

Alcohol & Marijuana Control Office

Initiating License Application

6/19/2021 1:27:29 PM

License Number: 11778**License Status:** Active-Operating**License Type:** Limited Marijuana Cultivation Facility**Doing Business As:** OLD SCHOOL & BUFFIE, LLC**Business License Number:** 1034850**Designated Licensee:** Michael Morgan**Email Address:** oldsklbuffiellc@gmail.com**Local Government:** Anchorage (Municipality of)**Local Government 2:****Community Council:** Bayshore/Klatt**Latitude, Longitude:** 61.128066, -149.867077**Physical Address:** 10263 Nigh Road, #5
Anchorage, AK 99515
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10037324**Alaska Entity Name:** Old School & Buffie, LLC**Phone Number:** 907-331-7658**Email Address:** oldsklbuffiellc@gmail.com**Mailing Address:** 4129 Lana Court
Anchorage, AK 99508
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Michael Morgan**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-331-7658**Email Address:** michaelmorganak@gmail.com**Mailing Address:** 4129 Lana Court
Anchorage, AK 99508
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

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

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

Section 1 – Establishment Information

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

Licensee:	Old School & Buffie, LLC	License Number:	11778		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	Old School & Buffie, LLC				
Premises Address:	10263 Nigh Road #5				
City:	Anchorage	State:	AK	ZIP:	99515

Section 2 – Individual Information

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

Name:	Michael Morgan
Title:	Owner

Section 3 – Violations & Charges

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

Initials

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

mm

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

mm

I certify that a notice of violation has **not** been issued to this license between July 1, 2020 and June 30, 2021.

mm

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

Initials

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

--



Form MJ-20: Renewal Application Certifications

Section 4 – Certifications & Waiver

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

Initials

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

mm

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

mm

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

mm

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

mm

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

mm

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

mm

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

mm

I, Michael Morgan, hereby waive my confidentiality rights under AS 43.05.230(a) and authorize the State of Alaska, Department of Revenue to disclose any and all tax information regarding this marijuana license to the Alcohol and Marijuana Control Office (AMCO) upon formal request as part of any official investigation as long as I hold, solely, or together with other parties, this marijuana license.

mm

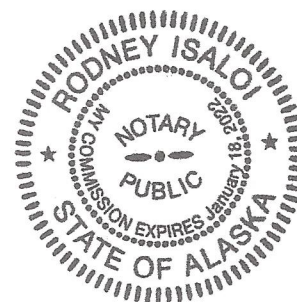
As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide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

Michael Morgan
Signature of licensee

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

Michael Morgan

Printed name of licensee

My commission expires: 01-18-2022Subscribed and sworn to before me this 21st day of June, 20 21.

TODAYS DATE: 29 May 2021

AMENDMENT #4

To

DENALI NORTH REAL ESTATE, LLC

THE LEASE entered into effective the 1st day of July 2016 between Denali North Real Estate, LLC; (hereinafter "Lessor") and Old School & Buffie LLC, (hereinafter "Lessee") hereby amended said Lease as follows:

In accordance with Article 3, Term and Term Extension, paragraph a); Lessor hereby grants Lessee an additional:

☒ One Year Term

☐ Three Year Term

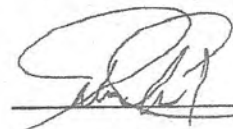
At the rental rate of \$2350.00 per month.

Except as specifically amended herein, all terms and conditions of the Lease dated 1st day of July 2016 shall remain in the full force and effect and said Lease together with this Amendment #4 shall constitute the entire agreement between the parties with regard to the subject matter thereof.

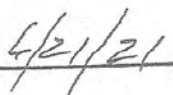
IN WITNESS WHEREOF, the parties hereto have executed this Amendment.

LESSOR:

Denali North Real Estate, LLC



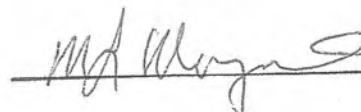
Signature



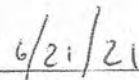
Date

LESSEE:

Michael Morgan



Signature



Date

Please send a signed copy of this to:

Denali North Real Estate, LLC
John Clark
14400 Prator Street
Anchorage, AK 99516

TODAYS DATE: 21 May 2020

AMENDMENT #3

To

CS NORTH PROPERTIES MANAGEMENT, INC.

THE LEASE entered into effective the 1st day of July 2016 between CS North Property Management, Inc. (hereinafter "Lessor") and Old School & Buffie LLC, (hereinafter "Lessee") hereby amended said Lease as follows:

In accordance with Article 3, Term and Term Extension, paragraph a); Lessor hereby grants Lessee an additional: (Please check one):

☒ One Year Term

☐ Three Year Term

At the rental rate of \$2350.00 per month.

Except as specifically amended herein, all terms and conditions of the Lease dated 1st day of July 2016 shall remain in the full force and effect and said Lease together with this Amendment No. 3 shall constitute the entire agreement between the parties with regard to the subject matter thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment.

LESSOR:

John Clark

CS North Property Management, Inc., President

LESSEE:

Michael Morgan


Signature

Date

5/29/20


Signature

Date

Please send a signed copy of this to:

CS North Property Management Inc., President
John Clark
14400 Prator Street
Anchorage, AK 99516

AMENDMENT NO. 2

To

JOHN CLARK WAREHOUSE LEASE

THE LEASE entered into effective the 1st day of July 2016 by and between CS North Property Management (hereinafter "Lessor") and Old School & Buffie LLC. (hereinafter "Lessee") hereby amended said Lease as follows:

In accordance with Article 3, Term and Term Extension, paragraph a); Lessor hereby grants Lessee an additional one year term at the rental rate of \$2188.00 Two Thousand One Hundred and Eighty Eight Dollars per month.

Except as specifically amended herein, all terms and conditions of the Lease dated 1 July 2016, shall remain in the full force and effect and said Lease together with this Amendment No. 2 shall constitute the entire agreement between the parties with regard to the subject matter thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment.

LESSOR:

LESSEE:

John Clark
CS North Property Management Inc President

Michael Morgan

Signature

Date

Signature

Date

AMCO

JUL 15 2019

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment") is made and entered into as of this 24th day of April, 2017, by and between John W. Clark and Cassandra M. Shea, individual residents of Alaska ("Lessor"), and Old School & Buffie LLC, an Alaska limited liability company, located at 4129 Lana Ct., Anchorage, AK, 99507 ("Lessee").

WHEREAS, Lessor and Buffie Jones and Michael Morgan, individually, (the "Initial Lessors") entered into that certain Lease Agreement dated July 1, 2016 (the "Lease") for the rent and use of the property commonly known as 10263 Nigh Road Unit #5, Anchorage, AK 99515, and legally described as:

Lot 4 S2, Wilson Subdivision, Unit # 5 filed in the Anchorage Recording District, Third Judicial District, State of Alaska (the "Leased Premises").

WHEREAS, the Initial Lessors assigned all of their right, title and interest in and to the Lease to Old School and Buffie, LLC, also referred to herein as "Lessee," pursuant to Section 8 of the Lease and that certain Assignment and Assumption of Lease, dated April 24, 2017 (the "Assignment") and entered into by the Initial Lessors and the current Lessee,

WHEREAS, Lessor consented to the Assignment as required by Section 8 of the Lease and subject to the terms and conditions of the Assignment.

WHEREAS, the State of Alaska, Alcohol & Marijuana Control Office ("AMCO"), has requested that the parties make certain amendments to the Lease.

WHEREAS, Lessor and Lessee desire to amend certain provisions of the Lease to comply with AMCO's requested amendments.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Description of Leased Premises.

a. The address of Leased Premises is commonly known as:

10263 Nigh Road, Unit #5
Anchorage, AK 99515

b. The location of the Leased Premises is legally described as,

Lot 4 S2, Wilson Subdivision, Unit # 5 filed in the Anchorage Recording District, Third Judicial District, State of Alaska.

AMCO

10.15.2019

2. Acknowledgement of Lessee's Use of Leased Premises. Lessor hereby acknowledges that Lessee intends to operate a marijuana establishment from the Leased Premises.

3. No Right to Possession of Marijuana. Notwithstanding any other provision contained in the Lease, Lessor shall not remove nor take possession of any marijuana or related products, and shall contact AMCO enforcement in the event of a Default under this Lease.

4. Remaining Provisions in Force. Except as otherwise provided by this First Amendment, all provisions of the Lease remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed and delivered as of the date first written above.

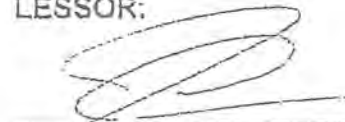
LESSEE:

Old School & Buffie, LLC



Michael Morgan, Sole Member

Dated: 4/25/17

LESSOR:


John W. Clark

Dated: April 24, 2017


Cassandra M. Shea

Dated: April 24, 2017

AMCO

11/15/2019

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is effective this 24th day of April, 2017, by and among Michael Morgan and Buffie Jones, individual residents of Alaska ("Assignor"), and Old School & Buffie, LLC, an Alaska limited liability company ("Assignee").

