Section V.

"Interest" means a Person's share of the Profits and Losses (and specially allocated items of income, gain, and deduction) of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member.

"Involuntary Transfer" shall include, without limitation, any Transfer of a Member or Interest Holder's Interest pursuant to any order of any court relating to any petition for divorce, legal separation, marital dissolution, or annulment, or any guardianship, conservatorship, or other protective proceeding.

"Majority in Interest" means one or more Members who own, collectively, a simple majority of the Percentage Interests held by Members.

"Majority of the Members" means one or more of the Members, regardless of the Percentage Interest held by the Members.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company until such time as an Event of Withdrawal has occurred with respect to such Member.

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest, (ii) right to inspect the Company's books and records, and (iii) right to participate in the management of and vote on matters coming before the Company.

"Percentage Interest" means, as to a Member, the percentage set forth after the Member's name on **Exhibit A**, as amended from time to time, and, as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Property" means all real and personal property (including cash) acquired by the Company, and any improvements thereto.

"Transfer" means, when used as a noun, any voluntary or involuntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily or involuntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Section III Capital Contributions

3.1. *Capital Contributions*.

- 3.1.1. *Initial Capital Contributions*. Upon the execution of this Agreement, the Members have or shall make contributions to the capital of the Company as set forth in **Exhibit A** attached hereto and by this reference made a part hereof.
- 3.1.2. *Additional Capital Contributions*. No Member shall be required to contribute any additional capital to the Company, and no Member shall have any personal liability for any obligation of the Company.
- 3.2. Withdrawal or Return of Capital Contributions. Except as specifically provided in this Agreement, no Interest Holder shall have the right to withdraw or reduce the Capital Contributions he or she makes to the Company. Upon dissolution of the Company or liquidation of his or her interest in the Company, each Interest Holder shall look solely to the assets of the Company for return of his or her Capital Contributions and, if the Company's property remaining after the payment or discharge of the debts, obligations, and liabilities of the Company is insufficient to return the Capital contributions of each Interest Holder, no Interest Holder shall have any recourse against the Company, any Interest Holder, or Member except for gross negligence, malfeasance, bad faith, or fraud.
- 3.3. Form of Return of Capital. Under circumstances requiring a return of any Capital Contributions, no Interest Holder shall have the right to receive property other than cash except as may be specifically provided herein.
- 3.4. *In the Event of Member Loans*. All Member Loans made pursuant to Section 3.5 shall bear interest at the prime rate of interest as reported by *the Wall Street Journal Western Edition*, shall be unsecured, and shall be repaid in full out of available funds of the Company before any distribution may be made to any Member. If more than one Member has made a Member Loan, repayment shall be made to each Member in proportion to the amount of principal each has advanced.

Section IV

Distributions

4.1. *Distributions*. Except as otherwise provided in this Agreement, distributions shall be made to the Interest Holders at such times and in such amounts as determined by the Members. Distributions will be made to Interest Holders *pro rata*, in proportion to their Percentage Interests.

4.2. *General*.

- 4.2.1. Form of Distribution. In connection with any distribution, no Interest Holder shall have the right to receive Property other than cash except as may be specifically provided herein. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Interest Holders otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Members.
- 4.2.2. Withholding. All amounts required to be withheld pursuant to Code Section 1446 or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.
- 4.2.3. Varying Interests; Distributions in Respect to Transferred Interests. If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, all distributions on or before the date of such transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making distributions, and allocating Profits, Losses, and other items of income, gain, loss, and deduction pursuant to **Exhibit B** hereof, the Company shall recognize the

transfer not later than the end of the calendar month during which it is given notice of such, provided that if the Company does not receive a notice stating the date such Interest was transferred and such other information as it may reasonably require within thirty (30) days after the end of the Fiscal Year during which the transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the transfer occurs, was the owner of the Interest. Neither the Company nor any Interest Holder shall incur any liability for making allocations and distributions in accordance with the provisions of this Section, whether or not any Interest Holder or the Company has knowledge of any transfer of ownership of Interest.

Section V Management

- 5.1. *Management*. Subject to the rights under the Act or the provisions of this Agreement to approve certain actions, the business and affairs of the Company shall be managed exclusively by its Manager. The Members shall vote and select a Manager that will direct, manage, and control the business of the Company to the best of their ability and, subject only to those restrictions set forth in the Act or this Agreement, shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things which the Manager deem appropriate to accomplish the business and objectives of the Company. Each Member agrees not to incur any liability on behalf of the other Members or otherwise enter into any transaction or do anything which will subject the other Members to any liability, except in all instances as contemplated hereby. All substantial business decisions shall be put to a majority vote by the members.
- 52. Certain Management Powers of the Manager. Without limiting the generality of Section 5.1, the Manager shall have power and authority on behalf of the Company:
- 5.2.1. In the ordinary course of business, to acquire property from and sell property to any person as the Manager may determine after a majority approval vote of all members interest. The fact that a Manager is directly or indirectly affiliated or connected with any such person shall not prohibit dealing with that Person;
- 5.2.2. Subject to approval by a Majority of the Members under Section 5.3.4, to use credit facilities and borrow money for the Company from banks, other lending institutions, the Interest Holders, or Affiliates of the Interest Holders, on such terms as approved by the Members, 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 or other obligation shall be contracted or liability incurred by or on behalf of the Company by the Member;

- 5.2.3. To purchase liability and other insurance to protect the Members and the Company's property and business;
- 5.2.4. Subject to approval by a Majority of the Members, to hold and own any Company real and personal property in the name of the Company or others as provided in this Agreement;
- 5.2.5. Subject to approval by a Majority of the Members, 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, and any other instruments or documents necessary, in the opinion of the Member, to accomplish the purposes of the Company;
- 5.2.6. To employ accountants, legal counsel, managing agents, or other experts to perform services for the Company and compensate them from Company funds;
- 5.2.7. Except for the agreements described in Section 5.3.6 below, 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 Manger may approve;
- 5.2.8. To vote any shares or interests in other entities in which Company holds an interest;
- 5.2.9. To do and perform all other acts as may be necessary or appropriate to accomplish the purposes of the Company; and
- 5.2.10. To take such other actions as do not expressly require the consent of any non-managing Members under this Agreement.

A Manager may act by a duly authorized attorney-in-fact. Unless authorized to do so by this Agreement, no Member, agent, or employee 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 for any purpose.

- 53. Actions Requiring Approval of the Members. In addition to those actions for which this Agreement specifically requires the consent of the Members, the following actions require approval by a Majority of the Members:
- 5.3.1. Amend this Agreement or the Articles, except that any amendments required under the Act to correct an inaccuracy in the Articles may be filed at any time;

- 5.3.2. Authorize the Company to make an assignment for the benefit of creditors of the Company, file a voluntary petition in bankruptcy, or consent to the appointment of a receiver for the Company or its assets; or
- 5.3.3. Approve a plan of merger or consolidation of the Company with or into one or more business entities;
- 5.3.4. Borrow money for the Company from banks, other lending institutions, the Interest Holders, Members, or Affiliates of the Interest Holders or to hypothecate, encumber, or grant security interests in the assets of the Company;
- 5.3.5. Sell or otherwise dispose of all or substantially all of the assets of the Company in a single transaction or a series of related transactions; or
- 5.3.6. Enter into any contract or agreement between the Company and any Member, Interest Holder, or Affiliate of a Member or Interest Holder without the consent of a Majority of the Members.
- 5.4. Member Has No Exclusive Duty to Company. The Members shall not be required to manage the Company as the Members' sole and exclusive function and the Members may engage in other business and investment activities in addition to those relating to the Company. Neither the Company nor any Interest Holder shall have any right, solely by virtue of this Agreement or its relationship to a Member or the Company, to share or participate in any such other investments or activities of the Members or to the income or proceeds derived therefrom. Members shall not have any obligation to disclose any such other investments or activities to the Interest Holders unless it actually or potentially adversely affects the business or property of the Company.
- 55. Compensation and Expenses. The Company may enter into management or employment contracts, under such terms and conditions and providing for such compensation as shall be approved by the Members as provided herein, with one or more Member or Interest Holders or Persons Affiliated with the Member or Interest Holders.
- 5.6. Books and Records. At the expense of the Company, the Members shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with sound accounting practices and kept at the Company's known place of business and such other location or locations as the Members shall from time to time determine. At a minimum the Company shall keep at its known place of business the following records:

- 5.6.1. A current list of the full name and last known business, residence, or mailing address of each Member;
- 5.6.2. A copy of the initial Articles and all amendments thereto and restatements thereof;
- 5.6.3. Copies of the Company's federal, state, and local income tax returns and reports, if *any*, for the three most recent fiscal years;
- 5.6.4. Copies of this Agreement and all amendments hereto or restatements hereof, including any prior operating agreements no longer in effect;
- 5.6.5. Copies of any documents relating to a Member's obligation to contribute cash, property, or services to the Company;
- 5.6.6. Copies of any financial statements of the Company for the three (3) most recent fiscal years; and
- 5.6.7. Copies of minutes of all meetings of the Members and all written consents obtained from Members for actions taken by Members without a meeting.
- 5.7. Financial Accounting / Member Access to Books and Records. The Members shall prepare and make available a financial accounting of the Company no less than once every sixty (60) days. Within three (3) calendar days following written notice, which may be submitted in writing, via facsimile or electronic mail, each Member shall have the right, during normal business hours, to inspect and copy, at the Member's expense, the Company's books and records.
- 5.8. Reports. Within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was a Member at any time during the Fiscal Year a complete accounting of the affairs of the Company for the Fiscal Year then ended. In addition, within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was an Interest Holder at any time during the Fiscal Year, the tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the Members shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.
 - 5.9. *Title to Company Property.*

- 5.9.1. Except as provided in Section 5.9.2, all real and personal property acquired by the Company shall be acquired and held by the Company in its name.
- 5.9.2. Ten (10) days after giving notice, the Members may direct that legal title to all or any portion of the Company's property be acquired or held in a name other than the Company's name. Without limiting the foregoing, the Members may cause title to be acquired and held any one Member's name or in the names of trustees, nominees, or straw parties for the Company. It is expressly understood and agreed that the manner of holding title to the Company's property (or any part thereof) is solely for the convenience of the Company and all of that property shall be treated as Company property. The notice to be given to the Members under this section shall identify the asset or assets to be titled outside of the Company name, the Person in whom legal title is intended to vest, and the reason for the proposed transaction. If any Member provides written notice of an objection to the transaction before the expiration of the ten (10) day period, the transaction shall not be consummated except upon approval of a Majority of the Members.

