



MEMORANDUM

TO: Chair and Members of the Board DATE: June 30, 2016

FROM: Cynthia Franklin RE: Applications That Have
Director, Marijuana Control Board Changes to Operating Plans

At its June 9-10 meeting, the Marijuana Control Board delegated the following applications. After the meeting, each applicant attempted to submit significant changes to their premises diagrams, operating plans, or both.

1. License #10022 Sunrise Gardens- Tab 25
 - a. Changing indoor cultivation to use first floor only
2. License #10043 Alaskan Greenery- Tab 26
 - a. Change to security system provider only
3. License #10186 AK Green Labs, LLC- Tab 27 (DISCUSS OF OWNERSHIP CHANGES)- Tab 27
 - a. Amended some parts of form MJ-06
 - b. Media article published reporting that ownership of license changed
4. License #10207 Tanana Herb Company, LLC- Tab 28
 - a. Changed location of bathroom per FNSB direction
 - b. Applicant was aware when she appeared before MCB June 9 that change would be required but she did not inform the board of need to change before they voted

Because the board delegated authority to issue licenses based the diagrams and operating plans submitted to the board in June, these changes necessitate the board removing the delegation to review the changed operating plans. The Program Coordinator created Forms MJ-14 and MJ-15. The following list indicates which pages of the operating plan are altered by MJ-15. The indicated tabs contain the following documents:

1. MJ-15 for each license
2. Pages of operating plan changed as required by MJ-15
3. Original Operating Plan viewed by MCB at June meeting
4. MJ-14 if applicable
5. For License #10186, copy of media article outlining new ownership of license



Alaska Marijuana Control Board

Form MJ-15: Operating Plan Change**What is this form?**

This operating plan change form is required for all marijuana establishment licensees seeking to change a licensed marijuana establishment's existing operating plan, under 3 AAC 306.100. With this form, a licensee may request changes to as much or as little as desired of Form MJ-01 and/or the corresponding operating plan supplemental for the establishment's license type.

The required \$250 change fee may be made by credit card online (VISA, MasterCard, or Discover), or by check or money order.

Please download, complete, and submit with this form **only the pages** of Form MJ-01 and/or the corresponding operating plan supplemental that contain sections that you are requesting to change. All fields that are left blank will be considered unchanged from the existing operating plan. All fields that are completed and submitted with this form will be considered as changes to the existing operating plan and are subject to board approval. **Please do not submit any wholly unchanged pages of an operating plan.**

The form(s) that I am requesting board approval to change is:

- ☐ Form MJ-01: Marijuana Establishment Operating Plan
- ☐ Form MJ-03: Retail Marijuana Store Operating Plan Supplemental
- ☒ Form MJ-04: Marijuana Cultivation Facility Operating Plan Supplemental
- ☐ Form MJ-05: Marijuana Product Manufacturing Facility Operating Plan Supplemental
- ☐ Form MJ-06: Marijuana Testing Facility Operating Plan Supplemental

This form must be completed and submitted to AMCO's main office prior to changing existing operations. The licensed establishment's operations may not be altered unless and until the Marijuana Control Board has approved of the changes. Please note that licensees seeking to change operating plans for multiple licenses must submit a separate completed copy of this form for each license.

Section 1 – Establishment Information

Enter information for the licensed establishment.

Licensee:	Purple Quail LLC	License Number:	10022		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Sunrise Gardens				
Premises Address:	440 Skyridge Drive				
City:	AK	State:	AK	ZIP:	99712

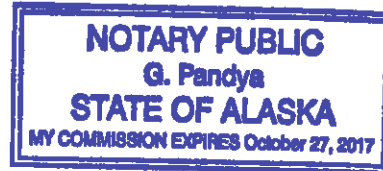


Alaska Marijuana Control Board

Form MJ-15: Operating Plan Change

As a marijuana establishment licensee, I declare under penalty of unsworn falsification that I have examined this form, including all accompanying documents, schedules, and statements, and to the best of my knowledge and belief find them to be true, correct, and complete.

Deborah Hutchens
Signature of licensee



Deborah Hutchens
Printed name

Subscribed and sworn to before me this 23rd day of June, 20 16.

G. Pandya

Notary Public in and for the State of Alaska.

My commission expires: 10/27/2017



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

What is this form?

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

What additional information is required for cultivation facilities?

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

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

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

Section 1 – Establishment Information

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

Licensee:	Purple Quail LLC	License Number:	10022
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Sunrise Gardens		
Premises Address:	440 Skyridge Drive		
City:	Fairbanks	State:	ALASKA
		ZIP:	99712



Alaska Marijuana Control Board

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

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Section 2 – Prohibitions

Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer “Agree” to all items below.

