



MEMORANDUM

TO: Chair and Members of the Board DATE: June 30, 2016
FROM: Cynthia Franklin RE: Catalyst Cannabis Company
Director, Marijuana Control Board #10284

This is an application for a new standard marijuana facility in the Municipality of Anchorage by Broken Dirt, LLC DBA Catalyst Cannabis Company

Date Application Initiated: 04/20/2016
Date Under Review: 05/21/2016
Incomplete Letter Date: 05/26/2016
Date Final Corrections Submitted: 05/31/2016
Determined Complete/Notices Sent: 05/31/2016
Local Government Response/Date: 06/01/2016 – Protest pending municipal license and special land use permit
DEC Response/Date: N/A (MOA)
Fire Marshal Response/Date: N/A (MOA)
Objection(s) Received/Date: None
Staff questions for Board: None

Application Documents (Final)

Alcohol & Marijuana Control Office

Initiating License Application

4/20/2016 8:09:08 PM

License Number: A-EG-1

License Status: Active

License Type: On-site consumption / Retail

Doing Business As: OCSYU/OCBP/OUT UOY

Business License Number: A-EG-1

Designated Owner: Y. J. & A. J.

Email Address: A. J. & A. J. @ .com

Latitude, Longitude: 47.611111, -122.333333

Physical Address: 1000 1st Ave.
Seattle, WA 98101

Owner #1

Owner Type: Individual

Alaska Entity Number: A-EG-1

Alaska Entity Name: J. J. & A. J.

Phone Number: 206.555.1234

Email Address: A. J. & A. J. @ .com

Mailing Address: 1000 1st Ave.
Seattle, WA 98101

Affiliate #1

Owner Type: Individual

Name: Y. J. & A. J.

SSN: [REDACTED]

Date of Birth: [REDACTED]

Phone Number: 206.555.1234

Email Address: A. J. & A. J. @ .com

Mailing Address: 1000 1st Ave.
Seattle, WA 98101

Affiliate #2

Owner Type: Individual

Name: A. J. & A. J.

SSN: [REDACTED]

Date of Birth: [REDACTED]

Phone Number: 206.555.1234

Email Address: A. J. & A. J. @ .com

Mailing Address: 1000 1st Ave.
Seattle, WA 98101

Affiliate #3

Owner Type: Individual

Name: A. J. & A. J.

SSN: [REDACTED]

Date of Birth: [REDACTED]

Phone Number: 206.555.1234

Email Address: A. J. & A. J. @ .com

Mailing Address: 1000 1st Ave.
Seattle, WA 98101



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

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

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Catalyst Cannabis Company				
Premises Address:	5001 Eagle St., Suite B				
City:	Anchorage	State:	ALASKA	ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Mark Ha
Title:	Member/affiliate

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

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

Marijuana Retail Establishment



Alaska Marijuana Control Board

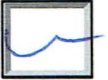
Form MJ-00: Application Certifications

Section 4 – Certifications

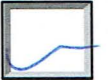
Read each line below, and then sign your initials in the box to the right of each statement:

Initials

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



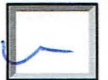
I certify that I am not currently on felony probation or felony parole.



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



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



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



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



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



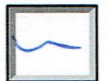
I certify that my proposed premises is not located in a liquor licensed premises.



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



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



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



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





Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

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

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

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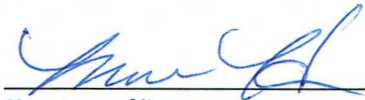
Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

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

☒

All marijuana establishment license applicants:

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



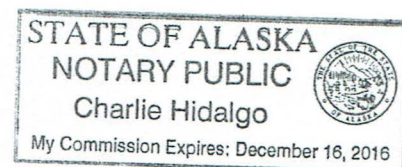
Signature of licensee

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



Notary Public in and for the State of Alaska.

My commission expires: 16th Dec 2016





Alaska Marijuana Control Board

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

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

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Catalyst Cannabis Company				
Premises Address:	5001 Eagle St., Suite B				
City:	Anchorage	State:	ALASKA	ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	William Schneider
Title:	Member/Manager/affiliate

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

☒☐

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

Marijuana Retail Establishment



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA

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

WA



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

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

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

☐

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

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

☒

All marijuana establishment license applicants:

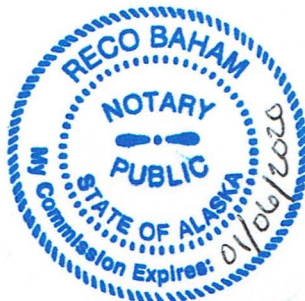
As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schedules and statements, and to the best of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

Signature of licensee

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

Notary Public in and for the State of Alaska.

My commission expires: 01/06/2020





Alaska Marijuana Control Board

Form MJ-00: Application Certifications

What is this form?

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

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

Section 1 - Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Catalyst Cannabis Company		
Premises Address:	5001 Eagle St		
City:	Anchorage	State:	AK
		ZIP:	99503

Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Andre Staiter
Title:	member

Section 3 - Other Licenses

Ownership and financial interest in other licenses:

Yes No

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

☒ ☐

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

Retail Marijuana Store



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

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

AS

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

AS

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.01D.

AS

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

AS

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

AS

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

AS

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

AS

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

AS

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

AS

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

AS

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

AS

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

AS



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

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

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

☐

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

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

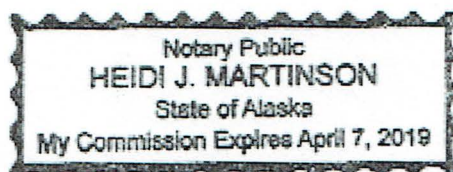
☒

All marijuana establishment license applicants:

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

Signature of licensee

Subscribed and sworn to before me this 4 day of May, 2016.



Notary Public in and for the State of Alaska.

My commission expires: April 7, 2019



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38 of Alaska Statutes** and **Chapter 306 of the Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

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

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06**) to meet the additional operating plan requirements for each license type.

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

Licensee:		License Number:	
License Type:			
Doing Business As:			
Premises Address:			
City:		State:	
		ZIP:	

Mailing Address:					
City:		State:		ZIP:	

Primary Contact:			
Main Phone:		Cell Phone:	
Email:			



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

Restricted Access Areas (3 AAC 306.710):

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Describe your policies and procedures for preventing loitering:

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Video Surveillance (3 AAC 306.720):

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

Video surveillance and camera recording system covers the following areas of the premises:

Yes No

Each restricted access area and each entrance to a restricted access area

☐ ☐

Both the interior and exterior of each entrance to the facility

☐ ☐

Each point of sale area

☐ ☐

Each video surveillance recording:

Yes No

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

☐ ☐

Clearly and accurately displays the time and date

☐ ☐

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

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

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

Location of Surveillance Equipment and Video Surveillance Records:

Yes No

Surveillance room or area is clearly defined on the premises diagram

☐ ☐

Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area

☐ ☐

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

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Video surveillance records are stored off-site

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Business Records (3 AAC 306.755):

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

Business Records Maintained and Kept on the Licensed Premises:

Yes No

All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises

☐ ☐

A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment

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

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Records related to advertising and marketing

☐ ☐

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

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

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All records normally retained for tax purposes

☐ ☐

Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed

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

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Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintained all required records.

Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

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

Marijuana Tracking and Weighing:

Yes No

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

☐ ☐

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

Applicants should be able to answer “Yes” to all items below.

Marijuana Handler Permit:

Yes No

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

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Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

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Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

Marijuana Waste Disposal:

Yes

No

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

☐☐

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

Marijuana Transportation:

Yes No

The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700

☐ ☐

The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle

☐ ☐

The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport

☐ ☐

During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport

☐ ☐

Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment

☐ ☐

When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received

☐ ☐

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

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

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

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

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

No advertisement for marijuana or marijuana product will contain any statement or illustration that:

Agree Disagree

Is false or misleading

☐

☐

Promotes excessive consumption

☐

☐

Represents that the use of marijuana has curative or therapeutic effects

☐

☐

Depicts a person under the age of 21 consuming marijuana

☐

☐

Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana

☐

☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

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

☐ ☐

On or in a public transit vehicle or public transit shelter

☐ ☐

On or in a publicly owned or operated property

☐ ☐

Within 1000 feet of a substance abuse or treatment facility

☐ ☐

On a campus for post-secondary education

☐ ☐

Signage and Promotional Materials:

Agree Disagree

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

☐ ☐

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

☐ ☐

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

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

Signature of licensee

Printed name

Subscribed and sworn to before me this ____ day of _____, 20 ____.

Notary Public in and for the State of Alaska.

My commission expires: _____



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

What is this form?

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

What additional information is required for cultivation facilities?

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

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

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

Section 1 – Establishment Information

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

Licensee:		License Number:	
License Type:			
Doing Business As:			
Premises Address:			
City:		State:	
		ZIP:	



Alaska Marijuana Control Board

Operating Plan Supplemental
Form MJ-04: Marijuana Cultivation Facility

Section 2 – Prohibitions

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

The marijuana cultivation facility will not:

Agree Disagree

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

☐☐

Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its licensee 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:



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

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

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

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



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Describe the marijuana cultivation facility's waste disposal arrangements:

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:



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

Section 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:



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Section 6 – Security

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

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

The marijuana cultivation facility applicant has:

Agree Disagree

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

☐ ☐

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

☐ ☐

Restricted Access Area (3 AAC 306.430):

Yes No

Will the marijuana cultivation facility include outdoor production?

☐ ☐

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



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

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

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

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

Signature of licensee

Printed name

Subscribed and sworn to before me this ____ day of _____, 20____.

Notary Public in and for the State of Alaska.

My commission expires: _____



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

(Additional Space as Needed):



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-04: Marijuana Cultivation Facility

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

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

We will ensure that no marijuana at our marijuana cultivation facility will be able to be observed by the public from outside the facility. The property we have secured for our cultivation facility is located at 5001 Eagle Street in Anchorage, which is recessed from the major vehicular and pedestrian thoroughfares in the area. The building is built of cinder block and painted a grey, opaque color ensuring 100% privacy and interior activity concealment. The building only has three windows (2 upstairs mezzanine, 1 ground floor), all of which will be covered and wrapped in non-transparent material. Additionally, the building is located in an industrial area that does not have high volumes of neighboring businesses, vehicle traffic, or pedestrian traffic. The entire cultivation facility will be a restricted access area and other than authorized Catalyst Cannabis Co. employees and visitors, under no circumstances will the general public be granted access or authorized access. Additionally, at no time will any marijuana-related transaction occur outside of the facility's restricted access area (plant growth phases, finished product processing, or waste disposal practices). We do not intend on having external signage on our cultivation facility advertising our name, logo, or marijuana industry affiliation. It is the intention of Catalyst Cannabis Co. to be a safe, secure, and non-polluting community member and to this end will ensure that no marijuana at our cultivation facility will be observable from outside the facility.

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

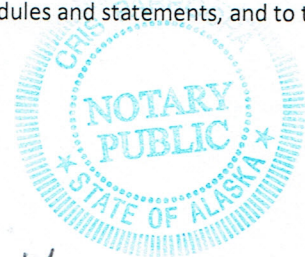
I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee

William Schneider

Printed name

Subscribed and sworn to before me this 18th day of May, 2016.



Notary Public in and for the State of Alaska.

My commission expires: 6/17/16



Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

What is this form?

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by posting a copy of the application (produced by the board's application website) for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284		
License Type:	Standard Marijuana Cultivation				
Doing Business As:	Catalyst Cannabis Company				
Premises Address:	5001 Eagle St., Suite B				
City:	Anchorage	State:	ALASKA	ZIP:	99503

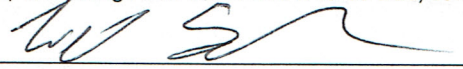
Section 2 – Certification

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

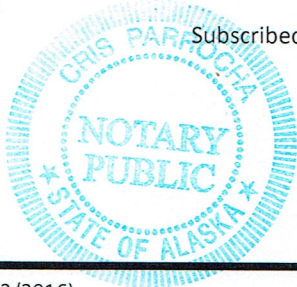
Start Date: April 21, 2016 End Date: May 1, 2016

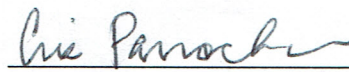
Other conspicuous location: Lake Otis Post Office (5855 Lake Otis)

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


Signature of licensee

Subscribed and sworn to before me this 18th day of May, 2016.




Notary Public in and for the State of Alaska.

My commission expires: _____



Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit**What is this form?**

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a new marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application (produced by the board's application website) to the local government and any community council in the area of the proposed licensed premises.