RECITALS

- A. Assignor desires to assign that that certain Lease Agreement dated July 1, 2016 (the "Lease Agreement"), by and between John W. Clark and Cassandra M. Shea ("Lessor"), and Assignor, pertaining to Unit #5 of that certain warehouse, consisting of approximately 1250 square feet more or less, and located at that real property legally described as (the "Leased Premises"):

Lot 4 S2, Wilson Subdivision, Unit #5 filed in the Anchorage Recording District, Third Judicial District, State of Alaska.
- B. Assignee desires to acquire and assume all obligations under, and Assignor desires to assign to Assignee, all of Assignor's right, title and interest in and to, the Leased Premises, pursuant to and in compliance with the terms and conditions set forth in Section 8 of the Lease Agreement and this Assignment.
- C. Lessor has consented to the Assignment contemplated herein, pursuant to the terms and conditions set forth in Section 8 of the Lease Agreement and this Assignment.

AGREEMENT

NOW THEREFORE, in consideration for the following promises, covenants, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Assignment of Lease.** Assignor hereby grants, transfers, and assigns to Assignee all of Assignor's right, title, and interest in and to the Lease Agreement. Assignor represents and warrants that the Lease Agreement is in full force and effect, and it is in good standing under the terms such lease.
2. **Assumption of Lease Obligations.** As of the date of this Assignment, Assignee hereby assumes the covenants, agreements, and obligations of Assignor under the Lease Agreement.

AMCO

11 16 2017

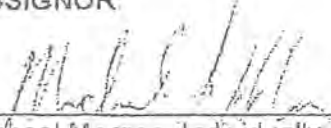
3. **Personal Guarantee.** In order to induce Lessor to consent to the Assignment contemplated herein, Michael Morgan agrees to personally guarantee the performance of the obligations of Assignee under terms of the Lease Agreement, and any amendments thereto, by executing the Personal Guarantee in the form attached hereto as Exhibit A.

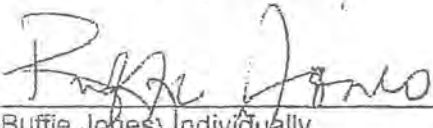
4. **Counterparts.** This Assignment may be signed in any number of counterparts required for the convenience of the parties, all of which when taken together shall form one and the same Assignment.

5. **Governing Law.** This Agreement is made and executed under and in all respects is to be governed and construed under the laws of the State of Alaska.

Dated this 25 day of April, 2017.

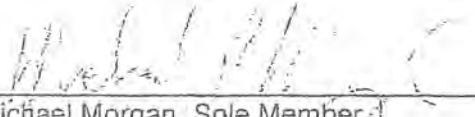
ASSIGNOR:


Michael Morgan, Individually


Buffie Jones, Individually

ASSIGNEE:

Old School & Buffie, LLC,

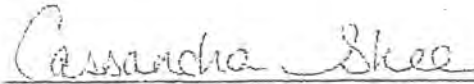

Michael Morgan, Sole Member

The above Assignment is hereby approved by Lessor this 24th day of April, 2017.

LESSOR:



John W. Clark



Cassandra M. Shea

LEASE

THIS LEASE is entered into effective this 1st day of July, 2016 (the "Lease") by and between John W. Clark and Cassandra M. Shea ("Lessor"), and Michael Morgan and Buffie Jones, whose address for all purposes herein is 4129 Lana Court, Anchorage, Alaska 99508 ("Lessee").

1. **Leased Premises.** Lessor, for and in consideration of the Rent (as defined herein), covenants and conditions hereinafter specified to be paid, performed and observed by Lessee, which are independent, does hereby let, lease and demise to Lessee, who hereby agrees to take Unit 5 known warehouse, consisting of approximately 1250 square feet more or less, located in that certain real property more particularly described as:

Lot 4 S2, Wilson Subdivision, Unit #5 filed in the Anchorage Recording District, Third Judicial District, State of Alaska, which is referred to hereinafter as the "Leased Premises".

Attached hereto as Exhibit A is a line drawing of the Leased Premises.

2. **Rent.** The Lessee shall pay in advance, on or before the 1st day of each month, except the first month which shall be paid upon execution of this Lease, rent during the term of this Lease as follows:

(a) Rent is in the amount of Two Thousand Dollars and No Cents (\$2,000.00) for each calendar month during the Initial Term of the Lease (the "Rent"). Except for the Rent for the first month (which is due and payable upon execution of this Lease), Rent is payable in advance and is due on or before the 1st day of each and every month.

(b) Rent is payable to **DIRECT DEPOSIT ONLY** at Wells Fargo; account #085857492.

(c) Lessee acknowledges that late payment by Lessee to Lessor of Rent or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult and impractical to ascertain. Such costs include, but are not limited to processing and accounting charges and late charges that may be imposed on Lessor by the terms of any mortgage or trust deed covering the Leased Premises. Therefore, in the event Lessee should fail to pay any installment of Rent or any other sum due hereunder within five (5) days after the date that such amount is due, Lessee shall pay to Lessor as additional Rent a one-time per late installment late charge equal to five percent (5%) of the installment or the sum of \$75.00 (Seventy Five Dollars), whichever is lesser.

(d) All applications and connections for utility services on the Leased Premises shall be made in the name of the Lessee only, and Lessee shall be solely liable

for utility charges as they become due, including those for water, sewage, gas, electricity, and telephone services.

(e) No temporary interruption or failure of such utilities incident to the making of repairs, alterations or improvements, or due to accident or strike, or to maintenance or conditions or events beyond Lessor's control shall be deemed an eviction of Lessee or relieve Lessee from any of Lessee's obligations hereunder.

3. **Term and Term Extension.** The Initial Term of the Lease shall be one (1) year beginning on the 1st day of July, 2016 and ending on 30th day of June, 2017 (the "Initial Term"). Possession shall be given by Lessor to the Lessee not later than on the close of business (4:00 p.m.) on the 1st day of July, 2016. Lessee may obtain possession prior to the scheduled commencement date at its discretion, but no earlier than the date of this Lease. In such event, Rent will be prorated per day based on a 30 day month.

(a) The Lessor hereby grants the Lessee one renewal option to extend the Lease for an additional three (3) year term at the following rental rates:

(i) Commencing with the 1st day of July, 2017 and ending on 30th day of June, 2018, Rent is in the amount of Two Thousand Sixty-Two Dollars and Fifty Cents (\$2,062.50) for each calendar month during the first year of the extended Lease.

(ii) Commencing with the 1st day of July, 2018 and ending on 30th day of June, 2019, Rent is in the amount of Two Thousand One Hundred Twenty-Five Dollars and No Cents (\$2,125.00) for each calendar month during the second year of the extended Lease.

(iii) Commencing with the 1st day of July, 2019 and ending on 30th day of June, 2020, Rent is in the amount of Two Thousand One Hundred Eighty-Seven Dollars and Fifty Cents (\$2,187.50) for each calendar month during the third year of the extended Lease.

Rent paid during the three (3) year extended term remains due on or before the 1st day of each and every month.

(b) If the Lessee wishes to extend the lease for the additional three (3) year term described in Section 3(a) above, the Lessee shall give the Lessor written notice by December 31, 2016, six (6) months before the expiration of the Initial Term. If Lessee is in breach of any of its obligations pursuant to this Lease, or a default exists under this Lease, Lessee may not extend the Lease. Lessor may, in its sole discretion, require Lessee to execute an estoppel certificate ("Estoppel Certificate") as a condition precedent to the validity of any Lease extension desired by Lessee. The Estoppel Certificate shall be in a form acceptable to Lessor and may include provisions whereby Lessee certifies that Lessor is not in breach of its obligations under the Lease and that Lessee waives any claims for damages, liability, or otherwise which it has or may be able to assert against Lessor.

Least
John W. Clark and Cassandra M. Shea, Lessor
Michael Morgan and Buffie Jones, Lessee

Page 2 of 17 JUL 15 2019

(c) The terms and provisions of this Lease shall continue in full force and effect during any renewal term except as expressly modified by the Lessor and Lessee in a signed writing.

4. **Security Deposit.** There shall be a security deposit of \$2,000.00 (Two Thousand Dollars and No Cents) to be paid by the Lessee upon execution of this Lease. In the event the Lessee performs each and every obligation set forth herein, within thirty (30) days of the end of the lease term, the deposit shall be returned to the Lessee without interest.

5. **Tenant Improvements.** The Lessor shall prepare, at the Lessor's expense, the Leased Premises as described in Exhibit B appended hereto. Notwithstanding the foregoing, Lessee shall be responsible for the cost of installing, and for installing the video surveillance equipment required by applicable laws and regulations.