The marijuana cultivation facility will not:

Agree Disagree

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

☒ ☐

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

☒ ☐

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

☒ ☐

Section 3 – Cultivation Plan

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

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

We are planning on renovating our existing garage into an office area and areas suitable for growing marijuana indoors, year round. The two story garage is approximately 24 feet by 32 feet. Upon completion of renovations, the total square footage of the interior of the proposed marijuana cultivation facility will be approximately 1600 square feet, of which, there will be a proposed maximum of 768 sq. ft. under cultivation at any one time. The first floor will consist of a two 59.5 sq. ft. grow/bud rooms, a 77 sq foot grow/bud room, an arctic entry, utility room, processing area (for cloning/planting, tagging, harvesting/weighing, packaging, etc) and stairway. Total square footage for the first floor is used to estimate cultivation area allowing us flexibility in housing our mother plants and seedlings/clones since they will not be in the "grow/bud" rooms. The second floor will be a business area consisting of office space and recording/surveillance storage. The entire interior of this structure will be marked "Restricted Access" in compliance with 3 AAC 306.430 and 3 AAC 306.710.

In addition to growing marijuana indoors, we would like to grow it outdoors in raised beds. Total proposed fenced in area would be 30' x 30' for a total of 900 square feet, enclosing eight 4' x 10' raised garden beds for a total of 320 sq. ft. under cultivation. The entire interior fenced or walled area will be marked "Restricted Access" in compliance with 3 AAC 306.430 and 3 AAC 306.710.



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

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Phone: 907.269.0350

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

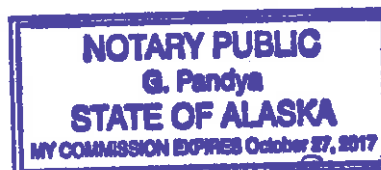
Sunrise Gardens marijuana cultivation facility is located on 5 acres of timbered private property in a sparsely populated area off of the main road. The driveway is approximately 500 feet long, beginning at the road and ending at the facility. There are no windows on the first floor of the marijuana cultivation facility. The entrance to the building opens into an arctic entry, which will not have marijuana in it. The second floor office area of the facility has four windows of which the height makes it impossible to view the activity inside. There are no public buildings nearby from which public will have viewing access to the activity inside the facility.

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

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

Deborah Hitchens
Signature of licensee

Deborah Hitchens
Printed name



Subscribed and sworn to before me this 25 day of June, 2016

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

My commission expires: 10/27/2017

OPERATING AGREEMENT
of
Purple Quail LLC

This Operating Agreement (the "Agreement") made and entered into this 6th day of April, 2016 (the "Execution Date"),

BETWEEN:

Deborah Hutchens of PO Box 83438, Fairbanks, Alaska 99708, and
Millard Toms of PO Box 83438, Fairbanks, Alaska 99708

(individually the "Member" and collectively the "Members").

BACKGROUND:

- A. The Members wish to associate themselves as members of a limited liability company.
- B. The terms and conditions of this Agreement will govern the members within the limited liability company.

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

Formation

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

Name

2. The name of the Company will be Purple Quail LLC.

Purpose

3. This company is organized for the conduct of any or all lawful affairs for which a limited liability company may be organized.

Term

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

Place of Business

5. The Principal Office of the Company will be located at 440 Skyridge Drive, Fairbanks, Alaska 99712 or such other place as the Members may from time to time designate.

Capital Contributions

6. The following is a list of all Members and their Initial Contributions to the Company. Each of the Members agree to make their Contributions to the Company.

Member	Contribution Description
Deborah Hutchens	This member will provide 50% of all costs.
Millard Toms	This member will provide 50% of all costs.

Allocation of Profits/Losses

7. 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 Members in equal proportions.
8. Distributions will be made monthly.

9. Each Member will receive an equal share of any Distribution.
10. No Member will have priority over any other Member for any Distribution.

Nature of Interest

11. A Member's interest in the Company will be considered personal property.

Withdrawal of Contribution

12. No Member will withdraw any portion of their Capital Contribution without the unanimous consent of the other Members.

Liability for Contribution

13. 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 the 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

14. Additional Contributions will require the unanimous consent of all Members. Where Additional Contributions are determined to be required and where an individual Member is unwilling or unable to meet this requirement within a reasonable period, the remaining Members may contribute in proportion to their existing Capital Contributions to resolve the amount in default.
15. 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 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. Satisfaction of such debts will have priority over any other payments to Members.

Capital Accounts

16. 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

17. 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.

Compensation of Members for Services Rendered

18. Members will be compensated by the Company for services rendered to or on behalf of the Company, including reimbursement for expenses directly related to the operation of the Company.

Management

19. Management of the Company is vested in the following manager (the "Manager") until such time as this Manager is removed by the Members or withdraws from the position:

Manager	Manager Address
Deborah Hutchens	PO Box 83438, Fairbanks, Alaska 99708

20. Management compensation will be as follows:

Manager	Type	Compensation
Deborah Hutchens	Individual	\$0.00 hourly

21. The duties and responsibilities of the Managers will include the following:

- Keep records, file reports, assure compliance of state regulations regarding operating marijuana cultivation facility business.