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Catalyst Cannabis Company				
Premises Address:	5001 Eagle St., Suite B				
City:	Anchorage	State:	ALASKA	ZIP:	99503

Section 2 – Certification

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government and community council (if applicable):

Local Government: Erika McConnell, Municipality of Anchorage

Date Submitted: 04/21/2016

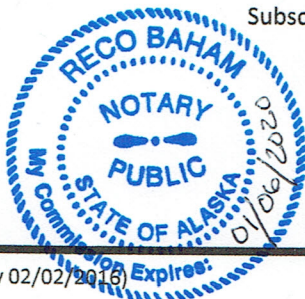
Community Council: Chris Bond, Midtown Community Council
(Municipality of Anchorage and Matanuska-Susitna Borough only)

Date Submitted: 04/21/2016

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

Signature of licensee

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



Notary Public in and for the State of Alaska.

My commission expires: 01/06/2020



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

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

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Catalyst Cannabis Company		
Premises Address:	5001 Eagle St., Suite B		
City:	Anchorage	State:	ALASKA
		ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Mark Ha
Title:	Member/affiliate
SSN:	██████████



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

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

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

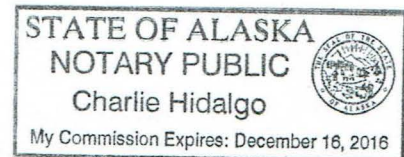
I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Signature of licensee/affiliate

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

Notary Public in and for the State of Alaska.

My commission expires: 16th Dec 2016





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

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

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Catalyst Cannabis Company				
Premises Address:	5001 Eagle St., Suite B				
City:	Anchorage	State:	ALASKA	ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	William Schneider
Title:	Member/Manager/affiliate
SSN:	██████████



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

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

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

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

Signature of licensee/affiliate

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



Notary Public in and for the State of Alaska.

My commission expires: 01/06/2020



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

What is this form?

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

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

Section 1 – Establishment Information

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

Licensee:	Broken Dirt, LLC	License Number:	10284
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Catalyst Cannabis Company		
Premises Address:	5001 Eagle St		
City:	Anchorage	State:	AK
		ZIP:	99503

Section 2 – Individual Information

Enter information for the individual licensee or affiliate.

Name:	Andre Stoiber
Title:	member
SSN:	[REDACTED]



Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

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

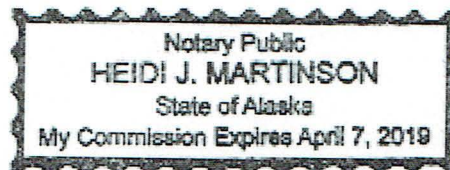
I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

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

A handwritten signature in black ink, appearing to be "A. J. [unclear]", written over a horizontal line.

Signature of licensee/affiliate

Subscribed and sworn to before me this 4 day of May, 2016.

A handwritten signature in black ink, appearing to be "Heidi J. Martinson", written over a horizontal line.

Notary Public in and for the State of Alaska.

My commission expires: April 7, 2019

COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE (the "Lease") is made and entered into this 17th day of February, 2016 by and between **Pioneer Ventures, LLC**. ("Landlord"), and **Broken Dirt, LLC**. ("Tenant").

1. **PREMISES.** Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises encompassing approximately 4,500 sq. ft. located at **5001 Eagle Street, Suite B, in the City of Anchorage, State of Alaska**, described further in Exhibit "A" (the "Premises").

2. **BUSINESS PURPOSE.** The Premises are to be used for the purpose of conducting a **horticultural, wholesale, retail, logistics and distribution operation** therein, or for any other lawful purpose. Landlord warrants that the Premises are presently zoned so that they may be used for the intended purpose.

3. **TERM.** The term of this Lease shall be for **Five (5) years** and shall commence on the **1st day of March, 2016 and expire on the 28th day of February, 2021**, inclusive. Tenant shall have the right to occupy the Premises upon execution of the lease agreement and shall be billed for any utility or maintenance costs according to the terms of the lease. Tenant shall have a total of thirty (30) months of reduced rent starting from July 1, 2016. Tenant shall have the option of canceling this lease on or before July 1, 2016 and upon cancellation, all rent payments and security deposits shall be non-refundable.

4. **RENT.** Tenant shall deposit with Landlord the rental amount due for the first month's Minimum Rent (\$6,750.00) in addition to a Security Deposit (\$6,750.00) upon execution of this Lease. Tenant shall pay to Landlord as base rent for the Premises as follows:

- a. March 1, 2016 to June 30, 2016: \$6,750.00 Per Month.
- b. July 1, 2016 to December 31, 2018: \$3,750.00 Per Month.
- c. January 1, 2019 to February 28, 2021: \$6,750.00 Per Month.

Tenant shall have the option of renewing this lease for three each, five year terms with an annual price escalation of 3% of the previous lease rate for each year.

The said monthly rent shall be payable in advance, on the first (1st) day of each month. Rent for any period which is for less than one (1) month shall be a pro-rata portion of the monthly installment. Rent shall be payable, without notice or demand and without deduction, offset or abatement, to Landlord at the following address:

**Pioneer Ventures, LLC
200 West 34th Avenue, Suite 625
Anchorage, Alaska 99503**

or to such other address as Landlord may from time to time designate. Payment after the 5th day of the month shall accrue a late-fee of 5% of the monthly rent due.

Arrearages shall accrue interest in addition to the late-fee of 1.5% per month starting from the due-date until paid.

5. SECURITY DEPOSIT Simultaneously with the execution of this Lease Tenant has deposited with Landlord the sum of **Six Thousand Seven Hundred Fifty and 00/100 (\$6,750.00)**. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount equal to the amount used or applied, and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant within thirty (30) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

6. ADDITIONAL RENTS. Lessee is responsible for exterior/interior maintenance of it's premises and its share of utilities such as water, sewer, natural gas, and electricity for the premises.

7. UTILITIES. Tenant shall pay for it's own metered utilities and Landlord shall provide billing for any unmetered services or expenses at the facility.

8. INDEMNIFICATION. All personal property on the Premises shall be at the risk of Tenant; Landlord or Landlord's agents shall not be liable for any damage, either to person or property, sustained by Tenant or others caused by the negligent or willful misconduct of Tenant. Tenant agrees to defend and hold Landlord and Landlord's agents harmless from any and all claims for damages suffered or alleged to be suffered in or about the Premises by any person, firm or corporation. This clause shall not apply if the damage or alleged damage to person or property is caused by or arises from the gross negligence or willful misconduct of Landlord or Landlord's agents, employees, or contractors.

9. LIABILITY INSURANCE. Tenant shall maintain in force during the term of this Lease a policy of comprehensive public liability insurance issued by a company acceptable to Landlord and insuring Tenant and Landlord against any liability, including, without limitation, damages to other portions of the building arising out of the ownership, use, occupancy or maintenance of the Leased Premises and all areas appurtenant thereto. Such insurance shall be in an amount of not less than One Million Dollars (\$1,000,000.00). Such policy shall name Landlord and Landlord's agent as additional insureds and shall provide that they may not be canceled without ten days' prior written notice to Landlord. Landlord shall be furnished with a certificate evidencing issuance of such policy of liability insurance and such certificate shall recite that said policy may not be canceled without thirty (30) days prior written notice to Landlord. If Tenant shall fail

to maintain said insurance, Landlord may, but shall not be required to, procure and maintain the same at the expense of Tenant.

Landlord shall maintain in force during the term of this Lease a policy of insurance issued by a company authorized to engage in the insurance business against damage or destruction by fire and/or by perils covered by the standard form of extended coverage endorsements to fire insurance policies in the State of Alaska in effect at the time the policies are obtained.

Tenant shall be responsible for any increases in insurance premiums that may be increased due to Tenant's activities on the Premises; provided, however, that in the event of an increase referred to in the preceding sentence, Landlord and Tenant shall cooperate in good faith to find alternative insurance policies or programs that may provide suitable coverage.

10. WAIVER OF SUBROGATION. So long as their respective insurers so permit, each of Tenant and Landlord waives any and all rights of recovery against the other, or against the officers, employees, agent and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, for such loss or damages insured against under any insurance policy in force at the time of such loss or damage

11. CARE OF PREMISES. During the term of this Lease, Landlord shall repair and maintain the building structure, including the foundation and supporting walls, structural supports and exterior and support walls, roof and all utility systems up to the point of entry into the Premises, and the parking lot, in good condition and repair. Tenant shall, at all times throughout the term of the Lease, at its sole cost and expense, keep and maintain the Premises in a good, clean and sanitary condition and state of repair. Tenant shall be responsible for maintaining and repairing the exterior doors and entrances, the interior doors and all windows.

12. USE. Tenant shall conduct and carry on in the Premises, continuously during each and every business day of the term hereof, the business for which the Premises are leased.

13. LIENS AND INSOLVENCY. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. In the event Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may cancel this Lease, at Landlord's option.

14. ASSIGNMENT AND SUBLETTING. Tenant shall not assign this Lease nor sublet the whole or any part of the Premises to any person or entity, and any such assignment or subletting shall be void, unless Tenant obtains prior written permission from the Landlord for the assignment or subletting. As used herein, the term "Assignment" includes, without limitation, transfers to a subsidiary or affiliated entity, the restructuring of a limited partnership, transfers of interest by or between individual partners if Tenant is a partnership, transfers of stock by stockholders if Tenant is a corporation, and any assignment in connection with any corporate merger or consolidation. Notwithstanding the foregoing, or any other provision to the contrary in

this Lease, "Assignment" shall not include any transfer of membership interest in Tenant in situations where the transfer of membership interest does not result in a change in the controlling interest of Tenant.

15. ACCESS. With prior reasonable notice, Tenant will allow Landlord or Landlord's agents, mutually agreed scheduled access to the Premises during business hours for the purpose of inspection or of making repairs, additions, or alterations to the Premises or any property owned by or under the control of Landlord as may be needed from time to time.

Landlord shall have the right to place and maintain "For Rent" signs in a conspicuous place on the Premises, other than exterior doors and windows, for sixty (60) days prior to the expiration of this Lease if Landlord and Tenant have not agreed to renew the Lease.

16. POSSESSION. Tenant agrees to accept the Premises in "as-is" condition and shall be responsible for all improvements.

17. NOTICES. All notices under this Lease shall be in writing and delivered in person or sent by registered or certified mail, return receipt requested, to Landlord and to Tenant at the addresses set forth below, or to such other respective addresses as may hereafter be designated by either party in writing. Notices mailed as aforesaid shall be deemed given on the date of such mailing.

The addresses are:

LANDLORD: **Pioneer Ventures, LLC**
200 West 34th Avenue
Suite 625
Anchorage, Alaska 99503

TENANT: **Broken Dirt, LLC.**
5001 Eagle Street
Suite B
Anchorage AK 99503

18. SIGNS. Any signs placed on the Premises shall be with the prior written approval of Landlord and shall be so placed upon the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury to the Premises caused thereby, and if not so removed by Tenant, then Landlord may have same removed at Tenant's expense.

19. ALTERATIONS. Tenant shall not make any alterations, additions or improvements in the Premises, without having obtained the written consent of Landlord, and all alterations, additions and improvements which shall be made, shall be made at the sole cost and expense of Tenant and shall become the property of Landlord and shall remain in and be surrendered with the Premises as a part thereof at the termination of this Lease, without disturbance, molestation or injury. If Tenant shall perform work with the consent of Landlord as aforesaid, Tenant agrees to comply with all laws, ordinances, rules and regulations of the pertinent and authorized public authorities. Tenant further agrees to hold Landlord free and harmless from damage, loss or expense arising out of said work.

20. DEFAULT AND RE-ENTRY. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due or if Tenant shall violate or default in any of the covenants and agreements herein contained, then Landlord may cancel this Lease upon giving the notice required by law and re-enter the Premises; but, notwithstanding such re-entry by Landlord, the liability of Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant covenants and agrees to make good to Landlord any deficiency arising from a re-entry and re-letting of the Premises at a lesser rental than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord.

21. COSTS AND ATTORNEY'S FEES. If by reason of any default on the part of Landlord or Tenant it becomes necessary for Landlord or Tenant to employ an attorney, or in case Landlord or Tenant shall bring suit to recover any rent due hereunder or for breach of any provision of this Lease or to recover possession of the Premises, or if Landlord or Tenant shall bring action for any relief against the other, declaratory or otherwise, arising out of this Lease, the party that prevails in such action shall be entitled to recover a reasonable attorney's fee and all costs and expenses expended or incurred by the prevailing party in connection with such default or action.

22. ACCEPTANCE OF PREMISES. Tenant hereby accepts the Leased Premises "as is" and in their present condition and accepts this lease subject thereto and all matters disclosed thereby and by any exhibits attached hereto.