6. **Use.** The Leased Premises shall be used only for the business of the Lessee which generally consists of a warehouse and for no other use unless such use is approved in writing by Lessor. All uses by Lessee shall be in a safe, careful and proper manner. All uses by Lessee shall comply with all requirements of all valid laws, ordinances, rules and regulations of all governmental authorities pertaining to the conduct of Lessee's business, provided that an exception will be made for the Controlled Substances Act, 21 U.S.C. Section 800 et seq. (the "CSA") with respect to the CSA's provisions concerning marijuana.

7. **Control of Common Areas.** All automobile parking areas, driveways, entrances and exits thereto, and other facilities furnished by Lessor in or near the main building, including parking areas, vehicle driveways, loading areas, pedestrian sidewalks and ramps, landscaped areas and other areas and improvements provided by Lessor for the general use, in common, of Lessees and customers shall at all times be subject to the exclusive control and management of the Lessor which shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this paragraph. The Lessor shall have the right to construct, maintain and operate lighting facilities on all said areas and, from time to time, make changes to the area, location and arrangement of parking areas and other facilities; to restrict parking by Lessee and its employees to employee parking areas; to close temporarily all or any portion of the parking areas; to discourage non-customer parking; and to do and perform such other acts in and to said areas as, in the use of good business judgment, the Lessor shall determine to be advisable, provided that in no event shall Lessee's rights to customer parking in the immediate vicinity of the Leased Premises be adversely affected.

The Lessor shall operate and maintain the common facilities referred to above in such manner as the Lessor, in its sole discretion shall determine from time to time. Without limiting the scope of such discretion, the Lessor has the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the common areas and facilities.

Lease
John W. Clark and Cassandra M. Shea, Lessor
Michael Morgan and Biffie Jones, Lessee

Page 3 of 17

AMCO

JUL 7 2019

There are three parking spaces designated for this unit; one in front of the office door, and two in front of the overhead door. If additional parking space is necessary, Lessee may lease extra space in the yard by contacting the Lessor.

8. **Assignment and Subletting.** Except upon the prior written consent of the Lessor (which Lessor may grant or deny in its sole discretion), Lessee may not hypothecate, assign or sublease the Leased Premises. Upon the prior written consent of Lessor, Lessee may hypothecate, assign this Lease, or sublet the Leased Premises subject to the following:

(a) All hypothecations, assignments and sublettings shall be in writing and duly executed by both parties. An executed original shall be delivered to Lessor.

(b) All assignment and subletting instruments shall include language whereby assignee or sub lessee expressly assumes and agrees to pay the obligations of Lessee under this Lease. No assignment or subletting shall release or diminish the obligations of Lessee for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment or subletting were made; that is, Lessee and assignee or sub-lessee will be jointly and severally liable for such obligations unless the Lessor specifically in writing allows the release of the Lessee.

(c) All assignment and subletting instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease and shall authorize Lessor, at Lessor's option, to collect rent from sub-lessee or assignee and apply it against the obligations of Lessee under this Lease, without waiver of Lessor's rights and remedies hereunder.

Consent to one hypothecation, assignment, or subletting shall not be deemed consent to any subsequent hypothecation, assignment or subletting.

Lessor may assign this Lease without permission by Lessee. Such assignment shall, effective beginning as of the date of such assignment, terminate Lessor's rights and obligations under this Lease provided that the assignee and successor-in-interest to Lessor assumes all of Lessor's obligations hereunder and shall be deemed to have actual knowledge of all representations, warranties and covenants made by the Lessor hereunder.

9. **Encumbrances.** The Leased Premises are leased subject to any: easements, restrictions, reservations, conditions and covenants of record or appearing on the plat of the "Land" located at Lot 4 S2, Wilson Subdivision, filed in the Anchorage Recording District, Third Judicial District, State of Alaska, any mortgages, deeds of trust and other security devices now or hereafter existing, governmental regulations, ordinances and statutes in effect now or in the future, and all other encumbrances of record.

10. **Subordination.** This Lease is subject and subordinate to all mortgages, deeds of trust and other security devices now existing or hereafter placed against all or any part of the land and improvements of which the premises are a part, and to any and all advances made or to be made thereunder, interest thereon, and all renewals, replacements or extensions thereof. This

Lease
John W. Clark and Cassandra M. Sheu, Lessor
Michael Morgan and Buffie Jones, Lessee

Page 4 of 17

AMCO

11/15/2009

paragraph shall be self-operative and no further instrument of subordination, no disturber or attornment shall be necessary.

11. **Rules and Regulations.** The Lessee agrees to comply with all reasonable rules and regulations applicable to the Leased Premises promulgated by the Lessor, upon notice to Lessee from Lessor.

12. **Compliance with Laws.** Lessee shall promptly and continually comply in all respects with all laws, statutes, ordinances, rules, orders, regulations and requirements of all governmental bodies applicable to Lessee's operation of its business on the Leased Premises, provided that an exception will be made for the Controlled Substances Act, 21 U.S.C. Section 800 et seq. (the "CSA") with respect to the CSA's provisions concerning marijuana. Subject to the foregoing, Lessee shall comply in all respects with all requirements relative to the legal operation of the Leased Premises, including without limitation compliance with all health and safety codes and laws intended to protect the public. Without limiting the foregoing, the Lessee shall comply with Chapter 3 of the Alaska Administrative Code, section 306.705.

13. **Quiet Enjoyment.** Subject to the terms and provisions herein set forth, Lessor does hereby covenant and agree that the Lessee shall have and enjoy the Leased Premises during the term hereof, free from adverse claims of any other persons whomsoever.

14. **Indemnification.** The Lessee shall save, protect, hold harmless, indemnify and defend Lessor of, from and against any and all claims, loss, liability, damages, costs or expenses, including attorney's fees, arising from: (a) Lessee's use of the Leased Premises; (b) the conduct of Lessee's business; (c) from any activity, work or things done, permitted or suffered by Lessee or of any of Lessee's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors of Lessee, on or about the Leased Premises; (d) arising from any accident, injury, death or damage, however and by whomsoever caused, to any person or property, occurring in or about the Leased Premises; or (e) any violation of laws, statutes, ordinances, rules, orders, regulations and requirements of all governmental bodies applicable to Lessee, including without limitation the CSA. The foregoing provision shall not be construed to make Lessee responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the sole negligence of Lessor.

Lessee assumes all risk of damage to property and injury or death of persons on or about the Leased Premises from any cause. Lessee hereby waives all claims in respect thereof against Lessor, excepting where said damage arises solely out of the negligence of Lessor. By way of example (and not limitation), Lessor shall not be liable for any loss or damage to person or property sustained by Lessee or other person which may be caused by the building or the premises, or any appurtenances thereto, being out of repair, including but not limited to incidents, circumstances, or events relating to the carpeting, or by the bursting or leakage of any water, gas, sewer or steam pipe, or by any act or neglect of any other Lessee or occupant of the building.

15. Care of the Leased Premises. At all times during the term hereof, Lessee shall:

- (a) keep the Leased Premises clean, safe and orderly;
 - (b) provide all equipment needed for the operation of its business conducted on the Leased Premises;
 - (c) conduct activities upon and generally maintain the Leased Premises in such a manner and with such care that injury to persons and damage to property does not result therefrom;
 - (d) not use the Leased Premises in such manner that will increase the rate of fire and extended coverage insurance or which will cause cancellation of the insurance or will make coverage unavailable;
 - (e) make no alterations or improvements in the Leased Premises or incorporate fixtures therein without the written consent of the Lessor;
 - (f) not damage the Leased Premises or the building while moving equipment to and from the Leased Premises;
 - (g) not use any plumbing facilities in the building except for their intended purposes;
 - (h) not use or permit any part of the Leased Premises to be used for any unlawful or unauthorized purpose;
 - (i) comply with Municipal, State, Federal and other governmental laws, statutes, ordinances, rules and regulations of whatever type and nature including, but not limited to, zoning ordinances, health, fire, safety and environmental regulations;
 - (j) not cause or permit any waste, damage or injury to the Leased Premises;
- and
- (k) keep the Leased Premises as now or hereafter constituted with all improvements made thereto.

During the term of this Lease it is the sole responsibility of the Lessee to manage and operate the Leased Premises in compliance with all applicable Americans with Disabilities Act ("ADA") requirements. Lessor is specifically, and in all ways, to be indemnified, defended, and held harmless by Lessee in regard to any ADA non-compliance claims, issues, building modifications or mitigation required as the result of Lessee failing to manage, maintain and operate the Leased Premises in compliance with the Americans with Disabilities Act.