22. The limitations on the powers and authority of the Managers will include the following:
 - All important decisions will be made by unanimous vote of members.
23. A new Manager may be added to the Company with a unanimous vote of the Members.
24. A Manager will be reimbursed for expenses directly related to the operation of the Company.
25. All the Members will be consulted and the advice and opinions of the Members will be obtained as much as is practicable. However, a Manager will have management and control of the day-to-day business of the Company for the purposes stated in this Agreement. All matters outside the day-to-day business of the Company will be decided by the Members as outlined elsewhere in this Agreement.
26. In addition to day-to-day management tasks and any other duties and responsibilities already identified in this Agreement, the Manager's duties will include keeping, or causing to be kept, full and accurate business records for the Company according to generally accepted accounting principles. The Manager's duties will also include overseeing the preparation of any reports considered reasonably necessary to keep the Members informed of the business performance of the Company.
27. A Manager will not be liable to the Members for any action or failure to act resulting in loss or harm to the Company except in the case of gross negligence or willful misconduct.
28. Subject to any declared duty of loyalty, a Manager may engage in activities with other business entities where they are or may become a member or manager. A transaction between the Company and another company in which the Manager has a financial interest will not be void for this reason alone. The transaction will be valid only where it has been fully disclosed to the Members of the Company and they agree to the transaction.
29. Each Manager will devote such time and attention to the business of the Company as required to carry out their duties and responsibilities for the conduct of the Company's business.

Authority to Bind Company

30. Only the following individuals have authority to bind the Company in contract: All members by unanimous vote.

Duty of Loyalty

31. Any Member or Manager may invest in or engage in any business of any type, a business that is similar to the business of the Company whether or not in direct competition with the Company and whether or not within the established or contemplated market regions of the Company, excluding a marijuana testing facility, as long as within the regulations set out by State of Alaska Marijuana Control Board. A Member or Manager will have no obligation to present any opportunity to the Company. Neither the Company nor any Member will have any right to that opportunity or any income derived from that opportunity.

Duty to Devote Time

32. 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

33. Member meetings will be held at a time and in a location that is reasonable, convenient and practical considering the situation of all Members.
34. A meeting may be called by any Member providing that appropriate notice has been provided to the other Members.
35. Regular meetings of the Members will be held only as required.

Voting

36. Each Member will have an equal vote on any matter.

Admission or Change in Members

37. A new Member may only be admitted to the Company with a unanimous vote of the existing Members and upon notification of AMCO board within 10 days of ownership change. If any change to be reported under section 3 AAC 306.040 will resulting a change of controlling interest of the marijuana establishment license, the marijuana establishment will file an application for transfer of another person under 3 AAC 306.045. The marijuana establishment will apply for and receive written consent prior to transferring a marijuana establishment license or controlling interest in a marijuana establishment license.

Voluntary Withdrawal of a Member

38. A Member may not withdraw from the Company without the unanimous consent of the remaining Members and upon notification of AMCO board within 10 days of ownership change. 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.
39. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company, but per 3AAC 306.040, AMCO will be notified within 10 days on a form the board has prescribed.
40. 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

41. 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. If any change to be reported under section 3 AAC 306.040 will resulting a change of controlling interest of the marijuana establishment license, the marijuana establishment will file an application for transfer of another person under 3 AAC 306.045. The marijuana establishment will apply for and receive written consent prior to transferring a marijuana establishment license or controlling interest in a marijuana establishment license.
42. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company, however, per 3AAC 306.040, AMCO will be notified within 10 days on a form the board has prescribed.

Dissociation of a Member

43. 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 interest, 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. The purchase amount of any buyout of a Member's interest will be determined as outlined in the Valuation of Interest section of this Agreement. If any change to be reported under section 3 AAC 306.040 will resulting a change of controlling interest of the marijuana establishment license, the marijuana establishment will file an application for transfer of another person under 3 AAC 306.045. The marijuana establishment will apply for and receive written consent prior to transferring a marijuana establishment license or controlling interest in a marijuana establishment license.

44. In the event the remaining Members are unwilling or unable to purchase the interest of the Dissociated Member due to a voluntary or involuntary withdrawal from the Company then the Members will submit to mediation and, if necessary, binding arbitration for a final resolution. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
45. The 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.
46. On any purchase and sale resulting from the voluntary or involuntary dissociation of a Member, a dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. Immediately upon purchase of a withdrawing Member's interest, the Company will prepare, file, serve, and publish all notices required by law to protect the withdrawing Member from liability for future Company obligations. Where the 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.