Section VI Members

- 6.1. *Meetings*. Unless otherwise prescribed by the Act, meetings of the Members may be called, for any purpose or purposes, by a Majority of the Members.
- 6.2. *Place of Meetings*. Whoever calls the meeting may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members.
- 6.3. Notice of Meetings. Except as provided in this Agreement, written notice stating the date, time, and place of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered not less than three (3) nor more than fifty (50) days before the date of the meeting, either personally or by mail, electronic mail, facsimile, or overnight or next-day delivery services by or at the direction of the person or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the Member at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or fax number, if any, for the respective Member which has been supplied by such Member to the Company and identified as such Member's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the Member at his or her address as it appears on the books of the Company. When a meeting is adjourned to another time or place, notice need

not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty (30) days. At the adjourned meeting the Company may transact any business which might have been transacted at the original meeting.

- 6.4. *Meeting of All Members*. If all of the Members shall meet at any time and place, including by conference telephone call, either within or outside of the State of Alaska, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice.
- 6.5. Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless notice of the adjourned meeting is required to be given pursuant to Section 6.3.
- 6.6. *Quorum*. A Majority of the Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. Business may be conducted once a quorum is present.
- 6.7. Voting Rights of Members. Each Member shall be entitled to one (1) vote on all matters stipulated herein. If all of an Interest is transferred to an assignee who does not become a Member, the Member from whom the Interest is transferred shall no longer be entitled to vote. No withdrawn Member shall be entitled to vote nor shall such Member's Interest be considered outstanding for any purpose pertaining to meetings or voting.
- 6.8. *Manner of Acting*. Unless otherwise provided in the Act, the Articles, or this Agreement, the affirmative vote of a Majority of the Members at a meeting at which a quorum is present shall be the act of the Members.
- 6.9. *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. Such proxy shall be filed with the Company before or at the time of its exercise. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.
- 6.10. Action by Members without a Meeting. Any 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, circulated to all the Members with an explanation of the background and reasons for the proposed action, signed by that percentage or number of the Members required to take or approve the action. Any such

written consent shall be delivered to the Members of the Company for inclusion in the minutes or for filing with the Company records. Action taken by written consent under this Section shall be effective on the date the required percentage or number of the Members have signed and delivered the consent to all Members, 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 written consent is circulated to the Members.

- 6.11. *Telephonic Communication*. Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person, except where the Member participates in the meeting for the express purpose of objecting to the transaction of any business on the ground the meeting is not lawfully called or convened.
- 6.12. Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

Section VII Transfers and Withdrawals

- 7.1. Transfers. Except as otherwise provided in this Section VII no Member may Transfer all, or any portion of, or any interest or rights in, the Membership Rights owned by the Member, and no Interest Holder may Transfer all, or any portion of, or any interest or rights in, any Interest without the prior written consent of the other Members, which consent may be withheld in the Members' sole and absolute discretion. Any sale or foreclosure of a security interest will itself constitute a Transfer independent of the grant of security. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this Section shall be deemed invalid, null, and void, and of no force or effect. Any Person to whom Membership Rights or an Interest are attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive allocations or distributions from the Company, or have any other rights in or with respect to the Membership Rights or Interest.
- 72 Withdrawal. Except as otherwise provided in this Agreement, no Member shall have the right to withdraw from the Company. Any such withdrawal shall constitute a material breach of this Agreement and the Company shall have the right to recover damages from the withdrawn member and to offset the damages against any amounts otherwise distributable to such Member under this Agreement.

- 73. Option on Death, Bankruptcy or Involuntary Transfer. On the death, bankruptcy, or similar event (whether voluntary or involuntary) of a Member or Interest Holder, and upon any Involuntary Transfer, the Member or Interest Holder (or such Person's estate) shall offer, or shall automatically be deemed to have offered, to sell the Member's or Interest Holder's Interest to the Company or its nominee. Upon the approval of a Majority of the Members other than the offering Member, the Company or its nominee shall have the right and option, within seventy-five (75) days after the Members' actual knowledge of the death, bankruptcy, or similar event, to acquire the Interest, for the purchase price and on the terms set forth in **Exhibit C** attached hereto and made a part hereof. If the Interest is not purchased by the Company or its nominee, the Interest shall be transferred to the assignee of the Interest but shall remain fully subject to and bound by the terms of this Agreement.
- 74. No Transfer of Membership Rights. The Transfer of an Interest shall not result in the Transfer of any of the Transferring Member's other Membership Rights, if any, and unless the transferee is admitted as a Member pursuant to Section VII of this Agreement, the transferee shall only be entitled to receive, to the extent transferred, the share of distributions, including distributions representing the return of contributions, and the allocation of Profits and Losses (and other items of income, gain, or deduction), to which the Transferring Member would have otherwise been entitled with respect to the Transferring Member's Interest. The transferee shall have no right to participate in the management of the business and affairs of the Company or to become or to exercise any rights of a Member.
- 75. Substitute Members. Notwithstanding any provision of this Agreement to the contrary, an assignee of a Member may only be admitted as a substitute Member upon the written consent of a Majority of the non-transferring Members, which consent may be withheld in the Members' sole and absolute discretion.
- 7.6. Additional Members. The Company shall not issue additional Interests after the date of formation of the Company without the written consent or approval of a Majority of the Members, which consent may be withheld in the Members' sole and absolute discretion.
- 7.7. Expenses. Expenses of the Company or of any Interest Holder occasioned by transfers of Interests shall be reimbursed to the Company or Interest Holder, as the case may be, by the transferee.
- 7.8 Distributions on Withdrawal. Upon the occurrence of an Event of Withdrawal with respect to a Member, the withdrawn Member shall not be entitled to receive a withdrawal distribution but the withdrawn Member (or the withdrawn Member's

personal representatives, successors, and assigns) shall be entitled to receive the share of distributions, including distributions representing a return of Capital Contributions, and the allocation of Profits and Losses, to which the withdrawn Member otherwise would have been entitled if the Event of Withdrawal had not occurred, during the continuation of the business of the Company and during and on completion of winding up. If the Event of Withdrawal violated this Agreement, the distributions paid to the withdrawn Member shall be offset by any damages suffered by the Company or its Members as a result of the Event of Withdrawal.

Section VIII Dissolution and Termination

8.1. *Dissolution*.

- 8.1.1. *Events of Dissolution*. The Company will be dissolved upon the occurrence of any of the following events:
 - 8.1.1.1. Upon the written consent of a Majority of the Members;
- 8.1.1.2. Upon the entry of a decree of dissolution under Section 10.50.405 of the Act or an administrative dissolution under Section 10.50.408 of the Act;
- 8.1.1.3. Upon the sale or other disposition of all or substantially all of the Company's assets and receipt by the Company of the proceeds therefrom; or
- 8.1.1.4. Upon the occurrence of an Event of Withdrawal of the last remaining Member unless within ninety (90) days all assignees of Interests in the Company consent in writing to admit at least one member to continue the business of the company.
- 8.2. *Continuation*. An Event of Withdrawal with respect to a Member shall not cause dissolution, and the Company shall automatically continue following such an Event of Withdrawal.
- 8.3. Distributions and Other Matters. The Company shall not terminate until its affairs have been wound up and its assets distributed as provided herein. Promptly upon the dissolution of the Company, the Members shall cause to be executed and filed a Notice of Winding Up with the Alaska Department of Commerce, Community, and Economic Development, and will liquidate the assets of the Company and apply and distribute the proceeds of such liquidation, or distribute the Company's assets in kind, as follows and in the following order:

- 8.3.1. *Ordinary Debts*. To payment of the debts and liabilities of the Company, including debts owed to Interest Holders, in the order of priority provided by law; provided that the Company shall first pay, to the extent permitted by law, liabilities with respect to which any Interest Holder is or may be personally liable;
- 8.3.2. *Reserves and Distributions*. To the setting up of such reserves as the Members may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company business;
- 8.3.3. *Remainder*. The balance of the proceeds shall be distributed to the Interest Holders in accordance with the positive balance in their Capital Accounts, determined as though all of the Company assets were sold for cash at their fair market value as of the date of distribution. Any such distributions shall be made in accordance with the timing requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).
- 8.4. Deficit Capital Accounts. Notwithstanding anything to the contrary in this Agreement, if any Interest Holder's Capital Account has a deficit balance (taking into account all contributions, distributions, and allocations for the year in which a liquidation occurs), the Interest Holder shall not be obligated to make any contribution to the capital of the Company and the negative balance of such Interest Holder's Capital Account shall not be considered a debt owed by the Interest Holder to the Company or to any other person for any purpose whatsoever.
- 8.5. Rights of Interest Holders—Distributions of Property. Except as otherwise provided in this Agreement, each Interest Holder shall look solely to the assets of the Company for the return of his or her Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company. No Interest Holder shall have priority over any other Interest Holder for the return of his or her Capital Contributions, distributions, or allocations.
- 8.6. Articles of Termination. When all the assets of the Company have been distributed as provided herein, the Members shall cause to be executed and filed Articles of Termination as required by the Act.