16. Repairs and Maintenance. During the term of this Lease, the Lessor shall be responsible for repairs and maintenance of the structure, the roof, the heating and ventilation, the

Lease
John W. Clark and Cassandra M. Shea, Lessor
Michael Morgan and Biffie Jones, Lessee

Page 6 of 17

AMCO

15 2011

144 of 194

plumbing system and the electrical systems, unless a repair is required because of the actions of the Lessee, its guests or invitees. The Lessor shall not be responsible for any repairs or maintenance to the plumbing inside of the Leased Premises or used by the Lessee which shall be the responsibility of the Lessee, unless a repair is required because of the actions or inactions of the Lessor. The Lessee shall be responsible for all repairs and maintenance to windows and the interior of the premises (including, but not limited to, light bulb replacement) not specifically delegated to the Lessor.

17. Access. Lessor, its agents, employees and designees shall have the right to enter the Leased Premises upon no less than twenty-four (24) hours' notice to Lessee to examine the same, and to show it to prospective purchasers or lenders or prospective tenants, and to make such repairs to the Leased Premises or repairs, alterations, improvements, additions or improvements to the Leased Premises as Lessor may reasonably deem necessary or desirable and Lessee agrees to make available an employee or other agent with proper identification to escort the Lessor on the Leased Premises, in accordance with applicable laws and regulations.

Both parties acknowledge and appreciate that the Lessee intends primarily to use the Leased Premises to manufacture, process and/or own and operate a marijuana cultivation facility in compliance with Chapter 3 of the Alaska Administrative Code ("AAC"), and all other applicable state, federal and local laws. AAC section 306.710 requires non-employee visitors to restricted areas designated by a marijuana licensee to the Alcohol & Marijuana Control Office ("AMCO") to be by escort only. In an emergency or perceived emergency or to provide normal maintenance services to the Leased Premises, Lessor agrees to make reasonable efforts to provide advance notice to Lessee and coordinate escorted access. Such advance notice will be made in person to the Lessee, or to any emergency contact phone numbers designated by the Lessee in writing to the Lessor. Otherwise, no advance notice shall be required.

The Leased Premises are located in a multi-tenant building. Access to the building is available to all tenants seven days per week 24 hours per day. The public entrances to the building have keys which are issued to each tenant.

Under no circumstances are keys to be provided to anyone other than the Lessee and its employees. The number of keys provided by the Lessor to the Lessee shall be two (2).

18. Lessee's Default and Lessor's Remedies. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:

- (a) Abandonment of the Leased Premises without payment of Rent;
- (b) Failure by Lessee to make payment of Rent for a period of five (5) days after written notice from Lessor that such Rent is due;
- (c) Failure by Lessee to make any payment other than rent payments as and when due where such failure shall continue for a period of ten (10) days after written notice from Lessor;
- (d) Failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease, other than making of any payment, where such failure shall

continue for a period of ten (10) days after written notice from Lessor (or if such failure cannot be reasonably cured within said 10-day period or does not thereafter in good faith diligently prosecute such curative efforts to completion within a reasonable period, depending on the nature of the default);

(e) The Alcohol & Marijuana Control Board of the State of Alaska ("AMCO") provides notice to Lessee or Lessor of Lessee's alleged violation of any law, statute, ordinance, rule, order, regulation or requirements;

(f) Any enforcement action is initiated by any governmental body applicable to Lessee's operation of its business on the Leased Premises, including, without limitation, any investigation or enforcement action taken by the federal government pursuant to the CSA; or

(g) (i) The making by Lessee of any general arrangement for the benefit of creditors; (ii) the filing by or against Lessee of a petition in bankruptcy, including reorganization or arrangement, unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days; or (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in the Lease.

Upon occurrence of a default or breach, Lessor, at any time with or without notice or demand, without waiving or limiting any other right or remedy, may choose, at its sole discretion, any one or more of the following remedies:

(a) Immediately re-enter and remove all persons and personal property from the Leased Premises, in accordance with and subject to applicable law and the provisions of this Lease. At Lessor's option, Lessor may arrange for storage of the property at Lessee's expense and without liability to the Lessor, subject to the provisions of this Lease.

(b) Rent the Leased Premises or any part thereof for the account of Lessee upon such terms and conditions and for such period as Lessor may consider advisable, either with or without any equipment that may be situated on the Leased Premises. Lessor shall apply the rents received from re-renting first to the reasonable expenses of re-renting, including any necessary renovation and alteration, reasonable attorney's fees, and any real estate commission actually paid. Lessor shall apply any remaining rent toward payment of all sums due or to become due to Lessor hereunder.

(c) Lessor's re-entry shall not terminate this Lease unless Lessor gives written notice of an intention to terminate to Lessee. Notwithstanding any such re-entry by Lessor, the liability of Lessee for the rent provided for herein, including any unrecovered rent, shall not be extinguished for the balance of the term of the Lease.

(d) Collect by legal proceedings rent or other sums as they become due.

(e) Enforce by legal proceedings or otherwise any covenant or condition or term of this Lease.

(f) Upon a default as described in Section 18 (c) of this Lease, Lessor may elect to immediately terminate the Lease. In addition, regardless of whether the Lessor elects to terminate the Lease, the Lessee will immediately, but in no event, in less than 48 hours from receipt of notice from the Lessor, vacate the Leased Premises. Notwithstanding the foregoing, Lessee will remain obligated to pay the Rent until AMCO's administrative review or other investigative process has been completed. If Lessor elects not to terminate the Lease after a default as described in Section 18(c), then, for so long as AMCO's administrative review process or other investigative process is ongoing, the Lessor will hold the Leased Premises for the benefit of Lessee so long as the term has not expired and so long as Lessee continues to timely make the monthly Rent payments.

(h) Exercise any other remedy permissible by law.

(i) Interest shall accrue on any unpaid monetary obligations of Lessee to Lessor that are not paid when due at the rate of 18% per annum, or at the highest rate allowed by law if that rate is less than 18%.

19. Termination Upon Adverse Governmental Action. If Lessor or Lessee is informed by any state or federal governmental authority (including, but not limited, to the Department of Justice, Drug Enforcement Agency, AMCO or any other federal, state or local governmental authority) that the manufacture, processing and/or cultivation of marijuana or any other activity conducted in connection with this Lease places Lessor's property rights or interests at risk and/or that Lessee is not in compliance with state or local rules regarding its procedures, licenses or use of the Leased Premises, or if any such governmental authority prohibits Lessee from operating its business at the Leased Premises, then Lessor may immediately terminate this Lease. Termination shall be effective upon the delivery of written notice, in which event the expiration date of this Lease shall be the date of delivery to such notice and all provisions regarding termination shall apply as of this date. Both parties acknowledge and appreciate that this termination provides extremely limited notice but is required to insure the compliance with state, federal and local laws.

20. Cure of Default by Lessor. The Lessor may, at the expense of Lessee, cure any default by Lessee hereunder, but shall not be required to do so. The Lessee shall reimburse Lessor for all amounts expended in connection therewith including attorney's fees and other incidental expenses. Such amounts, together with interest at the ten percent (10%) per annum (or the maximum allowable by law if it is less than 10% per annum), shall be deemed additional rent due and payable when the installment of rent next following such expenditure is due.

21. Status of Lease. Lessor and Lessee acknowledge that Lessee will operate a licensed marijuana business from the Leased Premises. Tenant acknowledges that Tenant will be required to have a license issued by AMCO in order to operate its business from the Leased Premises. Lessee agrees that regardless of the status of its license from AMCO, whether such license has been issued, is pending, or has been denied or revoked, Lessee shall be obligated to pay Rent as described in the Lease.

Lease
John W. Clark and Cassandra M. Shea, Lessor
Michael Morgan and Buffie Jones, Lessee

Page 9 of 17

AMCO

11 7 5 2019

22. **Communication with AMCO; Notices from AMCO.** Lessor and Lessee agree that Lessor may contact and communicate with AMCO regarding the status of Lessee's application(s) with AMCO and that Lessor may also request a copy of Lessee's entire file and application with AMCO. Lessee further agrees that it shall provide to Lessor any notices or other written communications that Lessee receives from AMCO or that Lessee transmits to AMCO.

23. **Liability and Fire Insurance.** The Lessee shall, during the entire term hereof, at the Lessee's sole expense, keep in full force and effect a policy of public liability and property damage insurance with respect to the premises, its appurtenances and the business operated by Lessee on the premises with minimum limits in an amount of not less than One Hundred Thousand Dollars (\$100,000.00) for bodily and personal injury or death to any one person; with minimum limits of not less than Five Hundred Thousand Dollars (\$500,000.00) for bodily and personal injury or death to more than one person; and with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) with respect to damage to property. If Lessee does not maintain or procure this required insurance, Lessor may procure and obtain such insurance. The cost of any such insurance obtained by Lessor shall be additional rent which will be due and payable upon demand.