Buyout Agreement

47. In the event of a Member's interest in the Company becoming for sale, due to any reason, the remaining Members of the Company have a right of first purchase on the interest. The value of the interest in the Company will be determined as outlined in the Valuation of Interest section of this Agreement. A Member may not receive or transfer a marijuana establishment license or a

controlling interest in a marijuana establishment license issued without applying for a receiving prior written consent of the AMCO. Transfer of a license includes a sale of all or part of the interest of an individual owner per 3 AAC 306.045.

Assignment of Interest

48. A Member's financial interest in the Company can only be assigned to another Member and cannot be assigned to a third party.
49. 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 interest 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. A Member may not receive or transfer a marijuana establishment license or a controlling interest in a marijuana establishment license issued without applying for a receiving prior written consent of the AMCO. Transfer of a license includes a sale of all or part of the interest of an individual owner per 3 AAC 306.045.

Valuation of Interest

50. 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. 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. A withdrawing Member's interest will be in proportion to their profit and loss share in the Company, less any outstanding liabilities a Member may have to the Company. The intent of this section is to ensure the survival of the Company despite the withdrawal of any individual Member.
51. 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

52. 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.
53. 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 obligations to current Members to pay debts; and
 - c. to the Members in proportion to their profit and loss share in the Company.
54. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Company assets after liabilities or any insufficiency in Company assets in resolving liabilities under this section will be resolved by the Members in proportion to the profit and loss share of each Member as set out in this Agreement.

Records

55. 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 and Manager, as well as the date that person became a Member or Manager.
 - 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.
 - f. All records required by the State of Alaska regulations set forth by AMCO including those listed in 3 AAC 306.755

3 AAC 306.755. Business records.

(a) A marijuana establishment shall maintain, in a format that is readily understood by a reasonably prudent business person, the following information:

- (1) all books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months must be maintained on the marijuana establishment's licensed premises; older records may be archived on or off premises;
- (2) a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;
- (3) the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- (4) records related to advertising and marketing;

- (5) a current diagram of the licensed premises including each restricted access area;
- (6) a log recording the name, and date and time of entry of each visitor permitted in a restricted access area;
- (7) all records normally retained for tax purposes;
- (8) accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed; and
- (9) transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f).

(b) A marijuana establishment shall provide any record required to be kept on the licensed premises to an employee of the board upon request. Any record kept off premises must be provided to the board's employees within three business days after a request for the record.

(c) A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Loss of records and data, including electronically maintained records, will not be considered an excuse for a violation of this rule. Failure to retain records required under this section may be interpreted by the board as a license violation affecting public safety.

- 56. 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.
- 57. Each Manager has the right to examine the above documents for any purpose reasonably related to their position as Manager of the Company.

Books of Account

- 58. 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

- 59. The funds of the Company will be placed a safe designated by Members. All members will have the combination to the safe. All withdrawals from the safe will be made by the Members as agreed by unanimous consent of the Members. Company funds will be cash and will not be commingled with those of any other person or entity.

Audit

- 60. 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

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

Annual Report

62. 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.
 - c. Balance sheet.
 - d. Cash flow statement.
 - e. A breakdown of the profit and loss attributable to each Member.

Goodwill

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

Governing Law

64. 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.

Dispute Resolution

65. In the event of a dispute arising out of or in connection with this Agreement, the Members will attempt to resolve the dispute through friendly consultation.
66. If the dispute is not resolved within a reasonable period then any or all outstanding issues may be submitted to mediation in accordance with any statutory rules of mediation. If mediation is unavailable or is not successful in resolving the entire dispute, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the State of Alaska. The arbitrator's award will be final, and judgment may be entered upon it by any court having jurisdiction within the State of Alaska.

Force Majeure

67. 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 the Company and to mitigate the effects of the event.

Forbidden Acts

68. No Member may do any act in contravention of this Agreement or in violation of the State of Alaska Statutes or Regulations pertaining to the Regulation of Marijuana Industry.
69. 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.
70. No Member may do any act that would make it impossible to carry on the ordinary business of the Company.
71. 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.
72. No Member may confess a judgment against the Company.
73. Any violation of the above forbidden acts will be deemed an Involuntary Withdrawal of the offending Member and may be treated accordingly by the remaining Members.

Indemnification

74. 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

75. 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

76. 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.

Life Insurance

77. 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.

Actions Requiring Unanimous Consent

78. The following actions will require the unanimous consent of all Members:
- a. Endangering the ownership or possession of Company property including selling, transferring or loaning any Company property or using any Company property as collateral for a loan.
 - b. Releasing any Company claim except for payment in full.

Amendment of this Agreement

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

Title to Company Property

80. Title to all Company property will remain in the name of the Company.

Miscellaneous

81. Time is of the essence in this Agreement.
82. This Agreement may be executed in counterparts.
83. 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.