23. NON-WAIVER OF BREACH. The failure of Landlord or Tenant to insist upon strict performance of any of the covenants and agreements of this Lease or to exercise any option herein conferred in any one or more instance shall not be construed to be a waiver or relinquishment of any such or any other covenants or agreements, but the same shall be and remain in full force and effect.

24. REMOVAL OF PROPERTY. In the event of any entry in or taking possession of the Premises as aforesaid, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property located therein, including without limitation inventory, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof and the balance, if any, to be paid to Tenant.

25. HEIRS AND SUCCESSORS. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Lease shall be binding upon the heirs, legal representatives, successors and assigns of either or both of the parties hereto.

26. HOLDING OVER. If Tenant shall, with the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the state in which the Premises are located. During such tenancy, Tenant agrees to pay Landlord rent equal to one hundred fifty percent (150%)

of the rental amount as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

27. FIRE AND OTHER CASUALTY. In the event the Premises are damaged by fire, earthquake or other casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, it shall be optional with Landlord to rebuild or repair the same; and after the happening of any such contingency, Tenant shall give Landlord or Landlord's agents immediate written notice thereof. Landlord shall have not more than ninety (90) days after the date of such notification to notify Tenant in writing of Landlord's intentions to rebuild or repair the Premises, or the part so damaged as aforesaid, and if Landlord elects to rebuild or repair the Premises, Landlord shall prosecute the work of such rebuilding or repairing without unnecessary delay, and during such period the rent of the Premises shall be abated in the same ratio that that portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. If Landlord shall fail to give the notice aforesaid, Tenant shall have the right to declare this Lease terminated by written notice served upon Landlord or Landlord's agents. In the event the building in which the Premises hereby Leased are located shall be destroyed or damaged by fire, earthquake or other casualty (even though the Premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Landlord it shall not be practicable to rebuild or repair, then it shall be optional with Landlord to terminate this Lease by written notice served on Tenant within ninety (90) days after such destruction or damage.

28. HAZARDOUS SUBSTANCE DISCLOSURE. Landlord and Tenant shall promptly disclose to the other, in writing, if Landlord or Tenant knows or has reasonable cause to believe that any toxic, dangerous or hazardous substance, as those terms are defined under federal, state, or local law, has come to be located in, on, about, over, or beneath the Premises. In addition, Tenant shall execute a written statement to Landlord no later than thirty (30) days after the end of each lease year describing in detail any and all toxic, dangerous, or hazardous substances, as those terms are defined under federal, state, or local law, which Tenant knows, or has reasonable cause to believe, have come to be located in, on, about, over, or beneath the Premises, or that there are no toxic, dangerous, or hazardous substances in, on, about, over, or beneath the Premises.

Tenant shall not generate, store, deposit, dispose of, or release hazardous materials in, on, under, over, or around the Premises without the prior written consent of Landlord. Tenant shall not incorporate lead, asbestos, or PCB's into any alterations, additions, or improvements in the Premises without the prior written consent of Landlord. In addition to any indemnification to which Landlord is entitled elsewhere under this Lease, which indemnification is not limited in any way by this subsection, Tenant agrees to indemnify, defend, and hold Landlord harmless from and against any loss, damage, liability, cost, or expense, including reasonable attorney's fees and consultant's fees, and including, without limitation, (i) any claims of third parties for personal injury, property damage, or other harm; and (ii) any response costs and/or costs of remedial, restoration or cleanup actions suffered or incurred by Landlord arising out of or related to the presence of hazardous materials in, on, under, over, or around the Premises due to Tenant, or out of any such use of the Premises, or due to the incorporation of such materials by substances, materials, or wastes, including, but not limited to, any substance, material, or waste which is (I) petroleum; (ii) asbestos; (iii) polychlorinated

biphenyls (PCB's); (iv) designated as "Dangerous Waste" or "Extremely Hazardous Waste" by the State of Alaska under authority of *Title 46, Alaska Statutes* and associated regulations; (v) designated as a "Hazardous Substance" pursuant to the *Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 6901, et. seq.*; (vii) designated as a "Hazardous Substance" under the *Clean Water Act, 33 U.S.C. Section 1321*, or listed pursuant to *33 U.S.C. Section 1317; (v999)* listed by the U.S. Department of Transportation at *49 C.F.R. Section 302*; and (ix) any other substance, waste or materials which is regulated as hazardous or dangerous by and federal, state, or local agency.

29. CONDEMNATION. It is understood and agreed that if the whole or any part of the Premises shall be taken by exercise of the right to condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all of which shall hereafter be considered condemnation), then, upon the passing of title of the Premises or any part thereof to the condemner, this Lease, at the option of Landlord, shall become null and void and the term herein granted shall cease and terminate, anything herein to the contrary notwithstanding. If Landlord elects to continue the Lease after condemnation, then this Lease shall continue in full force and effect as to the remainder of such Premises, and all terms herein provided shall continue in effect except that the rent shall be reduced in proportion to the amount of the Premises condemned, and Landlord, at its cost and expense, shall make all necessary repairs and alterations to the Premises required by such taking in order to make the remaining portion thereof tenantable.

30. SURRENDER. Tenant agrees, on the last day of the term or earlier termination of this Lease, to surrender the Premises to Landlord in as good condition and repair as they are upon occupancy, except for the reasonable use, wear and tear thereof.

31. CAPTIONS AND CONSTRUCTION. The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

32. SALE OF PREMISES BY LANDLORD. In the event of any sale of the Premises, Landlord is freed from any and all obligations from this lease. New purchaser shall assume all obligations set forth under this lease as a condition to purchasing the building. This lease shall remain in full effect until lease expiration.

33. FORUM SELECTION. This Lease shall be construed in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Lease, the same shall be commenced in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, Alaska. Tenants agree specifically the venue and jurisdiction in that court are proper, and further agree to submit themselves to the jurisdiction of that court. Tenants shall not claim that said forum is an inconvenient forum.

34. ENTIRE AGREEMENT. This Lease sets forth the entire understanding and agreement of Landlord and Tenant with respect to the Premises and the Lease thereof, and all prior understandings or agreements are merged herein. This Lease may be amended or modified only in writing signed by both parties.

35. BROKER'S COMMISSION. Landlord shall pay a leasing commission to Jack White Commercial Real Estate as agreed on a separate agreement.

36. RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request of either party, both parties shall execute a memorandum or "short form" of this Lease for purposes of recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Premises and the Lease term, and shall incorporate this Lease by reference.

37. LEASE, NOT OFFER. The submission of this Lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

38. LICENSEE RELATIONSHIPS. Landlord and Tenant acknowledge that Mark Ha is a Real Estate Licensee in the state of Alaska and has an ownership interest on the Premises.

39. EARLY TERMINATION. This Lease may be terminated by the Landlord due to specific events. Immediate and Early Termination events shall include Federal, state or local action resulting from the activities of the Tenant, Foreclosure or default actions from the financial institution that claim default of the mortgage terms due to Tenant's activities and/or non-compliance with state and local laws governing the Tenant's enterprise.

40. OTHER TERMS. Whenever the Landlord's consent, permission, approval or acquiescence of any type, is required under this Lease, Landlord shall not unreasonably withhold such consent, permission, approval, or acquiescence.

Exhibit "A" Attached.

Executed on the 17th day of February, 2016.

Landlord
Pioneer Ventures, LLC.



By:
Its: Manager

Executed on the 17th day of February, 2016.

Tenant
Broken Dirt, LLC.



By: Will Schneider

Its: Member

Exhibit "A"

Legal Description

Interair Subdivision Blk 2, Lot 5G

**Approximately 4500 sq. ft. on the East Section of building located at
5001 Eagle Street, Anchorage, Alaska**

AMENDMENT TO COMMERCIAL LEASE AGREEMENT

THIS SECOND AMENDMENT TO COMMERCIAL LEASE AGREEMENT ("Agreement") made and entered into this 26th of May, 2016, by and between Pioneer Ventures, LLC hereinafter referred to as "Landlord" and Broken Dirt, LLC. hereinafter referred to as "Tenant".

RECITALS:

WHEREAS, Landlord and Tenant entered into a Commercial Lease Agreement dated the 12th day of February, 2016, calling for the lease of certain real property referred to as approximately 4500 square feet of office, storage, and warehouse space located at 5001 Eagle Street, Suite B, Anchorage, Alaska, effective on March 1, 2016 and expiring on February 28, 2021.

WHEREAS, the parties desire to modify the terms and conditions of the commercial lease agreement as set forth below:

NOW, THEREFORE, IT IS AGREED THAT THE FOLLOWING VERBIAGE BE INSERTED TO THE LAST OF SECTION 24:

The Landlord's exercise of entry or possession shall only be coordinated with the offices of the State of Alaska-Alcohol and Marijuana Control Office and shall exclude marijuana or any marijuana products.

This Amendment is effective as of the 26th day of May, 2016.

End of Amendment.

LANDLORD:

Pioneer Ventures, LLC

By: _____

Its: _____ Manager

TENANT:

Broken Dirt, LLC

By: _____

Its: _____ Member



THE STATE

of **ALASKA**

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

AK Entity #: 10034020
Date Filed: 04/18/2016
State of Alaska, DCCED

FOR DIVISION USE ONLY

Limited Liability Company
Initial Biennial Report

Web-4/18/2016 12:37:04 PM

Entity Name: Broken Dirt LLC
Entity Number: 10034020
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

Name: William Schneider
Physical Address: 6967 LASER DR., ANCHORAGE,
AK 99504
Mailing Address: 6967 LASER DR., ANCHORAGE,
AK 99504

Entity Physical Address: 6967 LASER DR., ANCHORAGE, AK 99504

Entity Mailing Address: 6967 LASER DR., ANCHORAGE, AK 99504

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

Name	Address	% Owned	Titles
William Schneider	6967 Laser Dr., Anchorage, AK 99504	82	Manager, Member
Mark Ha	5001 Eagle St., Anchorage, AK 99503	15	Member
Andre Stoiber	8120 Harvest Circle, Anchorage, AK 99502	3	Member

NAICS Code: 333999 - ALL OTHER MISCELLANEOUS GENERAL PURPOSE MACHINERY MANUFACTURING

New NAICS Code (optional):

11198

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

Name: William Schneider

OPERATING AGREEMENT OF BROKEN DIRT, LLC

THIS OPERATING AGREEMENT is entered into as of April 13, 2016 by and among William Schneider, Mark Ha and Andre Stoiber.

1. DEFINITIONS. Unless the context otherwise specifies or requires, the terms in this Operating Agreement shall have the respective meanings assigned to them in this definition section for all purposes of this Operating Agreement.

1.1 "Act" means the Alaska Revised Limited Liability Company Act, AS 10.50.010, *et seq.*, as amended, and unless the context otherwise requires, applicable regulations promulgated thereunder.

1.2 "Additional Capital Contribution" means any Capital Contribution made by any Member after the Initial Capital Contribution pursuant to Article 5.2.

1.3 "Articles of Organization" or "Articles" means the Articles of Organization filed in accordance with the Act.

1.4 "Bankruptcy" means, and a Member shall be deemed "Bankrupt" upon, (i) the entry of a decree or order for relief in an involuntary bankruptcy case where the member is the debtor; (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, or other similar agent for the Member or for any substantial part of the Member's assets or property; (iii) the ordering of the winding up or liquidation of the Member's affairs; (iv) the filing with respect to the Member of a petition in any involuntary bankruptcy case, which petition remains undismissed for a period of ninety (90) days; (v) the commencement by the Member of a voluntary case under any bankruptcy, insolvency, or other similar law; (vi) the making by the Member of any general assignment for the benefit of creditors without the consent of the remaining Members; or (vii) the failure by the Member generally to pay its debts as such debts become due if such failure has an adverse effect upon the Company.

1.5 "Capital Account" means the separate account established and maintained for each Member pursuant to Article 5.4.

1.6 "Capital Contribution" means any property or services, including cash, rendered or contributed to the Company by or on behalf of a Member.

1.7 "Code" means the Internal Revenue Code, as in effect and hereafter amended and applicable regulations thereunder. Any reference herein to a specific section of the Code shall be deemed to include reference to any corresponding provisions of future law.

1.8 "Company" means Broken Dirt, LLC.

1.9 “GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants’ Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession.

1.10 “Initial Capital Contribution” means a Member’s initial contribution of capital as set forth in Article 5.1 and on Exhibit A attached hereto.

1.11 “Manager” means William Schneider, the initial Manager of the Company (“Schneider”), or any other Person Schneider designates as the Manager.