(a) This policy shall name Lessor, any person or entity designated by Lessor, and Lessee as "co-insureds". This policy shall contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor ten (10) days prior written notice of cancellation or modification.

(b) This insurance shall be with an insurance company qualified to do business in the State of Alaska. A certificate of insurance shall be delivered to Lessor prior to the Lessee's occupancy and each time such policy is renewed.

(c) The Lessor shall obtain, at Lessor's sole expense, a policy of fire and extended coverage insurance for the building, but not for the Lessee's property located in the building.

(d) The Lessee shall be responsible for any and all loss to the property of Lessee. All risk of loss as to such personal property shall be borne by the Lessee.

24. **Waiver of Subrogation.** The Lessor and Lessee hereby grant to each other, on behalf of the insurer providing fire and extended coverage insurance to either of them covering the premises, the improvements therein and contents thereof, a waiver of any right of subrogation that any such insured of any one party may acquire against the other party by virtue of payment of such loss under such coverage if allowed by insurer.

25. **Notice by Lessee.** The Lessee shall give immediate notice to Lessor in case of fire or accidents in the Leased Premises or in the building of which the Leased Premises are a part or of defects therein or in any fixtures or equipment.

26. **Damage or Destruction.** If the Leased Premises shall be destroyed or rendered untenable, either wholly or in part, by fire or other unavoidable casualty, Lessor may, at his option, restore the Leased Premises to its previous condition and in the meantime the monthly Rent shall be abated in the same proportion as the untenable portion of the Leased Premises bears to the whole thereof. If Lessor does not, within thirty (30) days after the happening of any such casualty, notify Lessee of its election to so restore the Leased Premises, this Lease shall thereupon terminate.

27. **Condemnation.** If all of the Leased Premises or such portions of the building as may be required for the reasonable use of the Leased Premises are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the Leased Premises and all rent shall be paid to that date. Lessor reserves all rights to all compensation for any taking of eminent domain. Lessee hereby assigns to Lessor any rights Lessee may have to such compensation. Lessee shall make no claim against Lessor for damages for termination of the lease or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority, compensation for any loss to which Lessee may be put for Lessee's moving expenses and for the interruption of or damage to Lessee's business.

28. **Acceptance of Premises.** The Lessee shall, after the Lessor has completed the tenant improvements or repairs described in the "Offer To Lease", inspect the Leased Premises and, if unsatisfactory, shall advise Lessor in writing within 48 hours of taking possession of the specific item(s) or matter(s) which are unsatisfactory to Lessee.

29. **Alterations.** The Lessee shall not make any alterations, additions, changes or improvements to the Leased Premises without the prior written consent of the Lessor and then only in accordance with plans and specifications approved by Lessor and subject to the following conditions:

(a) No change, alteration, improvement or renovation shall at any time be made which shall impair the structural soundness or diminish the value of the demised premises.

(b) No change, alteration, improvement or renovation shall be made without the written consent of the Lessor, which consent shall not unreasonably be withheld. As a condition precedent to such consent, the Lessee shall deliver to Lessor written plans and specifications for all such work.

(c) No change, alteration, improvement or renovation shall be undertaken until Lessee shall have procured and paid for all required municipal and other governmental permits and authorizations of the various municipal departments.

(d) All work done in connection with any change, alteration, improvement or renovation shall be done in a good and workmanlike manner and in compliance with the building and zoning laws, and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof, including, without limitation

AMCO. Lessee shall procure certificates of occupancy and other certificates as required by law.

(e) At all times when any change, alteration, improvement or renovation is in progress, there shall be maintained, at Lessee's expense, worker's compensation insurance in accordance with law covering all persons employed in connection with the change or alteration, and general liability insurance for the mutual benefit of Lessee and Lessor, expressly covering the additional hazards due to the change or alteration.

(f) At the end of the term of this Lease, Lessee shall have neither the right nor the obligation to remove any additions, fixtures, renovations or alterations or to restore the demised premises to the condition in which they were at the time of the commencement of this lease. Said alterations, fixtures and improvements, such as carpet, light fixtures, stud walls, doors, cabinets, counters, sinks, toilets and all other Lessee improvements, fixtures and alterations will, at the expiration or earlier termination of this Lease, become the property of the Lessor except where Lessor has otherwise agreed in writing.

(g) All workmanship involved and material used shall be of a quality consistent with the construction of the premises at the start of the lease term. All contractors involved in such alterations shall be approved by Lessor prior to commencing work.

30. **Liens.** The Lessee shall keep the land, building and any part thereof free from liens, security interests or encumbrances for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any such lien be recorded or should a lien be recorded by reason of a claim against Lessee, or acts or omissions of Lessee, Lessee shall forthwith, and within ten (10) days of learning of such recording, cause the same to be cancelled and discharged of record. Alternatively, Lessee shall provide Lessor with written proof of the existence of an appropriate surety bond in accordance with AS 34.35.072 written by a corporate surety qualified to do business in the State of Alaska, in an amount equal to not less than 150% of the amount of the claim of lien. Such surety bond shall be in favor of Lessor or the lien claimant. Lessee shall take all steps necessary to have such lien released or judgment resulting therefrom satisfied at Lessee's own expense.

31. **Surrender of Premises.** The Lessee, on the last day of the Initial Term, or on the last day of a renewal or extension term, or upon earlier termination of this Lease, shall peaceably and quietly leave and surrender the Leased Premises in as good condition as on commencement of the term, ordinary wear and tear and damage that Lessor has been fully compensated for by insurance proceeds, excepted.

(a) The Lessee may remove any furniture and equipment which it placed on the Leased Premises during the term of this Lease, but all fixtures, including cabinets, counters, sinks and the like shall remain on the premises as the property of the Lessor.

Lessee
John W. Clark and Cassandra M. Shaw, Lessor
Michael Morgan and Buffie Jones, Lessee

Page 12 of 17

AMCO

11/11/2019

153 of 194

(b) The Lessee will repair any damage caused by the removal of any furniture or equipment.

(c) At termination of the Lease, Lessee is required to return all keys to unit to Lessor; or Lessee will be charged \$100.00 as a change of lock fee.

32. **Holding Over.** In the event Lessee remains in possession of the Leased Premises after the expiration of this Lease and without the execution of a new lease, Lessee shall be deemed to be occupying the Leased Premises as a tenant from month to month at a rental equal to one hundred and fifty percent (150%) of the monthly rental provided for herein and otherwise subject to all the conditions, provisions and obligations of this Lease insofar as they are applicable to month to month tenancy.

33. **Notices.** Any notice or demand which under the terms of this Lease or any statute may or must be given or made by either party to the other, shall be in writing and made or given by mailing the same by certified mail, return receipt requested, postage prepaid, addressed to the other party as herein below provided. When so mailed the notice or demand shall be effective four (4) days after the mailing date. Any demand or notice by or from Lessor shall be effective when personally delivered to any officer of Lessee or to the person who is in charge of the premises for Lessee. The addresses of the parties are:

Lessor: John W. Clark
14400 Prator Street
Anchorage, Alaska 99516

Lessee: Michael Morgan and Buffie Jones
4129 Lana Court
Anchorage, Alaska 99508

Either party may designate in writing such new or other address to which such notice or demand shall thereafter be given, made or mailed, furthermore, when for purposes of demand or notice, Lessor uses the address at which it customarily communicates with Lessee, such demand or notice shall be effective.

34. **Personal Property Taxes.** The Lessee shall pay prior to delinquency, all personal property taxes payable with respect to all property of Lessee located in the premises or the building and shall provide promptly, upon request of Lessor, written proof of such payment.

35. **Business Expenses.** The Lessee shall pay any and all expenses associated with the operation of its business including, without limitation, employee salaries and all taxes and contributions associated therewith, equipment payments, worker's compensation insurance as required by law for all employees, inventory purchases, the public liability and property damage and fire insurance required by this Lease.

36. **Governmental Fees, Taxes, Assessments and Other Expenses.** All governmental fees and taxes due the Anchorage Municipality, State of Alaska or other

Lease
John W. Clark and Cassandra M. Shea, Lessor
Michael Morgan and Buffie Jones, Lessee

Page 13 of 17 AMCO

11/11/18 2018

154 of 194

governmental agencies on account of inspections made upon said leased premises by any officer thereof as a result of the operation by the Lessee or any other similar taxes, fees or assessment, shall be paid, when and as due, by the Lessee. If a sales tax is instituted which taxes the rent paid by Lessee or received by Lessor under this Lease, Lessee shall pay such sales tax to Lessor as additional rent if the tax obligation imposed by the taxing authority is levied against Lessor.

37. Advertising. The Lessee shall not inscribe or post, place, or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the premises or the building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the premises without first obtaining Lessor's written consent thereto. Any such consent by Lessor shall be upon the understanding and condition that Lessee will comply with all municipal ordinances and will remove the same at the expiration or sooner termination of this Lease and repair any damage to the premises or the building caused thereby and such other conditions as the Lessor may reasonably impose.