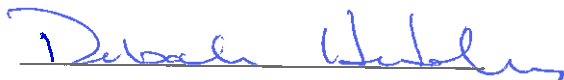
84. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the Members' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
85. 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.
86. 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.
87. 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.
88. 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

89. 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. "Net Profits or Losses" means the net profits or losses of the Company as determined by generally accepted accounting principles.
- f. "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.
- g. "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.

IN WITNESS WHEREOF the parties have duly affixed their signatures under hand and seal on this 6th day of April, 2016.



Deborah Hutchens (Member)



Millard Toms (Member)

State of Alaska

4th Judicial District

The within document, Operating Agreement of Purple Quail LLC
(document description)

Was subscribed and sworn (or affirmed) to before me on this 7th day of April, 2016
(date) (month) (year)

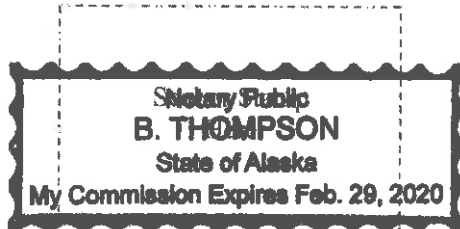
by Deborah Hutchens and Millard Toms
(name of individual)

Dated: 4/7/2016

B. Thompson
(Signature of Notary)

Notary Public for the State of Alaska

My Appointment Expires: 02/29/2020





Alaska Marijuana Control Board

Form MJ-14: Licensed Premises Diagram Change**What is this form?**

This licensed premises diagram change form is required for all marijuana establishment licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises, under 3 AAC 306.100 and 3 AAC 306.705. **The required \$250 change fee may be made by credit card online (VISA, MasterCard, or Discover), or by check or money order.**

Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex. Limited marijuana cultivation licensees must clearly delineate the proposed area(s) for cultivation.

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

This form must be completed and submitted to AMCO's main office prior to altering the existing floor plan. The licensed premises may not be altered unless and until the AMCO Director has given written approval on this form. Please note that licensees seeking to change licensed premises diagrams for multiple licenses must submit a separate completed copy of this form for each license.

Yes No

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

**Section 1 – Establishment Information**

Enter information for the licensed establishment.

Licensee:	Purple Quail LLC	License Number:	10022		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Sunrise Gardens				
Premises Address:	440 Skyridge Drive				
City:	Fairbanks	State:	Alaska	ZIP:	99712



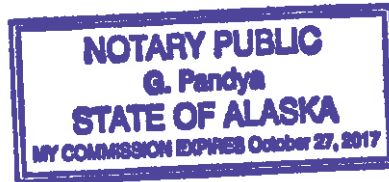
Alaska Marijuana Control Board

Form MJ-14: Licensed Premises Diagram Change

As a marijuana establishment licensee, I declare under penalty of unsworn falsification that I have examined this form, including all attachments, and to the best of my knowledge and belief find the provided information to be true, correct, and complete.

Deborah Hutchens

Signature of licensee



Deborah Hutchens

Printed name

Subscribed and sworn to before me this 23 day of June, 2016

G. Pandya

Notary Public in and for the State of Alaska.

My commission expires: 10/27/2017

From: [Marijuana Licensing \(CED sponsored\)](#)
To: bnd@sunrisegardensak.com; [Marijuana Licensing \(CED sponsored\)](#)
Cc: fsdah3@yahoo.com; [Franklin, Cynthia A \(CED\)](#); [Oates, Sarah D \(CED\)](#)
Subject: RE: Change in floor plan to approved license #10022
Date: Thursday, June 23, 2016 11:35:05 AM
Attachments: [Fwd: Questions regarding pending Fire Marshal's approval license.pdf](#)
[Form MJ-14 Licensed Premises Diagram Change.pdf](#)
[Form MJ-15 Operating Plan Change.pdf](#)

Hi Deborah,

On June 7th at 10:11am we called you in response to your June 1st email (attached) regarding the processes required to change your premises diagram. During that conversation, we discussed your two options for the changes you mentioned. The options we discussed were:

1. For you to request at the June 9th meeting, that the board table the review of your application until the July 7th meeting in order to give you time to submit your revised documents to our office. This option would not require any additional fees.
2. To have the board review the application as is and potentially approve with delegation pending State Fire Marshal approval of that proposed premises diagram and operating plan. We also informed you that if you chose this option, you would need to proceed in one of the following ways:
 - a. Continue to work on bringing the board-approved premises into compliance with the State Fire Marshal's office. Issuance of the license would only occur after AMCO receives all required approvals including Fire Marshal approval.
 - b. Complete and submit the Licensed Premises Diagram Change form and the Operating Plan Change form including the \$250 corresponding fee for each form. Issuance of the license would only occur after Director approval of the Licensed Premises Diagram Change form, board approval of the Operating Plan Change form and AMCO receipt of all required approvals, including Fire Marshal approval.