Section IX Other Interests of an Interest Holder

Any Interest Holder may engage in or possess interests in other business ventures of every nature and description, independently or with others. Neither the Company nor any Interest Holder shall have any right to any independent ventures of any other Interest Holder or to the income or profits derived therefrom. The fact that an Interest Holder, a member of his or her Family, or an Affiliate is employed by, or owns, or is otherwise

directly or indirectly interested in or connected with, any person, firm, or corporation employed or retained by the Company to render or perform services, including without limitation, management, contracting, mortgage placement, financing, brokerage, or other services, or from whom the Company may buy property or merchandise, borrow money, arrange financing, or place securities, or may lease real property to or from the Company, shall not prohibit the Company from entering into contracts with or employing that person, firm, or corporation or otherwise dealing with him or it, and neither the Company nor any of the Interest Holders as such shall have any rights in or to any income or Profits derived therefrom.

Section X Indemnity

- 10.1. *Indemnity Rights*. The Company shall indemnify each Interest Holder who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of his or her actions as an Interest Holder or by reason of his or her acts while serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, and against judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, provided that the acts of such Interest Holder were not committed with gross negligence or willful misconduct, and, with respect to any criminal action or proceeding, such Interest Holder had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest or its equivalent, shall not, in and of itself, create a presumption that the Interest Holder acted with gross negligence or willful misconduct, or with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.
- 102. Notice and Defense. Any Interest Holder who is or may be entitled to indemnification shall give timely written notice to the Company, the Interest Holders that a claim has been or is about to be made against him or her, shall permit the Company to defend him or her through legal counsel of its own choosing, and shall cooperate with the Company in defending against the claim. The Interest Holder shall have the sole power and authority to determine the terms and conditions of any settlement of the claim.
- 103. Other Sources. The indemnification provided for herein shall apply only in the event, and to the extent that, the person is not entitled to indemnification, or other payment, from any other source (including insurance), and the Company's indemnity obligations hereunder shall be in excess of any indemnification or other payment provided by such other source.

10.4. Survival. The indemnification provided for herein shall continue as to a person who has ceased to be an Interest Holder and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section XI Miscellaneous

- 11.1. *Notices*. Any notice, demand, offer, or other communication which any person is required or may desire to give to any other person shall be delivered in person or by United States mail, electronic mail, facsimile, or overnight or next-day delivery service. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the person at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or facsimile number, if any, for the person which has been supplied by such person and identified as such person's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the person at his or her address as it appears on the books of the Company.
- 112 Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Members shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.
- 113. *Partial Invalidity*. The invalidity of any portion of this Agreement will not affect the validity of the remainder hereof.
- 11.4. Governing Law; Parties in Interest. This Agreement will be governed by and construed according to the laws of the State of Alaska without regard to conflicts of law principles and will bind and inure to the benefit of the heirs, successors, assigns, and personal representatives of the parties.
- 115. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.
- 11.6. *Titles and Captions*. All article, section, or paragraph titles or captions contained in this Agreement are for convenience only and are not deemed part of the context thereof.

- 11.7. *Pronouns and Plurals*. All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.
- 11.8 Waiver of Action for Partition. Each of the Interest Holders irrevocably waive any right that he or she may have to maintain any action for partition with respect to any of the Company Property.
- 119. Entire Agreement. This Agreement contains the entire understanding between the parties, and supersedes any prior understandings and agreements between or among them with respect to the subject matter hereof.
- 11.10. Estoppel Certificate. Each Member shall, within ten (10) days after written request by any Member or the Members, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof.

Section XII Arbitration

If the parties are unable to resolve any dispute arising out of this Agreement either during or after its term informally, including the question as to whether any particular matter is arbitrable, the parties agree to submit the matter to binding arbitration. In the event the parties have not agreed upon an arbitrator within twenty (20) days after either party has demanded arbitration, either party may file a demand for arbitration with an Alaska regional office of the American Arbitration Association ("AAA") and a single arbitrator shall be appointed in accordance with the then existing Commercial Arbitration Rules of the AAA. At all times during arbitration, the arbitrator shall consider that the purpose of arbitration is to provide for the efficient and inexpensive resolution of disputes, and the arbitrator shall limit discovery whenever appropriate to insure that this purpose is preserved. The dispute between the parties shall be submitted for determination within sixty (60) days after the arbitrator has been selected. The decision of the arbitrator shall be rendered within thirty (30) days after the conclusion of the arbitration hearing. The decision of the arbitrator shall be in writing and shall specify the factual and legal basis for the decision. Upon stipulation of the parties, or upon a showing of good cause by either party, the arbitrator may lengthen or shorten the time periods set forth herein for conducting the hearing or for rendering a decision. The decision of the arbitrator shall be final and binding upon the parties. Judgment to enforce the decision of the arbitrator, whether for legal or equitable relief, may be entered in any court having jurisdiction thereof, and the parties

hereto expressly and irrevocably consent to the jurisdiction of the Alaska Courts for such purpose. The arbitrator shall conduct all proceedings pursuant to the then existing Commercial Arbitration Rules of the AAA, to the extent such rules are not inconsistent with the provisions of this Article III. The AAA Uniform Rules of Procedure shall not apply to any arbitration proceeding relating to the subject matter or terms of the documents. In the event a dispute is submitted to arbitration pursuant to this Section, the prevailing party shall be entitled to the payment of its reasonable attorneys' fees and costs, as determined by the arbitrator. Each of the parties shall keep all disputes and arbitration proceedings strictly confidential, except for disclosures of information required by applicable law or regulation.

Section XIII Agreement of Spouses of Members

By executing this Agreement, the spouse of each Interest Holder acknowledges and consents to the terms and conditions of this Agreement and agrees, for himself or herself and for the community of himself and herself and the Interest Holder, to be bound hereby. Each spouse of an Interest Holder, for himself or herself and the community of which he or she is a member, hereby irrevocably appoints the Interest Holder as attorney-in-fact with an irrevocable proxy coupled with an Interest to vote on any matter to come before the Members or to agree to and execute any amendments of this Agreement without further consent or acknowledgment of the spouse and to execute proxies, instruments, or documents in the spouse's name as may be required to effect the same. This power of attorney is intended to be durable and shall not be affected by disability of the spouse.

Section XIV Representation

The parties hereby acknowledge that (i) JDW, LLC (the "Firm") has <u>not</u> represented Alaska Growth, LLC in connection with the drafting of this Operating Agreement and said drafting of this Operating Agreement is merely for convience purposes and not indicative of representation; (ii) that each of the signatories has been advised to seek independent counsel in connection with such matters. Payment of the Firm's fees by the Company shall not alter or amend any of the relationships.

IN WITNESS WHEREOF, the Members have executed this Operating Agreement, effective as of the date first set forth above.

Signatures of the Members follow on Page 21.

MEMBERS:

Jon A. Tuttle

ALASKA GROWTH, LLC OPERATING AGREEMENT

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EXHIBIT A

Members, Capital Contributions, and Interest

<u>Member</u>	Initial Capital Contribution	Current Capital Account	Percentage Interest
Jon A. Tuttle			100.00%
Total			100.00%

EXHIBIT B

Tax Matters

- 1. *Definitions*. The capitalized words and phrases used in this **Exhibit B** shall have the following meanings:
- 1.1. "Adjusted Book Value" means with respect to Company Property, the Property's Initial Book Value with the adjustments required under this Agreement.
- 1.2. "Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:
- 121. the Capital Account shall be increased by the amounts which the Interest Holder is obligated to restore under this Agreement or is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and
- 122. the Capital Account shall be decreased by the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

This definition of Adjusted Capital Account Deficit is intended to comply with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with that Regulation.

- 1.3. "Capital Account" means the account maintained by the Company for each Interest Holder in accordance with the following provisions:
- 13.1. An Interest Holder's Capital Account shall be credited with the amount of money contributed by the Interest Holder to the Company; the fair market value of the Property contributed by the Interest Holder to the Company (net of liabilities secured by such contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code); the Interest Holder's allocable share of Profit and items of income and gain; and the amount of Company liabilities that are assumed by the Interest Holder under Regulation Section 1.704-1(b)(2)(iv)(c);
- 132. An Interest Holder's Capital Account shall be debited with the amount of money distributed to the Interest Holder; the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed Property that the Interest Holder is considered to assume or take subject to under Section 752 of the Code); the Interest Holder's allocable share of Loss and items of deduction; and the amount

of the Interest Holder's liabilities that are assumed by the Company under Regulation Section 1.704-1(b)(2)(iv)(c);

- 133. If Company Property is distributed to an Interest Holder, the Capital Accounts of all Interest Holders shall be adjusted as if the distributed Property had been sold in a taxable disposition for the gross fair market value of such Property on the date of distribution (taking into account Section 7701 of the Code) and the Profit or Loss from such disposition allocated to the Interest Holders as provided in this **Exhibit B**.
- 134. If money or other Property (other than a *de minimis* amount) is (a) contributed to the Company by a new or existing Interest Holder in exchange for an interest in the Company; or (b) distributed by the Company to a retiring or continuing Interest Holder as consideration for an interest in the Company; then, if the Members deem such an adjustment to be necessary to reflect the economic interests of the Interest Holders, the Book Value of the Company's Property shall be adjusted to equal its gross fair market value on such date (taking into account Section 7701(g) of the Code) and the Capital Accounts of all Interest Holders shall be adjusted in the same manner as if all the Company Property had been sold in a taxable disposition for such amount on such date and the Profit or Loss allocated to the Interest Holders as provided in this **Exhibit B**.
- 135. To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the Book Value of the Company's Property and the Capital Account of the Interest Holders shall be adjusted in a manner consistent with the manner in which the Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.
- 13.6. If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts or the Adjusted Book Value of Company Property shall be interpreted and applied in a manner consistent with that Section of the Regulations.
- 1.4. "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.
- 1.5. "Company Minimum Gain" has the meaning set forth in Regulation Section 1.704-2(b)(2) for "partnership minimum gain."