1.12 “Member” or “Members” means the persons listed on the attached Exhibit A and any other person or entity who shall in the future execute this Operating Agreement pursuant to its provisions or applicable law.

1.13 “Membership Interest” means the percentage ownership interest of a Member in the Company.

1.14 “Operating Agreement” means this Operating Agreement, as amended or modified, together with all attached addenda, exhibits, and schedules.

1.15 “Percentage Interest” means a Member’s percentage share of ownership of the Company, as shown on Exhibit A.

1.16 “Person” or “Persons” means any individual, corporation, partnership, limited liability company, joint venture, trust, estate, or other entity or organization.

2. FORMATION, NAME, PLACE OF BUSINESS.

2.1 Formation of Company. The Members of the Company hereby:

2.1.1 Authorize formation of the Company by the Members as a limited liability company pursuant to the Act, and further ratify the filing of the Articles of Organization with the State of Alaska, Department of Community and Economic Development, Division of Banking, Securities and Corporations;

2.1.2 Confirm and agree to their status as Members of the Company;

2.1.3 Execute this Operating Agreement for the purpose of confirming the existence of the Company and establishing the rights, duties, and relationship among the Members, and between the Members and the Company;

2.1.4 Agree (i) that, if the laws of any jurisdiction in which the Company transacts business so require, the Company shall appropriately file all

documents necessary for the Company to qualify to transact business under such laws, and (ii) to execute, acknowledge, and file any amendments to the Articles as may be required to lawfully operate the Company as a limited liability company.

2.2 Name of Company. The name of the Company shall be "Broken Dirt LLC." The business of the Company may be conducted under any other name permitted by the Act that is selected by the Members. If the Company does business under a name other than set forth in its Articles of Organization, then it shall execute, file, and record any assumed or fictitious name certificates as required by law.

2.3 Place of Business. The principal place of business of the Company shall be 6967 Laser Drive, Anchorage, Alaska 99504. The Members may change the principal place of business to such other place within the United States as the Members may determine from time to time. The Members may establish and maintain other offices and additional places of business of the Company in or outside the State of Alaska.

2.4 Registered Office and Registered Agent. The name and address of the initial registered agent of the Company is William Schneider, 6967 Laser Drive, Anchorage, Alaska 99504.

2.5 No Partnership Intended for Non-Tax Purposes. The Members do not intend to form a joint venture or a partnership under the laws of Alaska. The Members do not intend to be partners to one another or any third party. The Members agree and acknowledge that the Company is to be treated as a partnership solely for federal and state income tax purposes.

3. PURPOSES AND POWERS OF COMPANY.

3.1 Purposes. The purposes for which the Company is organized are:

3.1.1 To operate an establishment licensed under Title 3, Chapter 306 of the Alaska Administrative Code, and for any other lawful purpose; and

3.1.2 To enter into any lawful transaction and engage in any lawful activities in furtherance of the foregoing purposes and to assist the Company to carry out the purposes contemplated by this Operating Agreement.

3.2 Powers. The Company shall have the power to do any and all lawful acts for the furtherance of the purposes of the Company and this Operating Agreement.

4. TERM. The Company commenced when the Articles of Organization were delivered to the Department of Community and Economic Development, Division of Banking, Securities and Corporations. The Company shall continue in perpetuity until it is dissolved, liquidated, and terminated in conformity with the provisions of this Operating Agreement or the Act.

5. CAPITAL.

5.1 Initial Capital Contributions of the Members. Upon execution of this Operating Agreement, each Member will or has contributed to the Company the types and amounts of initial capital contribution set forth in the attached Exhibit A.

5.2 Additional Capital Contributions of the Members. Upon the agreement of all of the Members, a Member may make an Additional Capital Contribution. The Percentage Interest of the Members shall be adjusted to reflect any Additional Capital Contribution when it is made. No Member shall be required to contribute any additional capital to the Company and no Member shall have any personal liability for any Additional Capital Contribution to the Company unless expressly assumed in writing.

5.3 At the sole discretion of the Manager, any Member including the Manager, may make any of the contributions referenced in this Section 5 in kind, or through labor ("Sweat Equity").

5.4 Capital Accounts. A separate Capital Account shall be established and maintained for each Member. The Capital Account of each Member shall be (i) increased by the amount of any Capital Contributions made to the Company by the Member, (ii) increased or decreased by items of net income or net loss allocated to the Member pursuant to Section 6.1, and (iii) decreased by any distributions made from the Company to the Member.

5.5 No Interest on Capital Contributions or Capital Accounts. No Member shall be entitled to receive any interest on his, her, or its Capital Contribution or Capital Account balance.

5.6 Loans. Subject to AS 10.50.140, a Member or an employee of the Company may, at any time, make or cause a loan to be made to the Company in any amount and on such terms as all Members agree. Any such approved advances or loans shall not result in any increase in the amount of such Member's Capital Account or entitle such Member to any increase in its Percentage Interest. The amounts of such advances or loans shall be a debt of the Company and shall be payable or collectible only out of the Company's assets in accordance with terms and conditions agreed upon by all Members.

5.7 Liability of Members. Except as otherwise provided in the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and none of the Members shall be obligated personally for any such debt, obligation, or liability solely by reason of being a Member. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Operating Agreement shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

5.8 Return of Capital. No Member shall have the right to demand or to receive the return of all or any part of his, her, or its Capital Account or Capital Contributions to the Company except upon the consent of all Members, upon the dissolution of the Company, or as may be specifically provided in this Operating Agreement.

6. ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS.

6.1 Allocation of Net Income or Net Loss. The net income or net loss, other items of income, gains, losses, deductions, and credits, and the taxable income, gains, losses, deductions, and credits of the Company, if any, for each fiscal year or portion thereof shall be allocated to the Members in proportion to their Percentage Interests or, from time to time, as the Members may agree to a different or special allocation.

6.2 Allocation of Income and Loss With Respect to Company Interests Transferred. If any Membership Interest is transferred during any fiscal year, the net income or net loss and other items referred to in Section 5.1 attributable to such Membership Interest for such fiscal year shall be allocated between the transferor and the transferee as of the date of the transfer.

6.3 Distributions. Distributions to Members may be made at such times and in such amounts as are determined by Members holding no less than a majority of Percentage Interests. Distributions shall be made to Members in proportion to their Percentage Interests. Distributions may be made in cash.

7. MANAGEMENT.

7.1 Management of the Company. The business and affairs of the Company shall be managed by the Manager. Except as otherwise expressly provided in this Operating Agreement, the Manager shall have full and complete authority, power, and discretion to manage and control the business, affairs, and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business.

7.2 Specific Powers. Without limiting the generality of the foregoing, the Manager shall have the power and authority, on behalf of the Company, to:

7.2.1 Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

7.2.2 Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

7.2.3 Except as provided in Section 7.3, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

7.2.4 Enter into agreements and contracts and to give receipts, releases, and discharges;

7.2.5 Purchase liability and other insurance to protect the Company's properties and business;

7.2.6 Borrow for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the sums borrowed;

7.2.7 Execute or modify leases for real or personal property with respect to any part or all of the assets of the Company;

7.2.8 Execute any and all other instruments and documents which may be necessary or in the opinion of the Manager desirable to carry out the intent and purpose of this Operating Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;

7.2.9 Make any and all expenditures which the Manager, in his or her sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of his or her obligations and responsibilities under this Operating Agreement, including, without limitation, all legal, accounting, and other related expenses incurred in connection with the organization and financing and operation of the Company;

7.2.10 Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

7.2.11 Invest and reinvest Company reserves in short-term instruments or money market funds; and

7.2.12 Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

7.3 Extraordinary Transactions. Notwithstanding anything to the contrary in this Operating Agreement, the Manager shall not undertake any of the following without the approval of a majority, or greater than a majority where otherwise required by this Operating Agreement, of the Membership Interests:

7.3.1 Allow the admission of additional Members to the Company;

7.3.2 Discontinuance of the Company's business;

7.3.3 Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Operating

Agreement, cause the termination, dissolution, liquidation, or winding-up of the Company; and

7.3.4 Such other matters and decisions as the Members may from time to time designate by amendment to this Operating Agreement.

7.4 Removal of Manager. The Members may remove the Manager and elect a new Manager only in the event of the Manager's willful or intentional violation or reckless disregard of the Manager's duties to the Company. The determination of whether such events exist shall be made by those Members holding a majority of the Percentage Interests then held by Members, including the Manager, and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious.

8. MEMBERS.

8.1 Members. The initial Members of the Company are listed on Exhibit A.

8.2 Meetings. Meetings of the Members may be called by fifty percent (50%) of the Percentage Interests or by the Manager. The meeting shall be held at the principal place of business of the Company or as designated in the notice or waivers of notice of the meeting.

8.2.1 Notice. Notice of any meeting of the Members shall be given no fewer than five (5) days and no more than thirty (30) days prior to the date of the meeting. Notices shall be delivered in the manner set forth in Section 16.4 and shall specify the purpose or purposes for which the meeting is called. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

8.2.2 Quorum. The holders of a majority of the Percentage Interests, present in person or represented by proxy, shall constitute a quorum for transaction of business at any meeting of the Members. If the holders of less than a majority of the Percentage Interests are present at said meeting, the holders of a majority of the Percentage Interests present at the meeting may adjourn the meeting at any time without further notice.

8.2.3 Manner of Acting. The act of the holders of a majority of the Percentage Interests present at a meeting at which a quorum is present shall be the act of the Members, unless the act of a greater number is required by statute, this Operating Agreement, or the Articles.

8.3 Action Without Meeting. Unless specifically prohibited by the Articles, any action required to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by the

Members having not less than the minimum Percentage Interests that would be necessary to authorize or take such action at a meeting at which the Members were present and voting. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given in writing to those Members who were entitled to vote but did not consent in writing.

8.4 Telephonic Meetings. The Members may participate in and act at any meeting of Members through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. The Members or Manager, whoever called for the meeting, shall ensure those members attending remotely have access to any written materials reviewed at the meeting.

8.5 Proxies. Each Member entitled to vote at a meeting of Members or to express consent or dissent to action in writing without a meeting may authorize another person or persons to act for such Member by written proxy. Such proxy shall be deposited at the principal offices of the Company not less than twenty-four (24) hours before a meeting is held or action is taken. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

8.6 Voting of Interests. Each Member shall be entitled to vote according to his or her Membership Interest in the Company upon each matter submitted to a vote of the holders thereof. Those Members holding a Membership Interest as husband and wife shall designate one spouse to vote the entire Membership Interest held by the husband and wife. Membership Interests held by tenants of the entirety shall be voted as a single Membership Interest and may not be divided.

8.7 Other Activities of Members; Restrictions on Competition. Any Member, or any affiliate thereof, may have other business interests or may engage in other business ventures of any nature or description whatsoever, whether currently existing or hereafter created, but may not compete, directly or indirectly, with the business of the Company without the prior written consent of the Company. As used in this paragraph, the term “compete” shall mean: own an indirect or direct financial interest in, or operate, a cultivation or retail marijuana facility under Title 3, Chapter 306 of the Alaska Administrative Code within 100 miles of the Municipality of Anchorage.

9. INDEMNIFICATION.

9.1 Right of Indemnification. In accordance with the Act and this Operating Agreement, the Company shall indemnify, defend, and hold harmless any person who is a Member, Manager, or other officer of the Company, and the person's officers, directors, partners, joint venturers, employees, or agents (individually, in each case, an “Indemnitee”) to the fullest extent permitted by law, from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including costs, attorneys' fees and disbursements), judgments, fines,

settlements, and other amounts arising from any and all claims, demands, actions, suits, or proceedings, whether civil, criminal, administrative, or investigative, in which the Indemnatee may be involved or threatened to be involved, as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnatee continues to be a person who is a Member, Manager, or other officer of the Company, or the person's officers, directors, partners, joint venturers, employees, or agents, at the time any such liability or expense is paid or incurred. However, this provision shall not eliminate or limit the liability of an Indemnatee (i) for any breach of the Indemnatee's duty of loyalty to the Company or the Members, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Indemnatee received any improper personal benefit.

9.2 Advances of Expenses. Expenses incurred by an Indemnatee in defending any claim, demand, action, suit, or proceeding subject to this Section 9 shall be advanced by the Company prior to the final disposition of such claim, demand, action, suit, or proceeding, upon receipt by the Company of an undertaking by or on behalf of the Indemnatee to repay such amount, if it shall be determined in a judicial proceeding or a binding arbitration that such Indemnatee is not entitled to be indemnified as authorized in this Section 9.