In our follow-up phone conversation before the June 9th board meeting, you informed us that you would proceed with option #2 above, but did not elaborate as to how you would go from there. At the June 9th board meeting, your license application was approved with delegation and conditions. Because of this board action, your remaining options are 2a and 2b above. Unless we receive the completed attached forms MJ-14 and MJ-15 including the corresponding fees, our office can only assume that you have chosen to proceed with option 2a. As a reminder, you must submit your forms by 4:30pm today in order for them to be reviewed by the board at the July 7th and 8th meeting.

*Thank you,
AMCO Staff*

-----Original Message-----

From: bnd@sunrisegardensak.com [mailto:bnd@sunrisegardensak.com]
Sent: Wednesday, June 22, 2016 3:40 PM
To: Marijuana Licensing (CED sponsored)

Cc: fsdah3@yahoo.com

Subject: Re: Change in floor plan to approved license #10022

Our architect is finishing our drawing today and said he will have it to us in the morning. He will also be submitting it to the fire marshal's office. We will submit the floor plan along with the completed documents that you have requested by close of business tomorrow. We plan on being in attendance at the July 7/8 AMCO meeting here in Fairbanks and would like to be on the agenda.

I have a question in regards to submitting the fees. Form MJ-14 states "This licensed premises diagram change form is required for all marijuana establishment licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises under 3 AAC 306.100 and 3 AAC 306.705." We are not yet a licensed premises.

3 AAC 306.100 (c) states "The nonrefundable fee to request board approval of a change in a licensed marijuana establishment's business name, licensed premises diagram, operating plan, or proposed new marijuana product is \$250." We are not currently a licensed marijuana establishment.

and 3 AAC 306.705 (c) states "A holder of a marijuana establishment license may not alter the functional floor plan or reduce or expand the area of the licensed premises without first obtaining the director's written approval. A marijuana establishment license holder seeking to change or modify the licensed premises must submit a request for approval of the change on a form prescribed by the board, along with

- (1) the fee prescribed in 3 AAC 306.100;
- (2) a drawing showing the proposed change;
- (3) evidence that the proposed change conforms to any local restrictions; and
- (4) evidence that the licensee has obtained any applicable local building permit.

We have not yet obtained our license, so we are not yet "a holder of a marijuana establishment license". The fire marshal won't approve us until we make some adjustments to the floor plan since a 2 story F1 building is not allowed without some serious fire rated structural modifications are met. Since a license has not been issued to Sunrise Gardens/Purple Quail LLC, would the fees be required?

We aren't trying to be difficult. Since we received the letter from the fire marshal's office, we have worked diligently to follow their regulations and meet all the requirements they have set out. Our first task was to obtain an architect to provide drawings with code study.

We received two bids for this project that came in at \$18,000-\$24,000 to draft the drawing and do the code study, then submit to the fire marshal's office and \$140/hour for any work after that. That is a minimum of \$18,000-\$24,000 we had not budgeted in to our start up costs, not to mention the additional costs of the materials, contractor and engineer's fees. We have been working with the state's mechanical and structural engineers as well. The changes required to our floor plan are not of our choosing, but necessary to be compliant with the International Building Code. Since our application for a standard marijuana cultivation facility was approved contingent upon approval from the fire marshal, the "evidence" will be submitted with the fire marshal's approval.

We appreciate the time you take in answering our questions and clarifying the issues we don't understand.

Deborah Hutchens
907-388-4858

Quoting "Marijuana Licensing (CED sponsored)"
<marijuana.licensing@alaska.gov>:

> Hello Deborah,
>
> The short answer to your question is no. You will need to submit the
> two forms attached with the necessary documents as well as submit the
> associated fees.
>
> Since the changes to your premises will also change your cultivator
> supplemental operating plan, you will also need to complete the
> attached form MJ-15.
>
> You must submit these forms with the necessary documents by close of
> business on June 23rd in order to be considered for the July 7th MCB
> meeting agenda.
>
> Thank you,
> AMCO Staff
>
>
> -----Original Message-----
> From: bnd@sunrisegardensak.com [<mailto:bnd@sunrisegardensak.com>]
> Sent: Monday, June 20, 2016 4:07 PM
> To: Marijuana Licensing (CED sponsored)
> Subject: Change in floor plan to approved license #10022
>
> Dear AMCO,
>
> We are becoming very discouraged by the strict changes to our current
> building required by the state Fire Marshall's office to bring to to
> code for an F1 building. Even though our building will be strictly
> growing marijuana and not manufacturing/making extracts or using any
> gases or chemicals, we are considered a factory for coding purposes.
> If we change the usage of our building floor space to using strictly
> one floor and sealing off the second floor until such time that we can
> afford to upgrade the building to a 2 story grow facility, our