- 1.6. "Initial Book Value" means, with respect to Property contributed to the Company by an Interest Holder, the Property's fair market value at the time of contribution and, with respect to all other Property, the Property's adjusted basis for federal income tax purposes at the time of acquisition.
- 1.7. "Member Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations for "partner nonrecourse debt."
- 1.8. "Member Nonrecourse Debt Minimum Gain" has the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain."
- 1.9. "Member Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions."
- 1.10. "Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions shall be determined according to the provisions of Regulation Section 1.704-2(c).
- 1.11. "Nonrecourse Liability" has the meaning set forth in Regulation Section 1.704-2(b)(3).
- 1.12. "*Profit" and "Loss"* means, for each Fiscal Year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:
- 1.12.1. All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;
- 1.122. Any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;
- 1.123. Any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;
- 1.124. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the Adjusted Book Value of the Property disposed of rather than the adjusted basis of the property for federal income tax purposes;

- 1.125. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, the depreciation, amortization (or other cost recovery deduction) shall be an amount that bears the same ratio to the Adjusted Book Value of such Property as depreciation, amortization (or other cost recovery deduction) computed for federal income tax purposes for such period bears to the adjusted tax basis of such Property. If the Property has a zero adjusted tax basis, the depreciation, amortization (or other cost recovery deduction) of such Property shall be determined under any reasonable method selected by the Company; and
- 1.126. Any items that are specially allocated pursuant to Sections 2.3 and 2.4 hereof shall not be taken into account in computing Profit or Loss.
- 1.13. "Treasury Regulations" or "Regulations" means the income tax regulations, including any temporary regulations, promulgated under the Code as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).
- 2 *Allocations*. After making any special allocations contained in Section 2.5, remaining Profits and Losses shall be allocated for any Fiscal Year in the following manner:

2.1. *Profits*.

- 21.1. First, Profits shall be allocated among the Interest Holders in proportion to the cumulative Losses previously allocated to the Interest Holder under Section 2.2.3 until the cumulative Profits allocated to each Interest Holder under this subparagraph equal the cumulative Losses previously allocated to each Interest Holder under Section 2.2.3;
- 212. Second, Profits shall be allocated proportionately among the Interest Holders until the cumulative Profits allocated to each Interest Holder under this subparagraph equal the cumulative Priority Return each Interest Holder has received through the end of the Fiscal Year plus Losses, if any, allocated to the Interest Holder under Section 2.2.2; and
- 2.13. Third, Profits shall be allocated to the Interest Holders in accordance with their Percentage Interests.

2.2. Losses.

- 22.1. First, Losses shall be allocated to the Interest Holders in proportion to the cumulative Profits previously allocated to the Interest Holders under Section 2.1.3 until the cumulative Losses allocated pursuant to this subparagraph to each Interest Holder are equal to the cumulative Profits previously allocated to each Interest Holder under Section 2.1.3.
- 222. Second, Losses shall be allocated to the Interest Holders in proportion to the cumulative Profits previously allocated to the Interest Holders under Section 2.1.2 until the cumulative Losses allocated pursuant to this subparagraph to each Interest Holder are equal to the cumulative Profits previously allocated to each Interest Holder under Section 2.1.2; and
- 223. Third, Losses shall be allocated to the Interest Holders in accordance with their Percentage Interests.

2.3. Loss Limitations.

- 23.1. Adjusted Capital Account Deficit. No Losses shall be allocated to any Interest Holder pursuant to Section 2.1 if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit or increases the Interest Holder's Capital Account Deficit. All Losses in excess of the limitations set forth in this Subsection shall be allocated to the other Interest Holders in accordance with the other Interest Holders' Percentage Interests until all Interest Holders are subject to the limitation of this Subsection, and thereafter, in accordance with the Interest Holders' interest in the Company as determined by the Members. If any Losses are allocated to an Interest Holder because of this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection equal to the Losses previously allocated to that Interest Holder under this Subsection.
- 232. Cash Method Limitation. If the Company is on the cash method of accounting and more than 35% of the Company's Losses in any year would be allocable to Interest Holders who are limited entrepreneurs (within the meaning of § 464(e)(2) of the Code), then except as otherwise provided in Section 2.2.1, the Losses in excess of 35% otherwise allocable to those Interest Holders shall be specially allocated among the other Interest Holders in the ratio that each shares in Losses. If any Losses are allocated to an Interest Holder under this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection in the current and previous Fiscal

Years equal to the Losses allocated to that Interest Holder pursuant to this Subsection in previous Fiscal Years.

2.4. Section 704(c) Allocations.

- 24.1. Contributed Property. In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution).
- 242. Adjustments to Book Value. If the Adjusted Book Value of any Company asset is adjusted as provided in clause (iv) of the definition of Capital Account, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall, solely for tax purposes, take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner as provided under Code Section 704(c) and the Regulations thereunder.
- 2.5. *Regulatory Allocations*. The following allocations shall be made in the following order:
- 25.1. Company Minimum Gain Chargeback. Except as set forth in Regulation Section 1.704-2(f)(2), (3), (4), and (5), if during any Fiscal Year there is a net decrease in Company Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Section IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, succeeding taxable years) in an amount equal to that Interest Holder's share of the net decrease of Company Minimum Gain, computed in accordance with Regulation Section 1.704-2(g)(2). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Nonrecourse Liabilities to the extent of the Minimum Gain attributable to those assets and, thereafter, from a pro rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(f).
- 252. Member Nonrecourse Debt Minimum Gain Chargeback. Except as set forth in Regulation Section 1.704-2(i)(4), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, each Interest Holder with a share of that Member Nonrecourse Debt Minimum Gain (determined under Regulation Section 1.704-2(i)(5)) as of the beginning of the Fiscal Year shall be specially allocated items of

income and gain for such Fiscal Year (and, if necessary, succeeding Fiscal Years) in an amount equal to that Interest Holder's share of the net decrease in Member Nonrecourse Debt Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Member Nonrecourse Debt to the extent of the Member Minimum Gain attributable to those assets and, thereafter, from a pro rata portion of the Company's other items of income and gain for the Fiscal Year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(i)(4).

- 253. Qualified Income Offset. If an Interest Holder unexpectedly receives an adjustment, allocation, or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), then to the extent required under Regulations Section 1.704-1(b)(2)(d), such Interest Holder shall be allocated items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain for that Fiscal Year) before any other allocation is made of Company items for that Fiscal Year, in the amount and in proportions required to eliminate the Interest Holder's Adjusted Capital Account Deficit as quickly as possible. This Subsection is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).
- 254. Nonrecourse Deductions. Nonrecourse Deductions for a Fiscal Year or other period shall be allocated among the Interest Holders in proportion to their Percentage Interests.
- 255. *Member Nonrecourse Deductions*. Any Member Nonrecourse Deduction for any Fiscal Year or other period attributable to a Member Nonrecourse Liability shall be allocated to the Interest Holder who bears the risk of loss for the Member Nonrecourse Debt in accordance with Regulation Section 1.704-2(i).
- 25.6. Regulatory Allocations. The allocations contained in Section 2.5 are contained herein to comply with the Regulations under Section 704(b) of the Code. In allocating other items of Profit or Loss, the allocations contained in Section 2.5 shall be taken into account so that to the maximum extent possible the net amount of Profit or Loss allocated to each Interest Holder will be equal to the amount that would have been allocated to each Interest Holder if the allocations contained in Section 2.4 had not been made.
- 2.6. Varying Interests; Allocations in Respect to Transferred Interests. Profits, Losses, and other items shall be calculated on a monthly, daily, or other basis permitted under Code Section 706 and the Regulations. If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, profits, losses, each item thereof, and all other items attributable to such Interest for such period shall be divided and allocated

between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Company.

- 2.7. Tax Matters Partner. The Members shall select one Member to be the Company's tax matters partner ("Tax Matters Partner") unless the Members designate a different Person to serve in this capacity. The Tax Matters Partner shall have all powers and responsibilities provided in Code Section 6221, et seq. The Tax Matters Partner shall keep all Members informed of all notices from government taxing authorities which may come to the attention of the Tax Matters Partner. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Partner in performing those duties. The Company shall be responsible for any costs incurred by any Member with respect to a tax audit or tax-related administrative or judicial proceeding against the Member. The Tax Matters Partner shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.
- 2.8. *Returns and 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 Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.
- 2.9. Annual Accounting Period. The annual accounting period of the Company shall be its Fiscal Year. The Company's Fiscal Year shall be selected by the Members, subject to the requirements and limitations of the Code.
- 2.10. *Knowledge*. The Interest Holders acknowledge that they understand the economic and income tax consequences of the allocations and distributions under this Agreement and agree to be bound by the provisions of this **Exhibit B** in reporting their taxable income and loss from the Company.
- 2.11. Amendment. The Members are hereby authorized, upon the advice of the Company's tax counsel, to amend this **Exhibit B** to comply with the Code and the Regulations promulgated under Code Section 704(b); provided, however, that no amendment shall materially affect the distributions to an Interest Holder without the Interest Holder's prior written consent.

EXHIBIT C

Formula For Determining The Purchase Price Of A Member's Interest And Payment Terms Pursuant To Section VII

When required pursuant to Section VII of this Agreement, the value of an Interest will be determined by a valuation professional accredited in business valuation by the AICPA or American Society of Appraisers ("Appraiser"). Such Appraiser shall be jointly selected by the Company and the offering Member, Interest Holder, or such Person's estate (the "Offering Member") within fifteen (15) days after the other Members' actual knowledge of the Offering Member's death or bankruptcy. The cost of the Appraiser shall be borne equally by the Company and the Offering Member. If a mutually satisfactory Appraiser cannot be selected, then the Company and the Offering Member each shall select and pay for its own Appraiser and the two Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, they shall jointly select a third Appraiser to value the Offering Member's Interest. The cost of the third Appraiser shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, then the middle of the three appraisals shall be used as the valuation. The standard of value shall be fair market value.