Lessor hereby consents to the installation of a signage outside of the Lessee's premises that conforms with existing signage of other tenants in the building. The signage shall be located above leased area. The sign will be prepared and installed at the Lessee's expense. The appearance of the sign shall be subject to final approval by the Lessor once the Lessee has designed the same.

38. Lessor and Lessee Not Partners. Neither this Lease nor any one or more other agreements set forth herein is intended, nor shall the same ever be construed so as to create a partnership or joint venture by and between the Lessor and the Lessee. Nor does this Lease make either party in any way responsible for the debts and/or losses of the other party.

39. General.

(a) All prior negotiations representations and understandings are merged into this Lease and the Agreement and related documents which contain the entire agreement between the parties. Any agreement hereafter made shall be ineffective to change, modify or discharge the Lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought. The submission of any unexecuted copy of this Lease shall not constitute an offer to be legally bound by any provision of the document submitted either currently or in the future: and no party shall be bound by this Lease until it is fully executed and delivered by both parties.

(b) The failure of the Lessor or Lessee to enforce any of the rights given to it under this Lease by reason of the violation of any of the covenants in this Lease to be performed by Lessor or Lessee shall not be construed as a waiver of the rights of the Lessor or Lessee to exercise any such rights as to any subsequent violations of such covenants, or as a waiver of any of the rights given to the Lessor or Lessee by reason of the violation of any of the other covenants of this Lease.

(c) Time shall be of the essence for the performance of the obligations of this Lease by Lessee.

(d) If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons whose circumstances are other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

(e) No consent by Lessor to an act or omission by Lessee shall constitute consent to any other act or omission or to a like act or omission on a future occasion.

(f) The Lessee shall not record this Lease without the written consent of the Lessor.

(g) Each party acknowledges that it has relied upon its own examination of this Lease and the provisions hereof, as well as the representations of its own counsel. The parties acknowledge that this Lease has been prepared by a joint effort of both parties and therefore, there shall be no presumption in favor of either the Lessor or Lessee, and this Lease shall not be construed against either party.

(h) This Lease shall be governed by the laws of the State of Alaska.

(i) No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative.

(j) Words of any gender used in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires. Wherever used herein, the words "Lessor" and "Lessee" shall be deemed to include the heirs, personal representatives, legal representatives, successors, sub lessees and assigns of said parties, unless the context excludes such construction.

(k) It is understood and agreed that the headings are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

40. Attorneys Fees. In the event that either party requires the services of any attorney in connection with enforcing the terms of this Lease or in the event suit is brought for the recovery of any rent due under this Lease or for the breach of any covenant or condition of this Lease or for the restitution of said Leased Premises to Lessor and/or eviction of the Lessee during said term or after the expiration thereof, the prevailing party will be entitled to actual reasonable attorney's fees, witness fees, and court costs.

38. Estonpel Certificates. At any time and from time to time upon the written request of either of the parties hereto Lessor or Lessee, shall deliver to the party requesting the

Lease
John W. Clark and Cassandra M. Shea, Lessor
Michael Morgan and Buffie Jones, Lessee

Page 15 of 17

AMCO

100 1 2000

158 of 194

same a certificate executed in recordable form stating (i) whether or not this Lease is in full force and effect, (ii) whether or not any rights to renew the term of this Lease have been exercised and the date on which this Lease will terminate, (iii) whether or not this Lease has been modified or amended in any way and attaching a copy of such modification or amendment, (iv) whether or not there are any existing defaults under this Lease to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any, (v) the status of rent payments and (vi) any other facts regarding the operation of the Lease which the requesting party may reasonably request.

42. Hazardous Wastes And Materials.

(a) Lessee must, at its own expense, comply with all laws, ordinances, regulations and administrative agency or court orders relating to health, safety, noise, environmental protection, waste disposal, hazardous or toxic materials, and water and air quality. In the event any discharge, leakage, spillage, emission or pollution of any type, or other release of hazardous materials occurs upon or from the Leased Premises during the Lease term or any holdover thereafter which is deemed attributable to Lessee's use and occupancy of the Leased Premises during Lessee's Lease term, but which shall not include discharge, leakage, spillage, emission, or pollution of any type or other release of hazardous material from unknown sources or sources unrelated to Lessee's use and occupancy of the Property, such as from adjacent parcels of land. Lessee shall immediately notify Lessor, and Lessee shall, at Lessee's own expense, clean and restore the Leased Premises to the satisfaction of Lessor and any governmental body or court having jurisdiction of the matter.

(b) Hazardous Materials on Leased Premises. Lessee shall not cause or permit any hazardous materials to be brought upon, kept or used in or about the Leased Premises by Lessee, its agents, employees, contractors or invites without the prior written consent of Lessor, and then only in compliance with all applicable laws and regulations. Lessor shall not unreasonably withhold consent as long as Lessee demonstrates to the reasonable satisfaction of Lessor that such hazardous material is necessary or useful to Lessee's business and will be used, kept and stored in a manner that complies with all laws regulating any such hazardous materials so brought upon or used or kept in or about the Leased Premises.


(c) Environmental Indemnity. Lessee agrees to indemnify, hold harmless, and defend Lessor against all liability, cost and expense, including without limitation, any fines, penalties, diminution in value of any of the Leased Premises, assessment and clean-up costs, judgments, litigation costs and attorney's fees incurred by or levied against Lessor as a result of Lessee's breach of these environmental provisions or as a result of any discharge, leakage, spillage, emission or pollution on or discharged from the Property as a result of Lessee's use and occupancy of the Leased Property during this lease term, without regard to whether such liability, cost or expense arises during or after the Lease term; provided, however, that Lessee shall not be required to indemnify Lessor under this paragraph if the parties agree or a court of competent jurisdiction determines that such liability, cost or expense is caused directly and solely by the negligence of Lessor; or

acts or omissions of other users or occupiers of the property which occurred prior or subsequent to the term of this Lease. The foregoing indemnity shall survive the expiration or earlier termination of this Lease. The foregoing indemnity shall not apply to any discharge, leakage, spillage, emission or pollution which is caused by a person who occupies the Leased Premises after the termination of this Lease.

(d) Hazardous Material. For purposes of this Lease, the term "hazardous material" means any hazardous or toxic substances, material, or waste, including but not limited to those substances, materials, and wastes listed or defined as such in federal, state, or local law, regulation or ordinance, including but not limited to, in the following: U.S. Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101); regulations of the U.S. Environmental Protection Agency (including 40 C.F.R. Part 302; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. and its implementing regulations; the Solid Waste Disposal Act of 1984; 18 Alaska Administrative Code § 2601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.); and as a petroleum product or oil as defined in 33 U.S.C. § 1321.

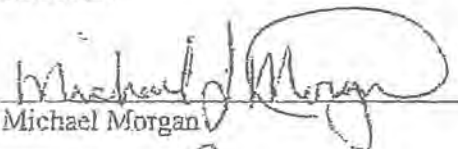
IN WITNESS WHEREOF, the parties have executed this Lease effective the day and year first above written.

LESSOR.


John W. Clark


Cassandra M. Shea

LESSEE:


Michael Morgan


Buffie Jones

LETTER OF AUTHORIZATION

APPLICATION FOR ZONING/LAND USE ENTITLEMENTS

PropertyAddress:10263 Nigh Road #5, Anchorage, AK 99515

LegalAddress: Lot 4, Wilson Subdivision, Unit #5

I/We, the owner(s) of the above described property, authorize Michael Morgan and Buffie Jones whose address is 4129 Lana Court, Anchorage, AK, 99508 its employees, representatives, agents, and/or consultants, to act as an agent on my/our behalf for the sole purpose of consummating any building and land-use permit applications, or any other entitlements necessary for the purpose of constructing and operating a cannabis business. I/We understand that any application may be denied, modified, or approved with conditions, and that such conditions or modifications must be complied with prior to issuance of building permits.

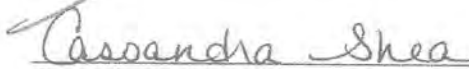
I/We further understand that signing of this authorization in no way creates an obligation of any kind.

Owner(s):


John W. Clark

Date:

8/9/16


Cassandra M. Shea

Date:

8/9/2016

State of Alaska)
) SS.