> architect says the regulations will change to something that we can
> easily manage.
>
> My question is, can I submit an amended floor plan and continue moving
> forward with our current operating plan, as nothing else will change
> except the square footage under cultivation submitted in the original
> floor plan for the indoor portion of our grow area? If so, I would
> like to submit immediately, if the plan needs to go before the next
> board meeting July 7/8. The outdoor grow area and all information
> contained in the operating plan will remain the same.
>
> The details of the required changes are many, I would be happy to
> discuss them by phone.
>
> Thank you,
>
> Deborah Hutchens
>
> 907-388-4858
> Sunrise Gardens
> Purple Quail LLC

Original MJ-04

(approved at June 9, 2016 meeting)



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

What is this form?

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

What additional information is required for cultivation facilities?

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

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

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

Section 1 – Establishment Information

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

Licensee:	Purple Quail LLC	License Number:	10022		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Sunrise Gardens				
Premises Address:	440 Skyridge Drive				
City:	Fairbanks	State:	ALASKA	ZIP:	99712



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

Alcohol and Marijuana Control Office
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Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Section 2 – Prohibitions

Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer “Agree” to all items below.

The marijuana cultivation facility will not:

Agree Disagree

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

☒ ☐

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

☒ ☐

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

☒ ☐

Section 3 – Cultivation Plan

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

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

We are planning on renovating our existing garage into areas suitable for growing marijuana indoors, year round. The two story garage is approximately 24 feet by 32 feet. Upon completion of renovations, the total square footage of the interior of the proposed marijuana cultivation facility will be approximately 1600 square feet, of which, there will be a proposed maximum of 1,148 sq. ft. under cultivation at any one time. The first floor will consist of a 320 sq. ft. cultivation room, a 324 sq foot cultivation room, an arctic entry, utility room, and stairway. The second floor will consist of a 320 sq. ft. cultivation room, a 70 sq. ft. and a 98 sq. ft. cultivation/multi use processing rooms, the remaining interior square footage is stairway, inventory storage, recording/surveillance storage. The entire interior of this structure will be marked “Restricted Access” in compliance with 3 AAC 306.430 and 3 AAC 306.710.

In addition to growing marijuana indoors, we would like to grow it outdoors in raised beds. Total proposed fenced in area would be 30' x 30' for a total of 900 square feet, enclosing eight 4' x 10' raised garden beds for a total of 320 sq. ft. under cultivation. The entire interior fenced or walled area will be marked “Restricted Access” in compliance with 3 AAC 306.430 and 3 AAC 306.710.



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

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Phone: 907.269.0350

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

Sunrise Gardens will initially grow our plants in potting soil. When in full operation, we will be using a both traditional potting soil and hydroponics. The potting soil we use will be purchased from a local retail store. The soil will be supplemented with compost that is produced on the property from a mixture of manure/straw/wood chips from our chickens and waste vegetation. Mineral supplements and organic fertilizers will be added based on the stage of plant growth. We have plans for a hydroponics system that will consist of plants grown in a mixture of perlite, clay pellets, and/or rock wool cubes. Nutrients designed specifically for hydroponics will be used. As the water/nutrient solution expires, it will be recycled to water the garden.

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

There are many fertilizers currently on the market that have a good reputation for growing healthy, safe marijuana. Our preference would be to use products such as Eleanor's VF-11, Connoisseur Brand, and other similar brands for different stages of marijuana's growth. We will use the same nutrients for our plants grown in soil and hydroponics. Should we encounter issues with pests, we will use products created with natural ingredients specifically for plants used for human consumption. Examples of natural pest control will include a spray solution of clove oil, neem oil, and water. We will not be using any chemical based pesticides.

Our bud rooms will have additional CO2 provided by the cultivation of Oyster Mushrooms, purchased as a kit by MY CO2. This form of generating CO2 is safe and easy to maintain while providing the additional CO2 that benefits the marijuana plant during the budding stage.

Sunrise Gardens has no plans to use chemicals, gases, or other enhancers in our marijuana cultivation facility.

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

Our plans to water our plants grown in soil are manually with a watering can filled with water in which nutrients have been added. This plan is for indoor and outdoor production of marijuana. There is no waste water.

Our proposed hydroponics system is designed to drip water from a gravity fed tank through piping designed to cycle the water back to the holding tank. From time to time, the water will be drained and replaced with a fresh water and nutrient solution. The spent solution will be used to water the family garden.



Alaska Marijuana Control Board

Operating Plan Supplemental

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Describe the marijuana cultivation facility's waste disposal arrangements:

Three days prior to disposing of our marijuana waste, both plant waste including roots, stalks, leaves, and stems and expired or returned marijuana samples, Sunrise Gardens will notify the state via the inventory tracking system in compliance with 3 AAC 306.740. Waste disposal will be conducted in a restricted access area and in full view of camera surveillance. Our plan is to make the plant waste unusable by grinding/finely chopping it and mixing it with at least an equal part of compostable material. This compost will eventually be recycled into the soil used to grow our gardens. Records will be updated in METRC as to final destination of the waste.