If applicable, each party shall appoint its Appraiser within seven (7) days after the parties determine they cannot agree on a single Appraiser. The two Appraisers appointed shall select a third Appraiser within seven (7) days after they determine they cannot agree on a single valuation. The Appraisers shall be instructed to provide their valuations within thirty (30) days after their appointment.

Payment of the Offering Member's Interest shall be due and payable by the Company as follows: ten percent (10%) in cash within sixty (60) days after acceptance by the Company of the offer to purchase the Offering Member's Interest and the balance in ten (10) equal semi-annual installments commencing on the six (6) month anniversary of the initial down payment, together with interest on the unpaid balance from time to time outstanding until paid at the prime rate of interest reported by *The Wall Street Journal - Western Edition* (such rate to be determined and fixed as of the date of the initial payment hereunder), payable at the same time as and in addition to the installments of principal.

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Alaska Marijuana Control Board

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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 <u>by each proposed licensee</u> (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. License Number: 13257 Licensee: Alaska Growth, LLC License Type: Standard Marijuana Cultivation Facility **Doing Business As:** ALASKA GROWTH **Premises Address:** 49787 Island Lake Road State: ZIP: 99635 City: Nikiski ΑK Section 2 - Individual Information Enter information for the individual licensee or affiliate. Name: Jon A. Tuttle Title: Owner **Section 3 - Other Licenses** Yes No Ownership and financial interest in other licenses: 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?

[Form MJ-00] (rev 06/27/2016) Page 1 of 3



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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.	VSF
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.	W
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.	PU
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.	PT
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.	J.
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.	W
I certify that all proposed licensees have been listed on my application with the Division of Corporations.	X
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.	

Page 2 of 3



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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 <u>marijuana testing facility</u>	license:
I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuan cultivation facility, or a marijuana products manufacturing facility.	a
Only initial next to the following statement if this form is accompanying an application for a <u>retail marijuana store</u> , a <u>cultivation facility</u> , or a <u>marijuana products manufacturing facility</u> license:	narijuana
I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.	St
All marijuana establishment license applicants:	
As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read a with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying statements, and to the best of my knowledge and belief find them to be true, correct, and complete.	
Signature of licensee	
Jon Adrian Tuttle	
Subscribed and sworn to before me this 30 day of	, 20 <u>/7</u> .
Notary Public in and for the state of the st	



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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. **License Number:** Licensee: Alaska Growth, LLC 13257 License Type: Standard Marijuana Cultivation Facility **Doing Business As:** ALASKA GROWTH **Premises Address:** 49787 Island Lake Road State: ZIP: City: Nikiski **ALASKA** 99635 **Mailing Address:** 49787 Island Lake Road City: State: ZIP: ALASKA 99611 Kenai **Primary Contact:** Jon A. Tuttle **Main Phone: Cell Phone:** 907-513-9838 Email: mail@alaskagrowth.biz



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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:

The entire facility will be designated as a restricted access area and will be equipped with a robust security system. Additionally, because the facility is so small, an authorized entrance will be detected within minutes by the licensee or employees. The premises will be equipped with outdoor lighting, 24 hour video surveillance, an alarm system that will provide electronic notification to owners and law enforcement if necessary, as well as multiple signs stating that the premises is secured and monitored. Posted signs will also state that visitors must be escorted. The interior of the facility will have security cameras installed for 24 hour monitoring of all entrances and exits, the check in area, all security doors and restricted access areas, every portion of the office. The exterior of the building will have 24 hour surveillance cameras recording all activity on the premises.

Visitors will be required to provide valid government-issued identification, with no exceptions. Visitors will be given a visitor badge to be displayed on their person at all times within the facility. All visitors will be escorted by an employee at all times at a 5:1 ratio. A visitor's log will record the visitor's name, date and time, and purpose for visit, and will be available to AMCO upon request. The doors will be equipped with spring-loaded hinges to ensure that they close behind each person. Access to restricted areas will be granted through a locked commercial grade door, and signs will be posted on each door

stating that the door leads into a restricted area and members of the public must be escorted. Cameras will also be placed conspicuously at each door to deter visitors from attempting access alone.

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

The owner, project manager, any future employees, and any emergency personnel during the time of an emergency will have unrestricted access to the entire facility. All other individuals who are permitted access to restricted areas must be accompanied by an escort at all times. All visitors will enter through the front entrance door and check in with a designated employee. The visitor will be instructed and required to remain with the designated employee at all times. Valid government-issued photo identification will be required and will be retained by security until the visitor exits the premises. The visitor will sign into a log with their name, the date, time in and out of the restricted space and purpose of their visit. The log will be kept and stored as a business record and will be made available to the MCB, AMCO Enforcement Division and AMCO Director upon request. All visitors will be given a visitor badge to be displayed on their person at all times and returned upon exit. Visitors will be escorted and actively supervised by an employee at a 5:1 ratio while in the facility, and once the visit has concluded, the visitor must leave the premises immediately.







Form MJ-01: Marijuana Establishment Operating Plan

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

All visitors who wish to access the facility must sign into a log book noting their name, date of visit, the purpose of their visit, and the time in and out of the facility. All visitors will be required to sign in, and to provide valid government issued photo identification. Alaska Growth will retain the visitor log as an official business record and will be made available to AMCO upon request. Any additional information pertinent to the visit will also be retained as a business record (i.e. such as scale inspection report if its an agent from the Weights & Measurement dept., etc). The records will be stored on the company's computer server, hard original copies (if any) will be stored in the secured locked cabinet. After 7 years the hard copy may be destroyed. Alaska Growth does not intend to destroy any electronic copies.

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



Jon Tuttle

Standard Marijuana Cultivation Facility 49787 Island Lake Road Nikiski, AK 99635 License No. 13257 MJ Handler Permit No. 00000

Insert Photo Here

*or similar format and content

[Form MJ-01] (rev 02/12/2016)



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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:

Exterior lighting will be positioned against the building and perimeter, and evenly distributed throughout the property. The light fixtures will keep the premises, signs and doors well lit, and allow the exterior surveillance cameras to record individuals up to twenty (20) feet from all entry points. The lighting fixtures will be positioned at the top edge of the connexes with sturdy housings to deter vandalism and common obstructions. The bulbs will be extremely bright to maximize visibility and deter crime. The exterior lighting will be checked daily by the manager on duty to ensure that each light in the system is operational, and that each mount is positioned for optimum recording clarity and to deter unauthorized presence on the premises.

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

A third party security company will install the alarm system, maintain its equipment, test the devices every six (6) months, and continuously monitor the facility at an off-site center to ensure the safety of the property and to detect unauthorized activity. The alarm system will be set up to monitor for intrusions with motion detectors in all areas of the building, including the roof during closed hours. When triggered, an electronic alert will be automatically sent to the security company who will then contact local law enforcement and ownership. Each morning, the on-site manager will disable the overnight alarm system and check the surveillance cameras and recordings to ensure the system is functioning as expected. The last agent to leave the facility each night will activate the overnight devices and sensors, and lock all doors that are not self-locking.

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:

Sensors will be installed on the door and the one small window adjacent to the single entry door through the third party security monitoring center, and activated during all closed business hours. The alarms will register all activities, and any attempt of intrusion will initiate a response. Employees who are responsible for arming and disarming the alarm system will be trained on proper use of the system.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Video surveillance will continuously monitor storage, processing and packaging areas, and the office.

Employees will perform mandatory inventory counts each week and document the reports as business records. The company has a zero tolerance policy for theft and diversion, and all employees will complete mandatory training in recognizing such activity. In the event that theft or diversion is suspected, all employees will alert management immediately. In the event that an employee is caught stealing marijuana, Alaska Growth will notify local law enforcement immediately, comply with all directives, and provide all necessary information and records for the investigation. Ownership will take the necessary steps to ensure that illegal conduct by an employee does not compromise the facility's license and legitimate business operations. Once a theft is reported, Jon will update the product records in the tracking system, as needed, to maintain an accurate and comprehensive accounting for all marijuana products and inventory. Jon will comply with all inquiries and investigations lodged by AMCO as a result. Documentation related to marijuana theft will be maintained as a business record for five (5) years and made available to the AMCO upon request. All marijuana will be secured in the cultivation area during growth and processing, and then will be stored in a secured area once it is ready and waiting for packaging. Only designated personnel will have access to marijuana storage. Constant surveillance will monitor the marijuana storage space and all individuals entering the area. Video recordings will be backed up to the company server, and stored for forty (40) days. Cameras will be prominently displayed in the processing and packaging areas and next to all storage containers, and will provide a full view of the cultivation rooms, entryway, and product packaging areas. Security monitors and video recording equipment will be located in the office.

Describe your policies and procedures for preventing loitering:

Alaska Growth will have a "No Loitering" sign clearly posted on the exterior of their facility. If an employee suspects that a person is loitering outside the establishment, they will be given a verbal warning that law enforcement will be notified and asked to leave the premises by a company agent. The project manager and employees will maintain a regular and noticeable presence around the property to deter any unauthorized entrance.

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:

Motion detection alerts will be programmed into the camera system to send visual notification of unauthorized activity. After close of business, interior motion detectors will be activated. All video cameras will be equipped with infrared capabilities to allow for clear viewing during low or no-light conditions.