Borough of Anchorage)

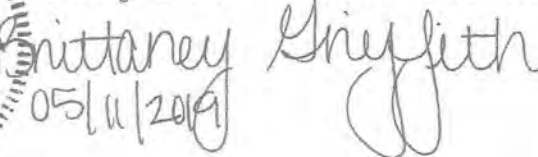
On this, the 9 day of August, 2016, before me, Brittaney Griffith
Notary Public, personally appeared John W. Clark and Cassandra M. Shea

personally known to me proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal:



Notary Public - Commission


05/11/2019

CERTIFICATE OF OCCUPANCY

MUNICIPALITY OF ANCHORAGE COMMUNITY DEVELOPMENT DEPARTMENT DEVELOPMENT SERVICES DIVISION

THIS CERTIFICATE IS ISSUED PURSUANT TO THE REQUIREMENTS OF SECTION 107 OF THE AAC CERTIFYING THAT, AT THE TIME OF ISSUANCE, THIS STRUCTURE, OR PORTION THEREOF, WAS IN COMPLIANCE WITH THE VARIOUS ORDINANCES OF THE MUNICIPALITY REGULATING BUILDING CONSTRUCTION, OR USE.

Building Permit Number: C14-2238

Building Address: 10289 NIGH

Construction Type: Commercial Building New

Description of Use: S-1 STORAGE, MODERATE

Building Owner Name: CLARK JOHN W & SHEA CASSANDRA M

Owner Address: 14400 PRATOR STREET, ANCHORAGE, AK 995164405

Prepared By: [Signature]

Date: 4/13/14

Authorized Official: [Signature]

Date: 4/13/14

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database Download / Corporations / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Old School & Buffie, LLC

Entity Type: Limited Liability Company

Entity #: 10037324

Status: Good Standing

AK Formed Date: 3/31/2016

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022

Entity Mailing Address: 4129 LANA CT, ANCHORAGE, AK 99508

Entity Physical Address: 4129 LANA CT, 4129 LANA CT, ANCHORAGE, AK 99508

Registered Agent

Agent Name: Michael Morgan

Registered Mailing Address: 4129 LANA CT, ANCHORAGE, AK 99508

Registered Physical Address: 4129 LANA CT, ANCHORAGE, AK 99508

Officials

AK Entity #	Name	Titles	<input type="checkbox"/> Show Former Owned
	Michael Morgan	Member	100.00

Filed Documents

Date Filed	Type	Filing	Certificate
3/31/2016	Creation Filing	Click to View	Click to View
4/01/2016	Initial Report	Click to View	
8/30/2016	Change of Officials	Click to View	
3/18/2018	Biennial Report	Click to View	
1/02/2020	Biennial Report	Click to View	

COPYRIGHT © STATE OF ALASKA · [DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT](#) ·

Received by AMCO 6.23.21

OPERATING AGREEMENT

of

Old School & Buffie LLC

This Operating Agreement (the "Agreement") made and entered into this 19th day of April, 2017 (the "Execution Date"),

BY:

Michael Morgan of 4129 Lana Ct, Anchorage, Alaska 99508

(the "Member").

BACKGROUND:

- A. The Member wishes to be the sole member of a limited liability company.
- B. The terms and conditions of this Agreement will govern the Member within the limited liability company.

IN CONSIDERATION OF and as a condition of the Member entering into this Agreement and other valuable consideration, the receipt and sufficiency of which is acknowledged, the Member agrees as follows:

Formation

- 1. By this Agreement, the Member forms a Limited Liability Company (the "Company") in accordance with the laws of the State of Alaska. The rights and obligations of the Member will be as stated in the Alaska Revised Limited Liability Company Act (the "Act") except as otherwise provided in this agreement.

Name

- 2. The name of the Company will be Old School & Buffie LLC.

AMCO

QUN 24 2018
Page 1 of 13

118 of 194

Sole Member

3. While the Company consists only of one Member, any reference in this Agreement to two or more Members and that requires the majority consent or unanimous consent of Members, or that requires a certain percentage vote of Members, should be interpreted as only requiring the consent or vote of the sole Member.

Purpose

4. The purpose of this compsnys is to cultivate cannibus for wholesale to licensed retailers in Alaska.

Term

5. The Company will continue until terminated as provided in this Agreement or may dissolve under conditions provided in the Act.

Place of Business

6. The Principal Office of the Company will be located at 10263 Nigh Rd #5, Anchorage, Alaska 99515 or such other place as the Member may from time to time designate.

Capital Contributions

7. The following table shows the Initial Contributions of the Member. The Member agrees to make the Initial Contributions to the Company in full, according to the following terms:

Member	Contribution Description	Value of Contribution
Michael Morgan	Build out of Start up, including all permitting & licensing fees, equipment, lease & utilities, all administrative fees, construction & labor costs. Approximately \$25,000.00	\$25,000.00

AMCO

JUN 24 2019

119 of 194

Allocation of Profits/Losses

8. Subject to the other provisions of this Agreement, the Net Profits or Losses, for both accounting and tax purposes, will accrue to and be borne by the sole Member:

Michael Morgan of 4129 Lana Ct, Anchorage, Alaska 99508.

9. Where the Company consists of two or more Members, no Member will have priority over any other Member for the distribution of Net Profits or Losses.

Nature of Interest

10. A Member's Interest in the Company will be considered personal property.

Withdrawal of Contribution

11. Where the Company consists of two or more Members, no Member will withdraw any portion of their Capital Contribution without the unanimous consent of the other Members.

Liability for Contribution

12. A Member's obligation to make their required Capital Contribution can only be compromised or released with the consent of all remaining Members or as otherwise provided in this Agreement. If a Member does not make the Capital Contribution when it is due, he is obligated at the option of any remaining Members to contribute cash equal to the agreed value of the Capital Contribution. This option is in addition to and not in lieu of any others rights, including the right to specific performance that the Company may have against the Member.

Additional Contributions

13. Capital Contributions may be amended from time to time, according to the business needs of the Company. However if additional capital is determined to be required and an individual Member is unwilling or unable to meet the additional contribution requirement within a reasonable period, and where the Company consists of two or more Members, the remaining Members may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case, the allocation of Net Profits or Losses and the distribution of assets on dissociation or dissolution will be adjusted accordingly.

14. Any advance of money to the Company by any Member in excess of the amounts provided for in this Agreement or subsequently agreed to, will be deemed a debt due from the Company rather than an increase in the Capital Contribution of the Member. This liability will be repaid with

AMCO

JUN 24 2019

120 of 194

interest at such rates and times to be determined by a majority of the Members. This liability will not entitle the lending Member to any increased share of the Company's profits nor to a greater voting power. Repayment of such debts will have priority over any other payments to Members.

Capital Accounts

15. An individual capital account (the "Capital Account") will be maintained for each Member and their Initial Contributions will be credited to this account. Any Additional Contributions made by any Member will be credited to that Member's individual Capital Account.

Interest on Capital

16. No borrowing charge or loan interest will be due or payable to any Member on their agreed Capital Contribution inclusive of any agreed Additional Contributions.

Management

17. Management of this Company is vested in the Member.

Authority to Bind Company

18. Only the following individuals have authority to bind the Company in contract: Buffie Jones- Business Manager
Cameron Kuhle- Apprentice Horticulturist.

Duty of Loyalty

19. While a person is a Member of the Company, and for a period of at least one year after that person ceases to be a Member, that person will not carry on, or participate in, a similar business to the business of the Company within any market regions that were established or contemplated by the Company before or during that person's tenure as Member.

Duty to Devote Time

20. Each Member will devote such time and attention to the business of the Company as the majority of the Members will from time to time reasonably determine for the conduct of the Company's business.

Member Meetings

21. Where the Company consists of two or more Members, a meeting may be called by any Member providing that reasonable notice has been given to the other Members.

AMCO

JUN 24 2019

22. Regular meetings of the Members will be held only as required.

Voting

23. Each Member will have a single equal vote on any matter.

Admission of New Members

24. No new Members may be admitted into the Company.

Voluntary Withdrawal of a Member

25. A Member may not withdraw from the Company without the unanimous consent of the remaining Members. Any such unauthorized withdrawal will be considered a wrongful dissociation and a breach of this Agreement. In the event of any such wrongful dissociation, the withdrawing Member will be liable to the remaining Members for any damages incurred by the remaining Members including but not limited to the loss of future earnings.
26. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company.
27. It remains incumbent on the withdrawing Member to exercise this dissociation in good faith and to minimize any present or future harm done to the remaining Members as a result of the withdrawal.

Involuntary Withdrawal of a Member

28. Events leading to the involuntary withdrawal of a Member from the Company will include but not be limited to: death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; breach of fiduciary duties by a Member; criminal conviction of a Member; Operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute. Expulsion of a Member can also occur on application by the Company or another Member, where it has been judicially determined that the Member: has engaged in wrongful conduct that adversely and materially affected the Company's business; has willfully or persistently committed a material breach of this Agreement or of a duty owed to the Company or to the other Members; or has engaged in conduct relating to the Company's business that makes it not reasonably practicable to carry on the business with the Member.

AMCO

JUN 24 2019

122 of 194

29. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company.