Section 4 – Odor Control

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

Describe the odor control method(s) to be used and how the marijuana cultivation facility will ensure that any marijuana at the facility does not emit an odor that is detectable by the public from outside the facility:

Sunrise Gardens cultivation facility is located on 5 acres of timbered property, off the main road, in a sparsely populated area. We don't anticipate any complaints about odor from the public, as there is no public access to the cultivation facility. However, due to the exhaust system we will have in place, an "active carbon filter" will be installed to the ventilation piping to filter the air prior to the air leaving the building.



Alaska Marijuana Control Board

Operating Plan Supplemental

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Section 5 – Testing Procedure and Protocols

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

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

I understand and agree that:

Agree Disagree

The board will or the director shall from time to time require the marijuana cultivation facility to provide samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks



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

After each batch has been harvested and cured, samples will be taken from batches of individual strains of bud and flower by a designated individual who will then sign a statement showing the sample is randomly selected. The individual will transport the sample to the testing facility's licensed premises in compliance with 3 AAC 306.750, along with the signed statement. A copy of the statement will be kept as a permanent business record for the marijuana cultivation facility. The entire batch from which the sample was taken will be kept in a locked, secure, cool and dry storage area so as to protect the batch from contamination or loss of efficacy until the marijuana cultivation facility has received a report of the results from the tests by the marijuana testing facility. The results of the testing will be kept as a permanent record with the marijuana cultivation facility. Sunrise Gardens will not sell or transport until all testing required by 3AAC 306.645 has been complete in compliance with 3 AAC 306.455 and 3 AAC 306.465.

It is understood that from time to time the AMCO will appoint a marijuana testing facility to conduct a random sample of soil, fertilizers, pesticides, etc. Sunrise Gardens will cooperate with the testing facility and will bear all costs of the testing per 3 AAC 306.465.



Alaska Marijuana Control Board
Operating Plan Supplemental
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Phone: 907.269.0350

Section 6 – Security

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

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

The marijuana cultivation facility applicant has:

Agree Disagree

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

☒☐

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

☒☐

Restricted Access Area (3 AAC 306.430):

Yes

No

Will the marijuana cultivation facility include outdoor production?

☒☐

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

In addition to growing marijuana indoors, Sunrise Gardens would like to grow it outdoors in raised beds, behind a secure, locked fence or wall a minimum of six feet tall. The area we propose to designate for this purpose is behind the house, marked on the 11" x 17" drawing attached to this application. Total proposed fenced in area would be 30' x 30' for a total of 900 square feet, enclosing eight 4' x 10' raised garden beds for a total of 320 sq. ft. under cultivation. The entire interior fenced or walled area will be marked "Restricted Access" in compliance with 3 AAC 306.430 and 3 AAC 306.710. The secured fenced area will be continually monitored by video surveillance and camera recording system in compliance with 3 AAC 306.430, 3 AAC 306.715, and 3 AAC 306.720

See attached diagram



Alaska Marijuana Control Board

Operating Plan Supplemental

Form MJ-04: Marijuana Cultivation Facility

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Phone: 907.269.0350

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

Sunrise Gardens marijuana cultivation facility is located on 5 acres of timbered private property in a sparsely populated area off of the main road. The driveway is approximately 500 feet long, beginning at the road and ending at the facility. There are no windows on the first floor of the marijuana cultivation facility. The entrance to the building opens into an arctic entry, which will not have marijuana in it. The second floor of the facility has four windows of which the height makes it impossible to view the activity inside. Of the 5 cultivation rooms, only one has a window and it will have a light blocking shade. There are no public buildings nearby from which public will have viewing access to the activity inside the facility.

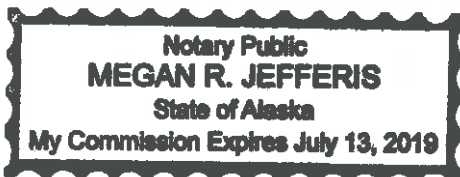
I certify that as a marijuana cultivation facility, I will submit monthly reports to the Department of Revenue and pay the excise tax required under AS 43.61.010 and 43.61.020 on all marijuana sold or provided as a sample to a marijuana establishment, as required under 3 AAC 306.480.

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

Deborah Hutchens
Signature of licensee

Deborah Hutchens
Printed name

Subscribed and sworn to before me this 19th day of MARCH, 2016



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

My commission expires: JULY 13, 2019



Alaska Marijuana Control Board

Operating Plan Supplemental

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Phone: 907.269.0350

(Additional Space as Needed):