9.3 Other Rights. The indemnification provided by this Section 9 shall be in addition to any other rights to which an Indemnatee may be entitled under any agreement, vote of the Members, as a matter of law or equity, or otherwise, both as to an action in the Indemnatee's capacity as a Member, Manager, or other officer of the Company, or any affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnatee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns, and legal representatives of the Indemnatee.

9.4 Insurance. The Company may purchase and maintain insurance on behalf of the Members, the Manager, and such other persons as the Members shall determine against any liability that may be asserted against or expense that may be incurred by such persons in connection with the offering of interests in the Company or the business or activities of the Company, regardless of whether the Company would have the power to indemnify such persons against such liability under the provisions of this Operating Agreement.

10. BANK ACCOUNTS, BOOKS AND RECORDS, STATEMENTS, TAXES, FISCAL YEAR.

10.1 Bank Accounts. To the extent reasonably practicable, all funds of the Company shall be deposited in the Company's name in such checking and savings accounts, time deposits, certificates of deposit, mutual funds, money market instruments, or other accounts as shall be designated by the Manager from time to time. The Manager shall arrange for the appropriate conduct of such account or accounts, or such other mechanisms for managing funds of the Company.

10.2 Books and Records. The Manager shall keep, or cause to be kept, accurate books and records showing the financial condition of the Company, including copies of the Company's financial statements and the federal, state, and local tax returns of the Company for at least the most recent six (6) fiscal years. All Members shall have access to the books and records at any reasonable time during regular business hours and shall have the right to copy said records at such Member's expense.

10.2.1 Where Maintained. The books, accounts, and records of the Company at all times shall be maintained at the Company's principal office or at such other place authorized by the Manager.

10.2.2 Fiscal Year. The fiscal year of the Company for all purposes shall be the calendar year. The Manager shall have authority to change the beginning and ending dates of the fiscal year.

10.3 Accounting Decisions. All decisions as to accounting matters shall be made by the Manager.

10.4 Tax Matters Member. The Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a "tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

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

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

11. TRANSFER AND CONVERSION OF MEMBERSHIP INTERESTS, AND THE ADDITION, SUBSTITUTION, AND WITHDRAWAL OF MEMBERS.

11.1 Transfer of Company Interests.

11.1.1 Definition of Transfer. The term "transfer," when used in this Section 11 with respect to a Membership Interest, shall include any sale, assignment, gift, pledge, hypothecation, mortgage, exchange, or other disposition. However, a "transfer" shall not include any pledge, mortgage, or hypothecation of or granting of a security

interest in a Membership Interest in connection with any financing obtained on behalf of the Company.

11.1.2 Void Transfers. No Membership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Section 11. Any transfer or purported transfer of any Membership Interest not made in accordance with this Section 11 shall be void *ab initio*.

11.2 Restrictions of Transfers.

11.2.1 Consent Required. No Member may transfer all or any portion of or any interest or rights in his or her Membership Interest or his or her Capital Account without: (i) the express written consent of non-transferring Members then holding a majority of Percentage Interests; or (ii) following the procedures outlined in Section 11.2.5. Each Member acknowledges the reasonableness of this prohibition in view of the relationship of the Members.

11.2.2 Substitution. Any transferee of a Membership Interest shall become a substituted Member upon (i) the express written consent of the non-transferring Members then holding a majority of Percentage Interests; (ii) the transferee agreeing to be bound by all the terms and conditions of the Articles and this Operating Agreement; and (iii) receipt of any necessary regulatory approvals. Unless and until a transferee is admitted as a substituted Member, the transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder. A Member who has transferred his or her Membership Interest shall cease to be a Member upon transfer of the Member's entire Membership Interest and thereafter shall have no further powers, rights, and privileges as a Member hereunder except as provided in Section 9.

11.2.3 Dealing with Members. The Company, the Manager, each Member, and any other person or persons having business with the Company need deal only with Members who are admitted as Members or as substituted Members of the Company, and they shall not be required to deal with any other person by reason of transfer by a Member, except as otherwise provided in this Operating Agreement. In the absence of the substitution (as provided herein) of a Member for a transferring Member, any payment to a Member or to a Member's successors or assigns shall acquit the Company of all liability to any other persons who may be interested in such payment by reason of an assignment by such Member.

11.2.4 No Right to Withdraw. No Member shall have any right to resign or otherwise withdraw from the Company without the express written consent of all the other Members.

11.2.5 Right of First Refusal. In the event that one Member wants to transfer all or part of its Membership Interest in the Company, and in the absence of the express written consent of non-transferring Members then holding a majority of

Percentage Interests, the transferring Member shall first make the Membership Interest available to the other Member(s) in the manner set forth below in this Section 11.2.5.

A. The right of a Member to transfer its Membership Interest in the Company to any third party is expressly conditioned upon such transferring Member first offering to transfer his or her Membership Interest to the remaining Member(s) for the same price and upon the same terms as the proposed transfer to a person or entity not a member of the Company. The procedure for this right of first refusal shall be as follows:

B. Prior to any proposed transfer of Membership Interest, the transferring Member shall send each of the remaining Members a copy of the proposed agreement between the transferring Member and the proposed transferee and notify the remaining Members of the transferring Member's intention to enter such agreement and make such transfer. The remaining Members shall each have the right, within thirty (30) calendar days of receipt of such notice, to acquire the transferring Member's interest on the same terms as the proposed agreement.

C. If the remaining Member(s) do not acquire the interest of the transferring Member, the transferring Member may then transfer his or her interest in the Company to the person or entity named in the proposed agreement; provided that such transfer is on the same terms and conditions and for the same price set forth in the proposed agreement sent to the remaining Members.

11.3 Admission of Additional Members. The admission of additional members to the Company through the sale, issuance, or other conveyance of Membership Interest by the Company, is not considered a transfer of Membership Interest under this Section 11. Subject to the terms of this Agreement, additional Persons may be admitted as Members of the Company under this Section 11.3 at such time and on such terms as may be deemed appropriate by the unanimous written consent of the Members. To be admitted as a Member, a Person shall agree in writing to be bound by this Agreement. The Members understand that, in the event of the admission of a new member, the then existing Members' Percentage Interests shall be reduced pro rata in amounts that equal the amount of the new member's Percentage Interest.

12. DEATH OR DISABILITY.

12.1 Upon the death or disability of any Member, the remaining Members shall have the right either to purchase the Membership Interest of the deceased or disabled Member ("Estate Interest"), or to terminate and liquidate the Company business. If the remaining Members elect to purchase the Estate Interest, they shall serve notice in writing of such election, within 60 days after the occurrence of the death or disability that created the option to purchase. Notice under this Section 12, shall, as applicable, be served upon the following people: (1) the decedent's spouse; (2) the decedent's personal representative; (3) the disabled Member, if not declared legally incapacitated; or (4) the guardian for the disabled Member, if one has been appointed.

12.2 If the remaining Members elect to purchase the Estate Interest, the purchase price shall be Book Value, as defined below in Section 14.

12.3 If the remaining Members do not elect to purchase the Estate Interest as of the sixtieth (60th) day following notice of the occurrence of the death or disability, the Company shall immediately be dissolved pursuant to Section 15 without further action of the Members.

13. BANKRUPTCY.

13.1 In the event of the Bankruptcy of a Member, the non-Bankrupt Members shall have the right to purchase the Membership Interest of the Member in Bankruptcy, or elect to dissolve the Company in accordance with Section 15. If the non-Bankrupt Members elect to purchase the Membership Interest of the Member in Bankruptcy, they shall serve notice in writing of such election upon the Member in Bankruptcy, within thirty (30) days after the occurrence of the event of Bankruptcy.

13.2 If the non-Bankrupt Members elect to purchase the Membership Interest of the Member in Bankruptcy, the purchase price shall be Book Value, as defined below in Section 14.

13.3 If the remaining Members do not elect to purchase the Membership Interest of the Member in Bankruptcy as of the thirtieth (30th) day following the occurrence of the event of Bankruptcy, the Company shall immediately be dissolved pursuant to Section 15 without further action of the Members.

14. BOOK VALUE.

14.1 The term "Book Value" means the book value, computed in accordance with GAAP, of a Member's Percentage Interest in the Company as of the end of the last full taxable year immediately preceding the year in which the event giving rise to the need for valuation occurred. Notwithstanding anything contained in this Agreement to the contrary, the computation of Book Value shall be subject to the following provisions:

14.1.1 Book Value shall not include any proceeds collected or collectible by the Company under any policy or policies of life or disability insurance insuring the life or disability of a Member, as a result of the death or disability of a Member.

14.1.2 No additional allowance of any kind shall be made for the goodwill, trade names, or any other intangible asset or assets (the "Intangible Assets") of the Company other than the aggregate dollar amount for any of those Intangible Assets appearing on the most recent balance sheet of the Company prior to the date on which Book Value is to be determined.

14.1.3 Reserves for contingent liabilities shall not be treated as a liability for purposes of determining Book Value.

14.1.4 No adjustment shall be made to Book Value as a result of any event occurring subsequent to the date as of which Book Value is to be determined.

14.1.5 Anything contained in this Agreement to the contrary notwithstanding, Book Value shall be calculated for the purposes of this Agreement on an accrual basis even if the Company shall have used a different accounting method for that or any prior period.

14.1.6 Book Value shall be determined by the outside accountants regularly employed by the Company. If no such regularly-employed accountants can be agreed upon, then the Manager shall select the appropriate accountants to determine Book Value of the Company.

15. DISSOLUTION, LIQUIDATION, AND TERMINATION.

15.1 Events Causing Dissolution. The Company shall be dissolved and shall commence winding up its affairs upon the first to occur of any of the following events:

15.1.1 The consent in writing to dissolve and wind up the affairs of the Company by all of the Members;

15.1.2 The sale or other disposition by the Company of all or substantially all of the Company's assets and the collection of all amounts derived from any such sale or other disposition, including all amounts payable to the Company under any promissory notes or other evidences of indebtedness taken by the Company and the satisfaction of contingent liabilities of the Company in connection with such other disposition (unless the Members shall elect to distribute such indebtedness to the Members in liquidation);

15.1.3 The Bankruptcy, dissolution, or liquidation of a Member, if the remaining Members do not vote unanimously to continue the business of the Company;

15.1.4 The occurrence of any default that, under the Act, would cause the dissolution of the Company or that would make it unlawful for the business of the Company to be continued.

15.2 Winding Up. Upon the dissolution of the Company, the Manager shall wind up the Company's affairs and satisfy the Company's liabilities. The Manager shall liquidate all of the Company property and assets as quickly as possible consistent with obtaining the full fair market value of said property and assets. During this period, the Manager shall continue to operate the Company, and all of the provisions of this Operating Agreement shall remain in effect. The Manager shall notify all known creditors and claimants of the dissolution of the Company in accordance with the provisions of the Act.

15.3 Final Distribution. The proceeds from the liquidation of the Company shall be distributed as follows:

15.3.1 First, to creditors, including Members who are creditors, until all of the Company's debts and liabilities are paid and discharged (or provisions are made for payment thereof); and

15.3.2 The balance, if any, to the Members, in proportion to their Percentage Interests as of the date of such distribution, after giving effect to all contributions, distributions, and allocations for all periods.

15.4 Distributions in Kind. In connection with the termination and liquidation of the Company, the Manager shall attempt to sell all of the Company property and assets. To the extent that property or assets are not sold, each Member will receive his or her Percentage Interest of any distribution in kind. Any property or assets distributed in kind upon liquidation of the Company shall be valued on the basis of an independent appraisal or by unanimous agreement of the Members, and treated as though the property or assets were sold and the cash proceeds distributed.

15.5 No Recourse Against Other Members. The Members shall look solely to the assets of the Company for the return of their investment, and, if the property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return such investment, no Member shall have any recourse against any other Member.

15.6 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, any Member with a deficit in the Member's Capital Account shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

15.7 Articles of Dissolution. On completion of the distribution of Company property and assets as provided herein, the Company is terminated, and the Members (or such other person or persons as the Act may require or permit) shall file articles of dissolution with the appropriate state agency, cancel any other filings made pursuant to the Act, and take such other actions as may be necessary to terminate the Company.

16. GENERAL PROVISIONS.

16.1 Compliance with Act. The Members and the Manager agree not to take any action or fail to take any action which, considered alone or in the aggregate with other actions or events, would result in the termination of the Company under the Act.

16.2 Lawful Purpose. When used throughout this Operating Agreement, the term "lawful purpose" and any similar phrase shall mean any purpose allowed for under the laws of the State of Alaska, irrespective of issues related to federal law or the laws of any other state.