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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:

During emergencies, management will evacuate the connex and agents of the company will await the arrival of local emergency officials in a safe and accessible location. All visitors present on the premises will be escorted immediately to the nearest exit in a safe and organized manner. When any dangerous, threatening, or unauthorized activity is reported to local law enforcement, employees will comply with directives and remain in a safe location while the incident is addressed. After the emergency is resolved, employees will look for property damage, verify cash and inventory, and submit all necessary documentation to law enforcement officials for a police report. Surveillance footage will be downloaded and submitted to police officials to aid in their investigation, and authorized officials will be given direct phone numbers to ownership and agents to ensure a good working relationship. AMCO will be notified of any emergency incidents involving law enforcement.

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:		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
Each video surveillance recording: Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing	Yes	No
	Yes 🗸	No



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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:

Multiple cameras will be used in order to record all areas of the establishment, inside and outside, at multiple angles and at a height that will provide a clear, unobstructed view. Cameras will be carefully placed to prevent any blockage from lighting hoods, fixtures, or other equipment. To ensure clear views for identity, the company will use high definition security cameras with extra upgrades to prevent vandalism. All security cameras will be positioned in such a manner as to get the best facial image of anyone present within the building and within twenty (20) feet of the exterior walls. The front entrance door of the facility as well as the exterior emergency exit door will have cameras documenting the face of anybody going in or out of the building. All restricted access doors and the check-in area will have coverage to clearly identify the face of anybody present. All exterior entrances and restricted access rooms will have video coverage documenting the face of the individual entering the room. All exterior corners of the space will have cameras installed to facilitate monitoring of all activity on each side of the building. The parking lot and entrance will have video coverage. Footage from security cameras will be accessible remotely, allowing ownership to view operations from anywhere. A failure notification system will be installed to provide audible and visual notification of any failure in the electronic monitoring system. During a power outage all video cameras and recording equipment will be run on emergency power with a battery backup system to ensure that they will continue to operate for at least one (1) hour.

Describe the locked and secure area where video surveillance recording equipment and records will be housed and stored and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the board:

Video surveillance recording equipment and records will be housed and stored within the secured office area which restricts access only to authorized personnel. Within this designated area, all video surveillance recordings will be secured in a locked metal cabinet. Only designated employees will have access to the key for the locked cabinet.

Locati	on 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		√



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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	\checkmark	
A current diagram of the licensed premises including each restricted access area	\checkmark	
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)	√	

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Form MJ-01: Marijuana Establishment Operating Plan

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

All business records, including operational and regulatory documents, recordings, surveillance, financial books, inventory and employment records, logs, manifests, and communications, will be stored on-site in the office, and backed up on an off-site server to protect from loss and destruction and to allow ownership and designated authorities access at any time. Facility hard drive failure to ensure over 40 days of recording is stored and available at the request of

records will be managed by authorized agents in accordance with standard retention policies to ensure that business records are stored in a consistent and searchable manner. Records within the facility will be stored in the secured office, separate from all storage of marijuana and currency. All video surveillance recordings will be automatically backed up in case of primary AMCO agents. In addition, all required records are electronically secured on the firewall protected server and backed up. Only the licensee and authorized employees will have access to the office and business records.



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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:		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:

Alaska Growth will use the Metrc inventory tracking system to increase product security, track the cultivation and movement of products, and minimize diversion and illegal practices. Data will be recorded throughout: (1) cultivation; (2) sale, sample, and transport; and at (3) disposal, destruction, and theft. The facility will assign a tracking number to each batch and record the tracking information in Metrc. Jon and all employees will be trained to use the system to ensure that: (1) all marijuana prepared and packaged is identified and tracked through its cultivation, sale, transfer, and/or destruction; (2) all establishments transacting to purchase or receive marijuana products are licensed; and (3) any loss or theft of marijuana products is reported promptly. Employees will record sales, testing, and transportation arrangements in the system, and generate a transport manifest to accompany products in transit. Marijuana used for samples will be recorded as such, including: (1) the amount of each sample; (2) the facility that received the sample; and (3) the disposal of any expired or outdated promotional sample returned to the facility. Employees will use the system to verify sales and shipment, and to identify the permits for all business partners. Products marked for disposal will be recorded in Metrc at least three (3) days prior to any disposal action, and any destruction, loss, or theft of marijuana will be promptly reported in Metrc to notify the MCB, in addition to reporting to local authorities.



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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 Hander Permit:	Yes	No
Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment	√	
Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises	✓	
Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired	√	

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

The licensee and all employees will be required to obtain a marijuana handler permit from AMCO Enforcement prior to beginning employment and must keep the permit in good standing at all times while employed with Alaska Growth. Qualified employees will be hired on a three (3) month probationary period during which they will be trained in their position, receive regular continued education and evaluation from the licensee. Training education will include marijuana industry topics, safety, customer care, legal issues, state and federal regulations, and updates to the state marijuana regulations if/when modified by the MCB and will take place throughout the year as well as when topics arise. Employees will be expected to learn: (1) Alaska laws, regulations, and codes governing the marijuana industry and marijuana establishments; (2) all of the permitting requirements to act as a handler in a marijuana establishment; (3) company standards, protocol, and best practices; (4) general safety procedures and protocol; (5) how to think defensively in threatening situations (6) in-depth information about particular strains (7) in-depth information on the requirements of each room, task, and system; and (8) the general federal, state, and local employment regulations by which the Company is governed. Employees will meet with management as needed for continued education and evaluation. Managers will be trained in opening and closing procedures, safety protocol, and managing operations and the inventory tracking system. Managers will know all procedures for quality control, inventory control, and sanitation, and will be responsible for accounting records and overseeing store operations. Employees will be educated on quality control, inventory control, sanitation, opening and closing, cultivation techniques and best practices, and security. Employees will be trained on how to use the inventory tracking system and how to interact with visitors while in production. Employees will also be trained in cash policies and how to record



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 5 - Waste Disposal		
view the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed r	equireme	nts.
plicants should be able to answer "Yes" to the statement below.		
Aarijuana 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	V	
Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local land		
The facility will be disposing of: (1) marijuana that is identified as contaminated, infected or is otherwise rejected for quality or fails to meet quality testing; (2) waste from marijuana flowers and plant material and trimmings water from cultivation and processing; (4) any other materials or containers in contact with marijuana products that is contamination and (5) any other marijuana that is deemed as waste by the licensee or the AMCO Director. Marijuana waste will be stored away from all other products in a locked container inside the facility, and will be rendunusable prior to leaving the facility for disposal. A notice will be sent to AMCO enforcement not later than three day rendering waste unusable. Marijuana waste will be rendered unusable by grinding the materials and mixing with oth compostable and non-compostable non-marijuana material until the resulting mixture is no more than fifty percent (5 marijuana waste. Management will maintain a log on the final destination of all marijuana waste. The final mixture w stored in locked containers located inside the premises with locks in compliance with the highest UL standards. The manager shall transport marijuana waste to the local solid waste facility or it will be composted after it has been rend unusable.	ered /s prior to er 50%) ill be secu	rely
Describe what material or materials you will mix with the ground marijuana waste to make it unusable: Marijuana waste will be ground up with other compostable food waste, yard waste, v	egetable	e
oils, or with non-compostable paper waste after giving AMCO and Enforcement at le (3) days notice in Metrc, and via email to Enforcement.	ast thre	e



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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:





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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 unde 3 AAC 306.700	r 🗸	
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	h 🗸	
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 marijuan 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	a 🗸	
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	m 🗸	
The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest	t 🗸	



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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:

Alaska Growth will use Metrc to generate a transport manifest to accompany all marijuana in transit. The facility will send a copy of the manifest with the products, and file an additional copy on the premises as a business record. The manifest will document the strain name, type of product, batch number, weight, name of the transporter and handler's ID, time of departure and expected delivery, and the make, model, and license plate of the transporting vehicle. The transport vehicle will travel directly between destinations without making any unnecessary stops, and marijuana will be sealed in not more than five (5) pound containers inside a locked storage compartment within the vehicle for wholesale transactions and up to one ounce containers for re-sale by retailers without re-packaging. At no time during transit will marijuana be visible outside the vehicle. The shipping container will have a label stating that a licensed testing facility has tested each batch in the shipment, and list: (1) the date of final testing; (2) the cannabinoid potency profile, expressed as a range of percentages that extends from the lowest percentage to highest percentage of concentration for each cannabinoid listed from every test conducted on that strain of marijuana from the same marijuana cultivation facility within the last three months; (3) a statement listing the results of microbial testing, and (4) a statement listing the contaminants for which the marijuana was tested, including molds, mildew, filth, herbicides, pesticides, fungicides, and harmful chemicals. Any packaging done at the facility will be performed in an area specifically set aside for packaging and monitored with 24 hour surveillance. Packaging will be uniform with labels secure and prominently displayed. The facility will use certified scales in compliance with the Alaska Weights and Measures Act, and will maintain registration and inspection reports at the facility. After agents package marijuana they will be placed in sanitized, air-tight containers, labeled with all compliant labeling information, and given a barcode for the inventory control system. Plastic packaging will be heat-sealed without an easy-open tab, dimple, corner, or flap. Packaged marijuana will be stored in a secured area until ready for transport. All packaging will be inspected, accepted or rejected, and recorded in the log, and the on site manager will check all final packages to ensure that they will secure marijuana from contamination and not impart toxic or deleterious substances. Labels will include: (1) the name and license number of the cultivation facility; (2) the date the marijuana was harvested; (3) the harvest batch number assigned to the marijuana; (4) the date the marijuana was packaged; (5) the net weight and the quantity of usable marijuana packaged in a standard of measure compatible with the inventory tracking system; (6) a complete list of all fungicides, and herbicides used in the cultivation of the marijuana (7) each of the warning statements as listed in 3 AAC 306.475.

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

All marijuana will be secured and locked in the transport compartment and will remain secured until transport is completed. Any vehicle transporting marijuana will be unmarked and inconspicuous. All employees will be trained and will understand that under no circumstances shall a sealed package containing marijuana be opened during transportation, unless ordered otherwise by a duly authorized law enforcement agent. The vehicle storage box will be made of steel, hard plastic or similar equivalent. It will be locked at all times during transport via combination lock or key lock that has a key marked do not replicate and said key shall remain in the possession of the transporting authorized agent and/or owner and management.