Dissociation of a Member

30. Where the Company consists of two or more Members, in the event of either a voluntary or involuntary withdrawal of a Member, if the remaining Members elect to purchase the interest of the withdrawing Member, the remaining Members will serve written notice of such election, including the purchase price and method and schedule of payment for the withdrawing Member's interests, upon the withdrawing Member, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the affected Member.
31. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
32. Any remaining Members retain the right to seek damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.
33. A dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. On dissociation of a Member, the Company will prepare, file, serve, and publish all notices required by law to protect the dissociated Member from liability for future Company obligations.
34. Where any remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

Right of First Purchase

35. Where the Company consists of two or more Members, in the event that a Member's Interest in the Company is or will be sold, due to any reason, the remaining Members will have a right of first purchase of that Member's Interest.

AMCO

JUN 24 2019

123 of 194

Assignment of Interest

36. In the event that a Member's interest in the company is transferred or assigned as the result of a court order or Operation of Law, the trustee in bankruptcy or other person acquiring that Member's Interests in the Company will only acquire that Member's economic rights and interests and will not acquire any other rights of that Member or be admitted as a Member of the Company or have the right to exercise any management or voting interests.

Valuation of Interest

37. Where the Company consists of two or more Members, a Member's financial interest in the Company will be in proportion to their Capital Contributions, inclusive of any Additional Capital Contributions.
38. In the absence of a written agreement setting a value, the value of the Company will be based on the fair market value appraisal of all Company assets (less liabilities) determined in accordance with generally accepted accounting principles (GAAP). This appraisal will be conducted by an independent accounting firm agreed to by all Members. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Members.
39. No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Company books immediately prior to valuation.

Dissolution

40. The Company may be dissolved by a unanimous vote of the Members. The Company will also be dissolved on the occurrence of events specified in the Act.
41. Upon Dissolution of the Company and liquidation of Company property, and after payment of all selling costs and expenses, the liquidator will distribute the Company assets to the following groups according to the following order of priority:
- a. in satisfaction of liabilities to creditors except Company obligations to current Members;
 - b. in satisfaction of Company debt obligations to current Members; and then
 - c. to the Member.

AMCO

JUN 24 2019

124 of 194

Records

42. The Company will at all times maintain accurate records of the following:
- a. Information regarding the status of the business and the financial condition of the Company.
 - b. A copy of the Company federal, state, and local income taxes for each year, promptly after becoming available.
 - c. Name and last known business, residential, or mailing address of each Member, as well as the date that person became a Member.
 - d. A copy of this Agreement and any articles or certificate of formation, as well as all amendments, together with any executed copies of any written powers of attorney pursuant to which this Agreement, articles or certificate, and any amendments have been executed.
 - e. The cash, property, and services contributed to the Company by each Member, along with a description and value, and any contributions that have been agreed to be made in the future.
43. Each Member has the right to demand, within a reasonable period of time, a copy of any of the above documents for any purpose reasonably related to their interest as a Member of the Company, at their expense.

Books of Account

44. Accurate and complete books of account of the transactions of the Company will be kept in accordance with generally accepted accounting principles (GAAP) and at all reasonable times will be available and open to inspection and examination by any Member. The books and records of the Company will reflect all the Company's transactions and will be appropriate and adequate for the business conducted by the Company.

Banking and Company Funds

45. The funds of the Company will be placed in such investments and banking accounts as will be designated by the Member. All withdrawals from these accounts will be made by the duly authorized agent or agents of the Company as appointed by unanimous consent of the Members. Company funds will be held in the name of the Company and will not be commingled with those

AMCO

JUN 24 2019

125 of 194

Received by AMCO 6.23.21

of any other person or entity.

Audit

46. Any of the Members will have the right to request an audit of the Company books. The cost of the audit will be borne by the Company. The audit will be performed by an accounting firm acceptable to all the Members. Not more than one (1) audit will be required by any or all of the Members for any fiscal year.

Tax Treatment

47. This Company is intended to be treated as a disregarded entity, for the purposes of Federal and State Income Tax.

Annual Report

48. As soon as practicable after the close of each fiscal year, the Company will furnish to each Member an annual report showing a full and complete account of the condition of the Company including all information as will be necessary for the preparation of each Member's income or other tax returns. This report will consist of at least:

- a. A copy of the Company's federal income tax returns for that fiscal year.
- b. Income statement.

Goodwill

49. The goodwill of the Company will be assessed at an amount to be determined by appraisal using generally accepted accounting principles (GAAP).

Governing Law

50. The Members submit to the jurisdiction of the courts of the State of Alaska for the enforcement of this Agreement or any arbitration award or decision arising from this Agreement.

Force Majeure

51. A Member will be free of liability to the Company where the Member is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, such as earthquake, typhoon, flood, fire, and war or any other unforeseen and uncontrollable event where the Member has communicated the circumstance of the event to any and all other Members and where the Member has taken any and all appropriate action to satisfy his duties and obligations to

AMCO

JUN 24

126 of 194

the Company and to mitigate the effects of the event.

Forbidden Acts

52. No Member may do any act in contravention of this Agreement.
53. No Member may permit, intentionally or unintentionally, the assignment of express, implied or apparent authority to a third party that is not a Member of the Company.
54. No Member may do any act that would make it impossible to carry on the ordinary business of the Company.
55. No Member will have the right or authority to bind or obligate the Company to any extent with regard to any matter outside the intended purpose of the Company.
56. No Member may confess a judgment against the Company.
57. Any violation of the above forbidden acts will be deemed an Involuntary Withdrawal and may be treated accordingly by the remaining Members.

Indemnification

58. All Members will be indemnified and held harmless by the Company from and against any and all claims of any nature, whatsoever, arising out of a Member's participation in Company affairs. A Member will not be entitled to indemnification under this section for liability arising out of gross negligence or willful misconduct of the Member or the breach by the Member of any provisions of this Agreement.

Liability

59. A Member or any employee will not be liable to the Company or to any other Member for any mistake or error in judgment or for any act or omission believed in good faith to be within the scope of authority conferred or implied by this Agreement or the Company. The Member or employee will be liable only for any and all acts and omissions involving intentional wrongdoing.

Liability Insurance

60. The Company may acquire insurance on behalf of any Member, employee, agent or other person engaged in the business interest of the Company against any liability asserted against them or incurred by them while acting in good faith on behalf of the Company.

AMCO

JUN 24 2019

127 of 194

Life Insurance

61. The Company will have the right to acquire life insurance on the lives of any or all of the Members, whenever it is deemed necessary by the Company. Each Member will cooperate fully with the Company in obtaining any such policies of life insurance.

Amendment of this Agreement

62. No amendment or modification of this Agreement will be valid or effective unless in writing and signed by all Members.

Title to Company Property

63. Title to all Company property will remain in the name of the Company. No Member or group of Members will have any ownership interest in Company property in whole or in part.

Miscellaneous

64. Time is of the essence in this Agreement.
65. This Agreement may be executed in counterparts.
66. Headings are inserted for the convenience of the Members only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in a neutral gender include the masculine gender and the feminine gender and vice versa.
67. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the Members' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
68. This Agreement contains the entire agreement between the Members. All negotiations and understandings have been included in this Agreement. Statements or representations that may have been made by any Member during the negotiation stages of this Agreement, may in some way be inconsistent with this final written Agreement. All such statements have no force or effect in respect to this Agreement. Only the written terms of this Agreement will bind the Members.

69. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon each Member's successors, assigns, executors, administrators, beneficiaries, and representatives.
70. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the Members at the addresses contained in this Agreement or as the Members may later designate in writing.
71. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

Definitions

72. For the purpose of this Agreement, the following terms are defined as follows:
- a. "Additional Contribution" means Capital Contributions, other than Initial Contributions, made by Members to the Company.
 - b. "Capital Contribution" means the total amount of cash, property, or services contributed to the Company by any one Member.
 - c. "Distributions" means a payment of Company profits to the Members.
 - d. "Initial Contribution" means the initial Capital Contributions made by any Member to acquire an interest in the Company.
 - e. "Member's Interests" means the Member's collective rights, including but not limited to, the Member's right to share in profits, Member's right to a share of Company assets on dissolution of the Company, Member's voting rights, and Member's rights to participate in the management of the Company.
 - f. "Net Profits or Losses" means the net profits or losses of the Company as determined by generally accepted accounting principles (GAAP).
 - g. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual, including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.

AMCO

JUN 24 2019

129 of 194

- h. "Principal Office" means the office whether inside or outside the State of Alaska where the executive or management of the Company maintain their primary office.
- i. "Voting Members" means the Members who belong to a membership class that has voting power. Where there is only one class of Members, then those Members constitute the Voting Members.

IN WITNESS WHEREOF the Member has duly affixed their signature under hand and seal on this 19th day of April, 2017.

SIGNED, SEALED, AND DELIVERED

in the presence of:

Witness: Don Freeman (Sign)

Witness Name: Don Freeman

Michael J. Morgan
Michael Morgan (Member)