16.3 Additional Actions and Documents. The Members and the Manager agree to take or cause to be taken such further actions, to execute, acknowledge, deliver,

and file, or cause to be executed, acknowledged, delivered, and filed, such further documents and instruments, and to use best efforts to obtain such consents, as may be necessary or as may be reasonably requested to fully effectuate the purposes, terms, and conditions of this Operating Agreement, whether before, at, or after the closing of the transactions contemplated by this Operating Agreement.

16.4 Notices. Any notice hereunder to any Member or the Manager shall be in writing and shall be effective when actually delivered at the address shown below or at such other address as they may have designated by written notice received by the other parties to this Operating Agreement.

If to: William Schneider
6967 Laser Dr.
Anchorage, AK 99504

If to: Mark Ha
5001 Eagle St.
Anchorage, AK 99503

If to: Andre Stoiber
8120 Harvest Circle
Anchorage, AK 99502

16.5 Severability. If a court of competent jurisdiction finds any provision of this Operating Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Operating Agreement in all other respects shall remain valid and enforceable.

16.6 Survival. It is the express intention and agreement of the Members that all covenants, agreements, statements, representations, warranties, and indemnities made in this Operating Agreement shall survive the execution and delivery of this Operating Agreement.

16.7 Waiver and Amendments. No delay on the part of a Member in the exercise of any right, power, or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy preclude other or further exercise of any other right, power, or remedy. No amendment, or waiver of, or consent with respect to, any provision of this Operating Agreement shall be effective unless it shall be in writing and signed and delivered by the Members. All amendments shall require the approval of Members holding the majority of the Membership Interest entitled to vote. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which a Member or the Company would otherwise have at law or in equity or otherwise.

16.8 Computations. When any calculation or other accounting computation is to be made for the purpose of this Operating Agreement, that calculation, to the extent applicable and except as otherwise specified in this Operating Agreement, shall be made in accordance with GAAP in effect at the time.

16.9 Binding Effect. Subject to any provisions hereof restricting assignment, this Operating Agreement shall be binding upon and shall inure to the benefit of the Members and their respective successors and assigns.

16.10 Limitation on Benefits of this Operating Agreement. Subject to Section 8, it is the explicit intention of the Members that no person other than the Members and the Company is or shall be entitled to bring any action to enforce any provision of this Operating Agreement against any Member or the Company, and that the covenants, undertakings, and agreements set forth in this Operating Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder) and the Company.

16.11 Captions. Section captions used in this Operating Agreement are for convenience only and shall not affect the construction of this Operating Agreement.


16.12 Governing Law. This Operating Agreement is a contract made under and governed by the laws of the State of Alaska. All obligations and rights of the parties stated herein shall be in addition to, and not in limitation of, those provided by applicable law.

16.13 Integration. This Operating Agreement (including the Exhibits hereto) and the Articles of Organization represent the entire agreement between the Members with respect to the transactions contemplated herein, and supersede all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein.

16.14 Counterparts. This Operating Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Operating Agreement to form one document.

16.15 Strict Construction. It is the intent of the Members upon execution hereof that this Operating Agreement shall be deemed to have been prepared by all of the parties to this Operating Agreement, to the end that no Member shall be entitled to the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law.

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


William Schneider


Mark Ha



Andre Stolber

EXHIBIT A

MEMBERS

Member and Address	Contribution	Ownership Interest
William Schneider 6967 Laser Dr. Anchorage, AK 99504	[REDACTED]	82%
Mark Ha 5001 Eagle St. Anchorage, AK 99503	[REDACTED]	15%
Andre Stoiber 8120 Harvest Circle Anchorage, AK 99502	[REDACTED]	3%



Anchorage Publishing Co.
540 East 5th Ave.
Anchorage, AK 99501
Phone: 907-561-7737
Fax 907-561-7777

Marijuana Cultivation License

Broken Dirt LLC is applying under 3 AAC 306.400(a)(1) for a new Standard Marijuana Cultivation Facility license, license #10284, doing business as CATALYST CANNABIS COMPANY, located at 5001 Eagle St., Suite B, Anchorage, AK, 99503, UNITED STATES.


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

I, Karen Edes, advertising representative for Anchorage Publishing Co., verify that Broken Dirt LLC applying for a new Standard Marijuana Cultivation Facility license dba Catalyst Cannabis Company appeared in the April 28, May 5, and May 12, 2016 issues of the Anchorage Press Newspaper.



Karen Edes

Subscribed and sworn to me in the Municipality of Anchorage, in the state of Alaska, on
This 13 day of May, 2016



Notary Public Signature
July 26, 2018

Commission Expires

DAVE DIAZ
NOTARY PUBLIC
State of Alaska
My Commission Expires July 26, 2018

Correspondence



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

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

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

May 26, 2016

Broken Dirt LLC
DBA: Catalyst Cannabis Company
Via email: will@catalystcannabisco.com

Re: Standard Marijuana Cultivation Facility License Application #10284

Dear Applicant,

AMCO staff has reviewed the online application and supplemental documents submitted for the proposed marijuana establishment license referenced above. The following items need to be corrected and/or resubmitted.

- MJ-01 Operating Plan
 - Please answer Yes or No on pg 12
- MJ-02 Premises Diagram
 - Please label the Restricted Access Areas
- Proof of Possession of Proposed Premises
 - Section 24 needs to be amended to exclude the marijuana or marijuana product and that AMCO Enforcement will be contacted for removal

Please return the incomplete items within two weeks of the date of this letter. Receipt of the items within two weeks will keep your application at the top of our worklist. If we do not receive all of the completed items within two weeks, your application will be moved to the back of the "Under Review" worklist. If we do not receive your completions within 90 days, per 3 AAC 306.025(f), you must file a new application and pay a new fee.

Sincerely,

Cynthia Franklin, Director
marijuana.licensing@alaska.gov

From: [Marijuana Licensing \(CED sponsored\)](#)
To: ["will@catalystcannabisco.com"](mailto:will@catalystcannabisco.com)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: Marijuana License Application #10284 Catalyst Cannabis Company Incomplete letter *DEADLINES June 9th & August 24th*
Date: Thursday, May 26, 2016 1:35:00 PM
Attachments: [10284 Incomplete Letter.docx](#)

Hello,

Your application is now under review. Please read the attached letter regarding information/documents/corrections needed. Please note there are deadlines of June 9, 2016 and August 24, 2016.

*Thank you,
AMCO Staff*

Notifications



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

May 31, 2016

Municipality of Anchorage

Attn: Mandy Honest

VIA Email: honestml@muni.org
moserak@muni.org
jonesbar@muni.org
mconnelleb@ci.anchorage.ak.us
mclaughlinfd@muni.org

License Number:	10284
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Broken Dirt LLC
Doing Business As:	CATALYST CANNABIS COMPANY
Physical Address:	5001 Eagle St., Suite B Anchorage, AK 99503
Designated Licensee:	William Schneider
Phone Number:	907-205-1181
Email Address:	will@catalystcannabisco.com

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

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under 3 AAC 306.025(d)(2).

A local government may protest the approval of an application(s) pursuant to 3 AAC 306.060 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice. If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200.

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

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

Sincerely,

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

Cynthia Franklin, Director

amco.localgovernmentonly@alaska.gov

From: Thibodeaux, Christina N (CED)
To: ["honestml@muni.org"](mailto:honestml@muni.org); ["MoserAK@muni.org"](mailto:MoserAK@muni.org); ["jonesbar@muni.org"](mailto:jonesbar@muni.org); ["mcconnelleb@ci.anchorage.ak.us"](mailto:mcconnelleb@ci.anchorage.ak.us); ["McLaughlin, Francis D."](mailto:McLaughlin.Francis.D.)
Subject: LG Notification of new Standard Marijuana Cultivation License Application #10284 Broken Dirt LLC
Date: Tuesday, May 31, 2016 11:07:00 AM
Attachments: [10284 Local Government Notice.docx](#)

Dear local government officials,

Please find the attached correspondence for a new marijuana establishment license.
Direct all correspondence to amco.localgovernmentonly@alaska.gov .

The application and all supporting documentation will be sent to each of you via the State of Alaska Drop Box called ZendTo.

You will receive an email that looks like this:

This is an automated message sent to you by the Alaska ZendTo service.
Naomi Johnston (naomi.johnston@alaska.gov) has dropped-off 55 files for you.

IF YOU TRUST THE SENDER, and are expecting to receive a file from them, you may choose to retrieve the drop-off by clicking the following link (or copying and pasting it into your web browser):

<https://drop.state.ak.us/drop/pickup.php?claimID=GvUTVMNQMb2yJSvp&claimPasscode=bHA9fU6g89H2uK6f&emailAddr=calderjp%40gmail.com>

You have 4 days to retrieve the drop-off, after that the link above will expire. If you wish to contact the sender, just reply to this email.

Full information about the drop-off:

Claim ID: GvUTVMNQMb2yJSvp
Claim Passcode: bHA9fU6g89H2uK6f
Date of Drop-Off: 2016-04-22 12:17:49-0400

-- Sender --

Name: Naomi Johnston
Organisation: AMCO
Email Address: naomi.johnston@alaska.gov
IP Address: 10.3.202.35 (10.3.202.35)

Click the link that is circled in red in the image above. You should be redirected to a page similar to this:

Please prove you are a person

To confirm that you are a *real* person (and not a computer), please play the quick game below then click "Pickup Files":



Pickup Files

Type the text that is displayed in the image and hit enter. In this example you would type "1200" into the field that says "type the text".

Your Files should appear:

Drop-Off Summary

Click on a filename or icon to download that file.

Filename	Type	Size	Description
 ABCAgenda.pdf	application/pdf	472.3 KB	
 Tab1.pdf	application/pdf	416.6 KB	
 Tab10.pdf	application/pdf	259.1 KB	
 Tab11.pdf	application/pdf	1.9 MB	
 Tab12.pdf	application/pdf	1.7 MB	
 Tab13.pdf	application/pdf	10.0 MB	
 Tab14.pdf	application/pdf	3.5 MB	
 Tab15.pdf	application/pdf	1.4 MB	
 Tab16.pdf	application/pdf	513.9 KB	
 Tab17.pdf	application/pdf	812.2 KB	

Click the blue link for each tab. You can download and save them however you wish.

Thank you,

Christina Thibodeaux

Business Registration Examiner | Dept. of Commerce, Community and Economic Development | Alcohol and Marijuana Control Office

550 W. 7th Ave. Ste. 1600 Anchorage, AK 99501 | 907.754.3588 |



Please consider the environment before printing this e-mail.



Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4316 • Fax: (907) 249-7533 <http://www.muni.org/assembly/license>

Office of the Municipal Clerk Licensing

June 1, 2016

Marijuana Control Board
c/o Cynthia Franklin, Director
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501

RE: Local Governing Body Action on State Marijuana License
Broken Dirt, LLC, #10284

Dear Ms. Franklin:

In accordance with Anchorage Municipal Code 10.80.061A., the Municipal Clerk is protesting the state marijuana establishment license #10284 for a standard marijuana cultivation facility, doing business as Catalyst Cannabis Co.

This applicant proposes to operate a marijuana establishment within the Municipality of Anchorage but does not possess all approvals needed to operate within the municipality. At this time, the applicant does not have an approved municipal marijuana license or an approved municipal special land use permit for marijuana.

The Municipal Clerk will provide written notification to you when all required approvals, including final Assembly approval, have been obtained and this protest is lifted.

Cordially,

Mandy Honest
Business License Official

Concur,

Amanda K. Moser
Deputy Municipal Clerk

C: Erika McConnell, Special Assistant to the OECD Director
Catalyst Cannabis Co. – via email



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

May 31, 2016

Midtown Community Council
Attn: President or Chair
VIA email: anchoragemidtowncc@gmail.com
Cc: info@communitycouncils.org

License Number:	10284
License Type:	Standard Marijuana Cultivation Facility
Licensee:	Broken Dirt LLC
Doing Business As:	CATALYST CANNABIS COMPANY
Physical Address:	5001 Eagle St., Suite B Anchorage, AK 99503
Designated Licensee:	William Schneider
Phone Number:	907-205-1181
Email Address:	will@catalystcannabisco.com

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

3 AAC 306.025(d)(3) and (4) requires that the Director shall provide written notice to a community council or any nonprofit organization that has requested notification about pending applications for marijuana licenses.

This letter serves to provide written notice to the above referenced entities regarding the above application. **Please contact the local government with jurisdiction over the proposed premises for information regarding review of this application. Comments you may have about the application should first be presented to the local government.** Instructions for objections to marijuana establishment applications are located on our website at <http://www.commerce.alaska.gov/web/amco>.

If you have any questions, please send them to the email address below.