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 7 - Signage and Advertising

ı	Describe any signs that you intend to post on your establishment with your business name, including quantity	and dimensions:
	Alaska Growth will not post any signs with the business name on it.	
l		
<u>If yo</u>	ou are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, inc	cluding Page 17.
Res	triction on advertising of marijuana and marijuana products (3 AAC 306.360):	
All I	icensed retail marijuana stores must meet minimum standards for signage and advertising.	
Арр	licants 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	
	Promotes excessive consumption	
	Represents that the use of marijuana has curative or therapeutic effects	
	Depicts a person under the age of 21 consuming marijuana	
	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	

[Form MJ-01] (rev 02/12/2016)



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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)		



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Form MJ-01: Marijuana Establishment Operating Plan

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

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

At no time will a person under the age of twenty one (21) be permitted to remain on the premises. All entrants will be directed to enter through the front entrance door where they will check in with a designated agent. A sign will be posted on both the front entrance door and on the door leading into the cultivation area stating "No one under 21 years of age allowed". At check in, visitors will be required to present valid government-issued photo identification showing that they are twenty one (21) years of age or older. A valid form will include: (1) an unexpired, unaltered passport; (2) an unexpired, unaltered driver's license; instruction permit, or identification card of any state or territory of the United States, the District of Columbia, or a province of Canada; and (3) an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. The facility will refuse entrance to all persons who fail to produce valid photo identification, regardless of how old they appear or how familiar they are with the employee. If at any time an employee suspects that a visitor is under twenty one (21), the employee will refuse access and have the individual escorted off the premises. Employees will be trained to spot inconsistencies and signs of forgery in IDs, and will have an ID guide on hand to help recognize IDs from other states and countries.

of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee

Jon A Tuttle

Printed name

SALLY JO SPRINKLE

Notary Public

State of Alaska

My Commission Expires Mar 22, 2021

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best

Subscribed and sworn to before me this 28 day of

alexis printle

My commission expires: 03/22/202/

[Form MJ-01] (rev 02/12/2016)

Page **18** of **19**



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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):

Business Name: Alaska Growth

License Number: 13257 Batch/Lot Number:

Gross Weight: Net MJ Weight: Packaging Date: Best By Date:

Strain:

Tested By: License Number:

Total THC: THCA: CBD: CBDA: CBN:

Microbial Test:

Fungicides: Herbicides: Fertilizers:

Soil Amendments:

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

[Form MJ-01] (rev 02/12/2016)



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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. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex. For those applying for a limited marijuana cultivation license, the proposed area(s) for cultivation must be clearly delineated.

The <u>second page</u> 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 to, and submitted with any supplemental 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 completed and submitted to AMCO's main office before any license application will be considered complete.

This form must be completed and submitted to Aivico's main office before any license application will be considered to						ctc.
					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 In	formati	ion			
Enter information for the business seeking to be licensed, as identified on the license application.						
Licensee:		License	Number:			
License Type:						
Doing Business As:						
Premises Address:						
City:		State:		ZIP:		



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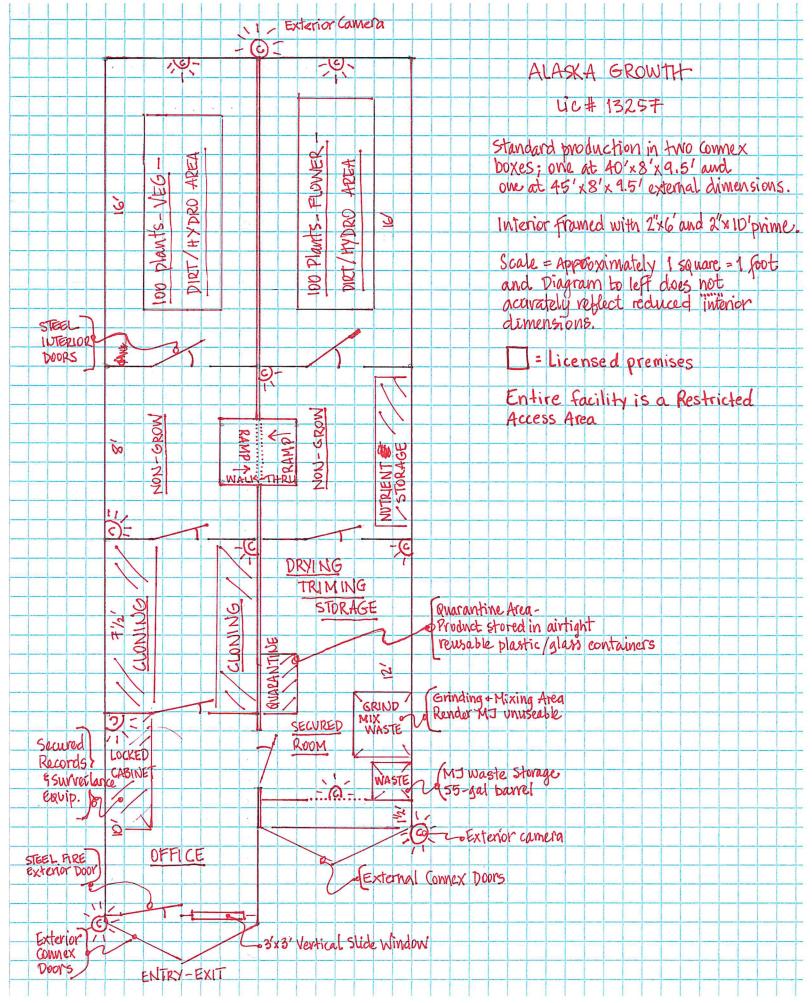
Alaska Marijuana Control Board

Form MJ-02: Premises Diagram

Section 2 - Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior
ayout 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.

[Form MJ-02] (rev 06/20/2016) Page 2 of 2







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Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

What is this form?

This operating plan supplemental form is required for all applicants seeking a marijuana cultivation facility license and must accompany the Marijuana Establishment Operating Plan (Form MJ-01), per 3 AAC 306.020(b)(11). Applicants should review Chapter 306: Article 4 of the Alaska Administrative Code. This form will be used to document how an applicant intends to meet the requirements of those regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.420(2).

What additional information is required for cultivation facilities?

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

- Prohibitions
- Cultivation plan
- Odor control
- Testing procedure and protocols
- Security

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

Section 1 - Establishment Information

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

Licensee:	Alaska Growth, LLC	License Number:		13257	,
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Alaska Growth				
Premises Address:	49787 Island Lake Road				
City:	Nikiski	State:	ALASKA	ZIP:	99635



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Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Section 2 - Prohibitions

Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer "Agree" to all items below.		
The marijuana cultivation facility will not:	Agree	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 marijuna 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 requ	irements.	
Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including din square footage. Provide your calculations below:	nensions a	and overall
The facility consists of two connex boxes; one is 40' x 8' = 320 sq ft and the other is 360 sq ft. The overall square footage of the facility is 680 sq ft. Within the connex boxes there is one veg room 16' x 8' = 128 sq ft, one flower room 128 sq ft and one clone room 7.5' x 8' = 60 sq ft. The total square feet under cultivat approximately 316 sq ft.	16' x 8'	



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Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

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

Alaska Growth will use a combination of soil and hydroponics and will utilize the following growing mediums:

Perlite, Happy Frog Potting Soil; Clay Pebbles and/or Lava Rocks; Rapid Rooter plugs and/or Rockwool cubes.

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

Fertilizers: Bone meal, bat guano/seabird guano, blood meal, kelp meal, langbeinite, earthworm castings; Dip'nGrow liquid rooting concentrate and/or Clonex clone and seedling nutrient; Advanced Nutrients products and/or Fox Farm Soil formulas, and/or Botanicare CNS17 Bloom 2-2-3 formula, and/or Dyna Grow formulas, and/or Grow Nutrients formulas; PH drops as needed.

Delivery system for fertilizers: nutrients will be delivered to plants via HAND WATERING AND/OR an Ebb & Flow hydroponics system.

Chemicals: 99.9% Isopropyl Alcohol and/or White Vinegar 5% - 6% solution for cleaning.

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

A combination of hand watering and/or automated irrigation systems will be used to water plants. The ebb & flow system will be utilized for the automated irrigation system. This system will run on a timer which will pump the nutrient solution (water and nutrients) from a reservoir to the plants. When the plant containers are full, the water is drained back down to the reservoir and recirculated through the system again.

This system will produce very little to no wastewater. If a sizable amount of wastewater is produced, it will be captured and either delivered back to the reservoir to be cycled through the system again or drained into the on-site septic system.



Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

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Describe the marijuana cultivation facility's waste disposal arrangements:

Alaska Growth has a disposal plan for marijuana waste. The facility will be disposing of: (1) marijuana that is identified as contaminated, infected or is otherwise rejected for quality or fails to meet quality testing; (2) waste from marijuana flowers and plant material and trimmings; (3) run off water from cultivation and processing; (4) any other materials or containers in contact with marijuana that risk contamination and (5) any other marijuana deemed as waste by the licensee or AMCO Director. Marijuana waste will be stored away from all other products in a locked container inside the facility, and will be rendered unusable prior to leaving the facility for disposal. A notice will be sent to AMCO enforcement not later than three days prior to rendering waste unusable. Marijuana waste will be rendered unusable by grinding the materials and mixing with other compostable and non-compostable non-marijuana materials until the resulting mixture is no more than fifty percent (50%) marijuana waste. Management will maintain a log recording the final destination or all marijuana waste. The waste mixture will be carried by an unmarked vehicle for to the local waste station for disposal or it will be composted. This information will be recorded in the disposal log and securely stored as a business record, available to the MCB upon request. The manager will notify AMCO enforcement three days before disposing of marijuana waste.