Sincerely,

Cynthia Franklin, Director
marijuana.licensing@alaska.gov

From: [Marijuana Licensing \(CED sponsored\)](#)
To: ["anchorageidtowncc@gmail.com"](mailto:anchorageidtowncc@gmail.com)
Cc: ["info@communitycouncils.org"](mailto:info@communitycouncils.org)
Subject: Community Council Notification of New Standard Marijuana Cultivation Facility License Application #10284
Broken Dirt LLC
Date: Tuesday, May 31, 2016 11:15:00 AM
Attachments: [10284 Community Council Notice.docx](#)

Hello Community Council Members,

Please find the attached notification for a new marijuana license application in your area.

*Thank you,
AMCO Staff*



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

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

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

May 31, 2016

Broken Dirt, LLC
DBA Catalyst Cannabis Company
VIA email: will@catalystcannbisco.com

Re: Application Status for License # 10284

Dear Applicant:

I have received your application for a Standard Marijuana Cultivation Facility license. Our staff has reviewed your application after receiving your application and required fees. Your application documents appear to be in order, and I have determined that your application is complete for purposes of 3 AAC 306.025(d).

Your application is now considered complete and will be sent electronically, in its entirety, to your local government, your community council if your proposed premises is in Anchorage or certain locations in the Mat-Su Borough, and to any non-profit agencies who have requested notification of applications. The local government will have 60 days to protest the issuance of your license or waive protest.

If you have not yet received all necessary approvals, such as a local license, conditional use permit, site plan review, Fire Marshal approval, or Department of Environmental Conservation approval, you should continue to work with those local or state agencies to get the requirements completed. At this time, at the direction of the Marijuana Control Board, I am determining your application to be complete without sending your fingerprint card(s) to the Department of Public Safety (DPS) for independent verification of your lack of a disqualifying criminal history. The fingerprint card(s) will be forwarded on an as yet undetermined date when DPS and the FBI are ready to receive and process it. Your application status in the application database will be changed to "Complete" today.

Your application may be considered by the board while some approvals are still pending. However, your license will not be finally issued and ready to operate until all necessary approvals are received and a preliminary inspection of your premises by AMCO enforcement staff is completed.

Your application will be scheduled for the July 7th board meeting for Marijuana Control Board consideration. Because July 7th, 2016 is less than 60 days from today, the board will not grant or deny your application before July 30th, 2016 unless your local government waives its right to protest per 3 AAC 306.075(a)(1). Please feel free to contact us through the marijuana.licensing@alaska.gov email address if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Franklin".

Cynthia Franklin
Director, Marijuana Control Board

From: [Marijuana Licensing \(CED sponsored\)](#)
To: ["will@catalystcannabisco.com"](mailto:will@catalystcannabisco.com)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: Applicant Complete Letter #10284 Broken Dirt LLC
Date: Tuesday, May 31, 2016 11:21:00 AM
Attachments: [10284 Applicant Notice.docx](#)

Hello,

Please find the attached letter regarding your complete application for a Standard Marijuana Cultivation Facility License application #10284.

*Thank you,
AMCO Staff*

Miscellaneous Documents



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

What is this form?

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38 of Alaska Statutes** and **Chapter 306 of the Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

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

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06**) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment Information

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

Licensee:		License Number:	
License Type:			
Doing Business As:			
Premises Address:			
City:		State:	
		ZIP:	

Mailing Address:					
City:		State:		ZIP:	

Primary Contact:			
Main Phone:		Cell Phone:	
Email:			



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Security

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

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

Restricted Access Areas (3 AAC 306.710):

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Describe your policies and procedures for preventing loitering:

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

Video Surveillance (3 AAC 306.720):

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

Video surveillance and camera recording system covers the following areas of the premises:	Yes	No
Each restricted access area and each entrance to a restricted access area	<input type="checkbox"/>	<input type="checkbox"/>
Both the interior and exterior of each entrance to the facility	<input type="checkbox"/>	<input type="checkbox"/>
Each point of sale area	<input type="checkbox"/>	<input type="checkbox"/>

Each video surveillance recording:	Yes	No
Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing	<input type="checkbox"/>	<input type="checkbox"/>
Clearly and accurately displays the time and date	<input type="checkbox"/>	<input type="checkbox"/>
Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated	<input type="checkbox"/>	<input type="checkbox"/>



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

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

Location of Surveillance Equipment and Video Surveillance Records:

Yes No

Surveillance room or area is clearly defined on the premises diagram

☐ ☐

Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area

☐ ☐

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

☐ ☐

Video surveillance records are stored off-site

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Business Records (3 AAC 306.755):

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

Business Records Maintained and Kept on the Licensed Premises:

Yes No

All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises

☐ ☐

A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment

☐ ☐

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

☐ ☐

Records related to advertising and marketing

☐ ☐

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

☐ ☐

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

☐ ☐

All records normally retained for tax purposes

☐ ☐

Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed

☐ ☐

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

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintained all required records.

Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

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

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

Applicants should be able to answer “Yes” to all items below.

Marijuana Tracking and Weighing:

Yes No

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

☐ ☐

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

☐ ☐

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Employee Qualification and Training

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

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

Applicants should be able to answer “Yes” to all items below.

Marijuana Handler Permit:

Yes No

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

☐ ☐

Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

☐ ☐

Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

☐ ☐

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Waste Disposal

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

Applicants should be able to answer “Yes” to the statement below.

Marijuana Waste Disposal:

Yes

No

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

☐☐

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 6 – Transportation and Delivery of Marijuana and Marijuana Products

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

Applicants should be able to answer “Yes” to all items below.

Marijuana Transportation:

Yes No

The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700

☐ ☐

The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle

☐ ☐

The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport

☐ ☐

During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport

☐ ☐

Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment

☐ ☐

When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received

☐ ☐

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

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

Section 7 – Signage and Advertising

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

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

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

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

Applicants should be able to answer “Agree” to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:

Agree Disagree

Is false or misleading

☐ ☐

Promotes excessive consumption

☐ ☐

Represents that the use of marijuana has curative or therapeutic effects

☐ ☐

Depicts a person under the age of 21 consuming marijuana

☐ ☐

Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

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

☐ ☐

On or in a public transit vehicle or public transit shelter

☐ ☐

On or in a publicly owned or operated property

☐ ☐

Within 1000 feet of a substance abuse or treatment facility

☐ ☐

On a campus for post-secondary education

☐ ☐

Signage and Promotional Materials:

Agree Disagree

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

☐ ☐

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

☐ ☐

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

☐ ☐



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

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

Signature of licensee

Printed name

Subscribed and sworn to before me this ____ day of _____, 20 ____.

Notary Public in and for the State of Alaska.

My commission expires: _____



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Needed):



Alaska Marijuana Control Board

Form MJ-01: Marijuana Establishment Operating Plan

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

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

Catalyst Cannabis Co. security mission is to cultivate and retail marijuana with the highest standards for quality of products, services, and public safety while operating to the utmost compliance with all Marijuana Control Board regulations. Every aspect of our operations will have a strong emphasis on security and preventing the exposure and diversion of marijuana to persons under the age of 21. All Catalyst Cannabis Co. licensed premises will feature a professionally installed security system featuring high resolution, facial capture capability cameras, dusk to dawn external and internal lighting fixtures, and auxiliary detection sensors on the exterior and interior perimeters. Additionally, signs will be posted on the exterior and interior of all Catalyst Cannabis Co. licensed premises in a non-obscured area that states, **NOTICE** no persons under 21 allowed. All Catalyst Cannabis Co. employees will be trained on the organizational customer intake procedures that includes visually and physically inspecting all presented forms of identification as well as the additional security check steps of utilizing black lights, markers, and barcode scanners to verify legal and legitimate identification credentials. Any person found to be under the age of 21, whether they are alone or with another individual, and no matter the individual if with another individual, will be asked to leave the licensed premises immediately and will not be permitted to enter any portion of the licensed premise or allowed access to marijuana items. Furthermore, it is Catalyst Cannabis Co. policy for employees to notify the Anchorage Police Department, if necessary, to assist in any situation involving persons under the age of 21.

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

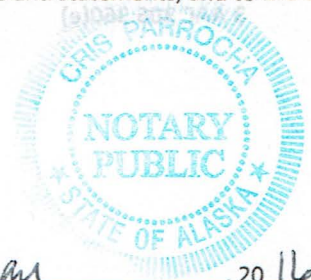


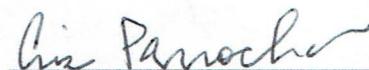
Signature of licensee

William Schneider

Printed name

Subscribed and sworn to before me this 18th day of May, 2016.





Notary Public in and for the State of Alaska.

My commission expires: 6/17/17



CATALYST

CANNABIS CO.

CULTIVATING CHANGE



Catalyst Cannabis Co.

Name: John/Jane Doe

Position: Company Title

Marijuana Handler Permit Number: 1234ABCD

Issued: MM/DD/YYYY



COMMERCIAL LEASE AGREEMENT

THIS COMMERCIAL LEASE (the "Lease") is made and entered into this 17th day of February, 2016 by and between **Pioneer Ventures, LLC**. ("Landlord"), and **Broken Dirt, LLC**. ("Tenant").

1. **PREMISES.** Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, those certain premises encompassing approximately 4,500 sq. ft. located at **5001 Eagle Street, Suite B, in the City of Anchorage, State of Alaska**, described further in Exhibit "A" (the "Premises").

2. **BUSINESS PURPOSE.** The Premises are to be used for the purpose of conducting a **horticultural, wholesale, retail, logistics and distribution operation** therein, or for any other lawful purpose. Landlord warrants that the Premises are presently zoned so that they may be used for the intended purpose.

3. **TERM.** The term of this Lease shall be for **Five (5) years** and shall commence on the **1st day of March, 2016 and expire on the 28th day of February, 2021**, inclusive. Tenant shall have the right to occupy the Premises upon execution of the lease agreement and shall be billed for any utility or maintenance costs according to the terms of the lease. Tenant shall have a total of thirty (30) months of reduced rent starting from July 1, 2016. Tenant shall have the option of canceling this lease on or before July 1, 2016 and upon cancellation, all rent payments and security deposits shall be non-refundable.

4. **RENT.** Tenant shall deposit with Landlord the rental amount due for the first month's Minimum Rent (\$6,750.00) in addition to a Security Deposit (\$6,750.00) upon execution of this Lease. Tenant shall pay to Landlord as base rent for the Premises as follows:

- a. March 1, 2016 to June 30, 2016: \$6,750.00 Per Month.
- b. July 1, 2016 to December 31, 2018: \$3,750.00 Per Month.
- c. January 1, 2019 to February 28, 2021: \$6,750.00 Per Month.

Tenant shall have the option of renewing this lease for three each, five year terms with an annual price escalation of 3% of the previous lease rate for each year.

The said monthly rent shall be payable in advance, on the first (1st) day of each month. Rent for any period which is for less than one (1) month shall be a pro-rata portion of the monthly installment. Rent shall be payable, without notice or demand and without deduction, offset or abatement, to Landlord at the following address:

Pioneer Ventures, LLC
200 West 34th Avenue, Suite 625
Anchorage, Alaska 99503

or to such other address as Landlord may from time to time designate. Payment after the 5th day of the month shall accrue a late-fee of 5% of the monthly rent due.

Arrearages shall accrue interest in addition to the late-fee of 1.5% per month starting from the due-date until paid.

5. SECURITY DEPOSIT Simultaneously with the execution of this Lease Tenant has deposited with Landlord the sum of **Six Thousand Seven Hundred Fifty and 00/100 (\$6,750.00)**. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefore, deposit cash with Landlord in an amount equal to the amount used or applied, and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant within thirty (30) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

6. ADDITIONAL RENTS. Lessee is responsible for exterior/interior maintenance of it's premises and its share of utilities such as water, sewer, natural gas, and electricity for the premises.

7. UTILITIES. Tenant shall pay for it's own metered utilities and Landlord shall provide billing for any unmetered services or expenses at the facility.

8. INDEMNIFICATION. All personal property on the Premises shall be at the risk of Tenant; Landlord or Landlord's agents shall not be liable for any damage, either to person or property, sustained by Tenant or others caused by the negligent or willful misconduct of Tenant. Tenant agrees to defend and hold Landlord and Landlord's agents harmless from any and all claims for damages suffered or alleged to be suffered in or about the Premises by any person, firm or corporation. This clause shall not apply if the damage or alleged damage to person or property is caused by or arises from the gross negligence or willful misconduct of Landlord or Landlord's agents, employees, or contractors.