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:

A commercial grade activated carbon filters will be used if necessary, depending on whether there is an issue with odors reaching other properties. The licensee will ensure that a weekly "smell test" is conducted by walking to the edge of the property line and attempting to smell marijuana from the edge of the property line. If marijuana odors are present, carbon filters will be used and air-cooled tubes will be hooked up to the carbon filters to further mitigate odors by reducing the temperature in the grow rooms.



random compliance checks

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Operating Plan Supplemental

Section 5 - Testing Procedure and Protocols

Form MJ-04: Marijuana Cultivation Facility

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

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

A designated Alaska Growth employee will collect a random testing sample from each 5 pound harvest batch. That employee will prepare a signed statement certifying that each sample was randomly selected and will provide the signed statement to the testing facility with the testing samples. A copy of the signed statement will be maintained as a business record. Any individual transporting testing samples will obtain and maintain a valid marijuana handler permit.

The remainder of the batch will be segregated in the quarantine area until the testing results are received. All testing results will be entered into METRC and maintained as official business records.

Alaska Growth will comply with any request from AMCO for a random sample from any growing medium, soil amendment, fertilizer, crop production aid, pesticide, or water and shall bear the expense for all such requests.



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Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

Section 6 - Security

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

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

The marijuana cultivation facility applicant has:	Agree	Disagree
Read and understands and agrees to the packaging of marijuana requirements under 3 AAC 306.470	√	
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:	

[Form MJ-04] (rev 02/05/2016)



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Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

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

The facility HAS ONE WINDOW AT ITS SINGLE ENTRY INTO THE OFFICE AREA. THE facility HAS NO OTHER WINDOWS AND will ensure that cultivation and storage areas are not visible by the public from any entrance to the facility. Furthermore, all cultivating, processing, curing, packaging and labeling activities will occur inside the facility. When transporting marijuana to another licensed facility, Alaska Growth will ensure that packages are opaque and moved to the transport vehicle in a discreet manner. Any vehicle used by the facility to transport marijuana will be unmarked and discreet.

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

Jon A Tuttle

Printed name

Subscribed and sworn to before me this 28 day of

SALLY JO SPRINKLE Notary Public State of Alaska My Commission Expires Mar 22, 2021

My commission expires:



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Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

(Additional Space as Needed):

Business Name: Alaska Growth

License Number: 13257 Batch/Lot Number:

Gross Weight: Net MJ Weight: Packaging Date: Best By Date:

Strain:

Tested By: License Number:

Total THC: THCA: CBD: CBDA: CBN:

Microbial Test:

Fungicides: Herbicides: Fertilizers:

Soil Amendments:

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



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

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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 completed and submitted to AMCO's main office before any license application will be considered complete.

Section 1 - Establishment Information

Licensee: **License Number:** 13257 Alaska Growth, LLC License Type: Standard Marijuana Cultivation Facility **Doing Business As:** ALASKA GROWTH **Premises Address:** 49787 Island Lake Road City: State: ZIP: Nikiski AK 99635 Section 2 – Certification I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises: End Date: 6/3/2017 Start Date: 5/25/2017 Safeway - 10576 Kenai Spur Hwy, Kenai, AK 99611 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. Notary Public in and for the State of Alaska My commission expires: 7-9-2021

Subscribed and sworn to before me this $\frac{36}{2}$ day of $\frac{1}{2}$



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

Alaska Growth, LLC

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

Form MJ-08: Local Government Notice Affidavit

What is this form?

Licensee:

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 to the local government and any community council in the area of the proposed licensed premises. For purposes of this notification, the document that must be submitted is the application document produced by the online application system titled "Public Notice".

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

Section 1 – Establishment Information

License Number:

13257

License Type: Standard Marijuana Cultivation Facility **Doing Business As: ALASKA GROWTH Premises Address:** 49787 Island Lake Road ZIP: City: State: AK 99635 Nikiski 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 official and community council (if applicable): Local Government: KPB Johni Blankenship Name of Official: **Borough Clerk** 5/23/17 Title of Official: Date Submitted: Date Submitted: Community Council: (Municipality of Anchorage and Matanuska-Susitna Borough only) I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and combine Notary Public in and for the State of Alaska Signature of licensee My commission expires: Printed name of licensee Subscribed and sworn to before me this 3 and day of . 20<u>/</u>ر 20

[Form MJ-08] (rev 06/27/2016) Page 1 of 1



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

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 Growth, LLC	License	Number:	13257	
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	ALASKA GROWTH				
Premises Address:	49787 Island Lake Road				
City:	Nikiski	State:	AK	ZIP:	99635

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Jon A. Tuttle
Title:	Owner
SSN:	

[Form MJ-09] (rev 06/27/2016) Page 1 of 2



marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 - Certifications

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

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

I 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

Jou Adricov Tuttly

Printed name

Subscribed and sworn to before me this 30 day of June 2017

Notary Public in and for the State of Alaska.

My commission expires: 7-9-21



Alcohol & Marijuana Control Office

License Number: 13257 License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: ALASKA GROWTH

Business License Number: 1054611

Designated Licensee: Jon A. Tuttle

Email Address: jon.tuttle@ch2m.com

Local Government: Kenai Peninsula Borough

Community Council:

Latitude, Longitude: 60.423000, -151.193000

Physical Address: 49787 Island Lake Road

Nikiski, AK 99635 **UNITED STATES**

Licensee #1

Type: Entity

Alaska Entity Number: 10059348

Alaska Entity Name: Alaska Growth, LLC

Phone Number: 907-670-7591

Email Address: jon.tuttle@ch2m.com

Mailing Address: PO Box 7055

UNITED STATES

Nikiski, AK 99635

Entity Official #1

Type: Individual

Name: Jon A. Tuttle



Phone Number: 907-670-7591

Email Address: jon.tuttle@ch2m.com

Mailing Address: PO Box 7055

Nikiski, AK 99635 **UNITED STATES**

Note: No affiliates entered for this license.

REAL ESTATE LEASE

This Lease Agreement (this "Lease") is dated <u>August 18</u> 2017, by and between Pay Dirt Investments, LLC ("Landlord"), and Alaska Growth, LLC ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Alaska Growth, LLC (the "Premises") located at 49787 Island Lake Road, Nikiski, AK 99635, and the structures which are located on said Premises.

TERM. The lease term will begin once Tenant has secured complete status correspondence for its Marijuana Cultivation license application and will terminate on <u>August 18</u>, 2018. Thereafter, the lease will continue a month to month basis thereafter unless otherwise agreed to in writing by the Parties. Landlord grants Tenant the option to renew this lease on an annual basis or until ownership transfer is complete.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of Two Thousand Five Hundred Dollars (\$2500.00). Payable in advance on the first day of each month beginning November 1, 2017. Lease payments shall be made to the Landlord at 49787 Island Lake Road, Nikiski, AK 99635, which address may be changed from time to time by the Landlord.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good a condition as when delivered to Tenant, ordinary wear and tear excepted.

USE OF PREMISES. Tenant may use the Premises only for commercial licensed cultivation of marijuana, all other activities must be pre-approved by landlord in writing. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

REMODELING OR STRUCTURAL IMPROVEMENTS. Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior consent of the Landlord which shall not be unreasonably withheld. Tenant shall not install awnings or advertisements on any part of the Premises without Landlord's prior written consent. At the end of the lease term, Tenant shall be entitled to remove (or at the request of Landlord shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease. Any improvements by Landlord for the benefit of Tenant's business operations must be repaid to Landlord, on terms agreeable by both parties.

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature. Tenant shall remain in compliance with the Marijuana Control Board regulations. Landlord shall not take control of the premise or marijuana product in the event Tenant abandons the property, Landlord agrees to immediately contact AMCO and local law enforcement and obtain guidance on how to handle any marijuana or marijuana product left in the premises. Any inspections by Landlord must comply with Tenant's visitor policy and meet the requirements of the Marijuana Control Board regulations relating to visitors in a restricted access area.

ARBITRATION. Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD:

Pay Dirt Investments, LLC 49787 Island Lake Road Nikiski, AK 99635

TENANT:

Alaska Growth, LLC 49787 Island Lake Road Nikiski, AK 99635.

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of Alaska.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

BINDING EFFECT. The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

LANDLORD:

Pay Dirt Investments, LLC Edith von Weltin

TENANT:

Alaska Growth, LLC

Jon A. Tuttle - Member, Manager



PO Box 3009, Kenai, AK 99611 - (907) 283-7551 - Fax (907) 283-3299

PUBLISHER'S AFFIDAVIT

UNITED STATES OF AMERICA, STATE OF ALASKA

SS

Elizabeth A. Ulricksen 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 published at Kenai, Alaska, that the

Marijuana notice

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

NEW Standard Marijuana Cultivation Facility License

Alaska Growth, LLC is applying under 3AAC 306.400(a)(1) for a new Standard Marijuana Cultivation Facility License, License #13257, doing business as ALASKA GROWTH, located at 49787 Island Lake Road, Nikiski, AK 99635, 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, A n c h o r a g e , A K 9 9 5 0 1 o r t o marijuana.licensing@alaska.gov not later than 30 days after this notice of application.

Pub: 6/2, 6/9, & 6/16/2017 8065834/732550

Account No. 1000732550

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Ad # 8065834

Pub Date	Edition	Section	Page
06/02/2017	KEN PENINSULA CLARION	LEGAL NOTICES	C 4
06/09/2017	KEN PENINSULA CLARION	LEGAL NOTICES	C 3
06/16/2017	KEN PENINSULA CLARION	LEGAL NOTICES	C 3
1			

SUBSCRIBED AND SWORN to me before

this Say of

NOTARY PUBLIC in favor for the State of Alaska.

My commission expires