9. LIABILITY INSURANCE. Tenant shall maintain in force during the term of this Lease a policy of comprehensive public liability insurance issued by a company acceptable to Landlord and insuring Tenant and Landlord against any liability, including, without limitation, damages to other portions of the building arising out of the ownership, use, occupancy or maintenance of the Leased Premises and all areas appurtenant thereto. Such insurance shall be in an amount of not less than One Million Dollars (\$1,000,000.00). Such policy shall name Landlord and Landlord's agent as additional insureds and shall provide that they may not be canceled without ten days' prior written notice to Landlord. Landlord shall be furnished with a certificate evidencing issuance of such policy of liability insurance and such certificate shall recite that said policy may not be canceled without thirty (30) days prior written notice to Landlord. If Tenant shall fail

to maintain said insurance, Landlord may, but shall not be required to, procure and maintain the same at the expense of Tenant.

Landlord shall maintain in force during the term of this Lease a policy of insurance issued by a company authorized to engage in the insurance business against damage or destruction by fire and/or by perils covered by the standard form of extended coverage endorsements to fire insurance policies in the State of Alaska in effect at the time the policies are obtained.

Tenant shall be responsible for any increases in insurance premiums that may be increased due to Tenant's activities on the Premises; provided, however, that in the event of an increase referred to in the preceding sentence, Landlord and Tenant shall cooperate in good faith to find alternative insurance policies or programs that may provide suitable coverage.

10. WAIVER OF SUBROGATION. So long as their respective insurers so permit, each of Tenant and Landlord waives any and all rights of recovery against the other, or against the officers, employees, agent and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, for such loss or damages insured against under any insurance policy in force at the time of such loss or damage

11. CARE OF PREMISES. During the term of this Lease, Landlord shall repair and maintain the building structure, including the foundation and supporting walls, structural supports and exterior and support walls, roof and all utility systems up to the point of entry into the Premises, and the parking lot, in good condition and repair. Tenant shall, at all times throughout the term of the Lease, at its sole cost and expense, keep and maintain the Premises in a good, clean and sanitary condition and state of repair. Tenant shall be responsible for maintaining and repairing the exterior doors and entrances, the interior doors and all windows.

12. USE. Tenant shall conduct and carry on in the Premises, continuously during each and every business day of the term hereof, the business for which the Premises are leased.

13. LIENS AND INSOLVENCY. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. In the event Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant, then Landlord may cancel this Lease, at Landlord's option.

14. ASSIGNMENT AND SUBLETTING. Tenant shall not assign this Lease nor sublet the whole or any part of the Premises to any person or entity, and any such assignment or subletting shall be void, unless Tenant obtains prior written permission from the Landlord for the assignment or subletting. As used herein, the term "Assignment" includes, without limitation, transfers to a subsidiary or affiliated entity, the restructuring of a limited partnership, transfers of interest by or between individual partners if Tenant is a partnership, transfers of stock by stockholders if Tenant is a corporation, and any assignment in connection with any corporate merger or consolidation. Notwithstanding the foregoing, or any other provision to the contrary in

this Lease, "Assignment" shall not include any transfer of membership interest in Tenant in situations where the transfer of membership interest does not result in a change in the controlling interest of Tenant.

15. ACCESS. With prior reasonable notice, Tenant will allow Landlord or Landlord's agents, mutually agreed scheduled access to the Premises during business hours for the purpose of inspection or of making repairs, additions, or alterations to the Premises or any property owned by or under the control of Landlord as may be needed from time to time.

Landlord shall have the right to place and maintain "For Rent" signs in a conspicuous place on the Premises, other than exterior doors and windows, for sixty (60) days prior to the expiration of this Lease if Landlord and Tenant have not agreed to renew the Lease.

16. POSSESSION. Tenant agrees to accept the Premises in "as-is" condition and shall be responsible for all improvements.

17. NOTICES. All notices under this Lease shall be in writing and delivered in person or sent by registered or certified mail, return receipt requested, to Landlord and to Tenant at the addresses set forth below, or to such other respective addresses as may hereafter be designated by either party in writing. Notices mailed as aforesaid shall be deemed given on the date of such mailing.

The addresses are:

LANDLORD: **Pioneer Ventures, LLC**
200 West 34th Avenue
Suite 625
Anchorage, Alaska 99503

TENANT: **Broken Dirt, LLC.**
5001 Eagle Street
Suite B
Anchorage AK 99503

18. SIGNS. Any signs placed on the Premises shall be with the prior written approval of Landlord and shall be so placed upon the understanding and agreement that Tenant will remove same at the termination of the tenancy herein created and repair any damage or injury to the Premises caused thereby, and if not so removed by Tenant, then Landlord may have same removed at Tenant's expense.

19. ALTERATIONS. Tenant shall not make any alterations, additions or improvements in the Premises, without having obtained the written consent of Landlord, and all alterations, additions and improvements which shall be made, shall be made at the sole cost and expense of Tenant and shall become the property of Landlord and shall remain in and be surrendered with the Premises as a part thereof at the termination of this Lease, without disturbance, molestation or injury. If Tenant shall perform work with the consent of Landlord as aforesaid, Tenant agrees to comply with all laws, ordinances, rules and regulations of the pertinent and authorized public authorities. Tenant further agrees to hold Landlord free and harmless from damage, loss or expense arising out of said work.

20. DEFAULT AND RE-ENTRY. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due or if Tenant shall violate or default in any of the covenants and agreements herein contained, then Landlord may cancel this Lease upon giving the notice required by law and re-enter the Premises; but, notwithstanding such re-entry by Landlord, the liability of Tenant for the rent provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant covenants and agrees to make good to Landlord any deficiency arising from a re-entry and re-letting of the Premises at a lesser rental than herein agreed to. Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord.

21. COSTS AND ATTORNEY'S FEES. If by reason of any default on the part of Landlord or Tenant it becomes necessary for Landlord or Tenant to employ an attorney, or in case Landlord or Tenant shall bring suit to recover any rent due hereunder or for breach of any provision of this Lease or to recover possession of the Premises, or if Landlord or Tenant shall bring action for any relief against the other, declaratory or otherwise, arising out of this Lease, the party that prevails in such action shall be entitled to recover a reasonable attorney's fee and all costs and expenses expended or incurred by the prevailing party in connection with such default or action.

22. ACCEPTANCE OF PREMISES. Tenant hereby accepts the Leased Premises "as is" and in their present condition and accepts this lease subject thereto and all matters disclosed thereby and by any exhibits attached hereto.

23. NON-WAIVER OF BREACH. The failure of Landlord or Tenant to insist upon strict performance of any of the covenants and agreements of this Lease or to exercise any option herein conferred in any one or more instance shall not be construed to be a waiver or relinquishment of any such or any other covenants or agreements, but the same shall be and remain in full force and effect.

24. REMOVAL OF PROPERTY. In the event of any entry in or taking possession of the Premises as aforesaid, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property located therein, including without limitation inventory, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Tenant, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof and the balance, if any, to be paid to Tenant.

25. HEIRS AND SUCCESSORS. Subject to the provisions hereof pertaining to assignment and subletting, the covenants and agreements of this Lease shall be binding upon the heirs, legal representatives, successors and assigns of either or both of the parties hereto.

26. HOLDING OVER. If Tenant shall, with the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the state in which the Premises are located. During such tenancy, Tenant agrees to pay Landlord rent equal to one hundred fifty percent (150%)

of the rental amount as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

27. FIRE AND OTHER CASUALTY. In the event the Premises are damaged by fire, earthquake or other casualty to such an extent as to render the same untenable in whole or in a substantial part thereof, it shall be optional with Landlord to rebuild or repair the same; and after the happening of any such contingency, Tenant shall give Landlord or Landlord's agents immediate written notice thereof. Landlord shall have not more than ninety (90) days after the date of such notification to notify Tenant in writing of Landlord's intentions to rebuild or repair the Premises, or the part so damaged as aforesaid, and if Landlord elects to rebuild or repair the Premises, Landlord shall prosecute the work of such rebuilding or repairing without unnecessary delay, and during such period the rent of the Premises shall be abated in the same ratio that that portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. If Landlord shall fail to give the notice aforesaid, Tenant shall have the right to declare this Lease terminated by written notice served upon Landlord or Landlord's agents. In the event the building in which the Premises hereby Leased are located shall be destroyed or damaged by fire, earthquake or other casualty (even though the Premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of Landlord it shall not be practicable to rebuild or repair, then it shall be optional with Landlord to terminate this Lease by written notice served on Tenant within ninety (90) days after such destruction or damage.

28. HAZARDOUS SUBSTANCE DISCLOSURE. Landlord and Tenant shall promptly disclose to the other, in writing, if Landlord or Tenant knows or has reasonable cause to believe that any toxic, dangerous or hazardous substance, as those terms are defined under federal, state, or local law, has come to be located in, on, about, over, or beneath the Premises. In addition, Tenant shall execute a written statement to Landlord no later than thirty (30) days after the end of each lease year describing in detail any and all toxic, dangerous, or hazardous substances, as those terms are defined under federal, state, or local law, which Tenant knows, or has reasonable cause to believe, have come to be located in, on, about, over, or beneath the Premises, or that there are no toxic, dangerous, or hazardous substances in, on, about, over, or beneath the Premises.

Tenant shall not generate, store, deposit, dispose of, or release hazardous materials in, on, under, over, or around the Premises without the prior written consent of Landlord. Tenant shall not incorporate lead, asbestos, or PCB's into any alterations, additions, or improvements in the Premises without the prior written consent of Landlord. In addition to any indemnification to which Landlord is entitled elsewhere under this Lease, which indemnification is not limited in any way by this subsection, Tenant agrees to indemnify, defend, and hold Landlord harmless from and against any loss, damage, liability, cost, or expense, including reasonable attorney's fees and consultant's fees, and including, without limitation, (i) any claims of third parties for personal injury, property damage, or other harm; and (ii) any response costs and/or costs of remedial, restoration or cleanup actions suffered or incurred by Landlord arising out of or related to the presence of hazardous materials in, on, under, over, or around the Premises due to Tenant, or out of any such use of the Premises, or due to the incorporation of such materials by substances, materials, or wastes, including, but not limited to, any substance, material, or waste which is (i) petroleum; (ii) asbestos; (iii) polychlorinated

biphenyls (PCB's); (iv) designated as "Dangerous Waste" or "Extremely Hazardous Waste" by the State of Alaska under authority of *Title 46, Alaska Statutes* and associated regulations; (v) designated as a "Hazardous Substance" pursuant to the *Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 6901, et. seq.*; (vii) designated as a "Hazardous Substance" under the *Clean Water Act, 33 U.S.C. Section 1321*, or listed pursuant to *33 U.S.C. Section 1317; (v999)* listed by the U.S. Department of Transportation at *49 C.F.R. Section 302*; and (ix) any other substance, waste or materials which is regulated as hazardous or dangerous by and federal, state, or local agency.

29. CONDEMNATION. It is understood and agreed that if the whole or any part of the Premises shall be taken by exercise of the right to condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all of which shall hereafter be considered condemnation), then, upon the passing of title of the Premises or any part thereof to the condemner, this Lease, at the option of Landlord, shall become null and void and the term herein granted shall cease and terminate, anything herein to the contrary notwithstanding. If Landlord elects to continue the Lease after condemnation, then this Lease shall continue in full force and effect as to the remainder of such Premises, and all terms herein provided shall continue in effect except that the rent shall be reduced in proportion to the amount of the Premises condemned, and Landlord, at its cost and expense, shall make all necessary repairs and alterations to the Premises required by such taking in order to make the remaining portion thereof tenantable.

30. SURRENDER. Tenant agrees, on the last day of the term or earlier termination of this Lease, to surrender the Premises to Landlord in as good condition and repair as they are upon occupancy, except for the reasonable use, wear and tear thereof.

31. CAPTIONS AND CONSTRUCTION. The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

32. SALE OF PREMISES BY LANDLORD. In the event of any sale of the Premises, Landlord is freed from any and all obligations from this lease. New purchaser shall assume all obligations set forth under this lease as a condition to purchasing the building. This lease shall remain in full effect until lease expiration.

33. FORUM SELECTION. This Lease shall be construed in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Lease, the same shall be commenced in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, Alaska. Tenants agree specifically the venue and jurisdiction in that court are proper, and further agree to submit themselves to the jurisdiction of that court. Tenants shall not claim that said forum is an inconvenient forum.

34. ENTIRE AGREEMENT. This Lease sets forth the entire understanding and agreement of Landlord and Tenant with respect to the Premises and the Lease thereof, and all prior understandings or agreements are merged herein. This Lease may be amended or modified only in writing signed by both parties.

35. BROKER'S COMMISSION. Landlord shall pay a leasing commission to Jack White Commercial Real Estate as agreed on a separate agreement.

36. RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request of either party, both parties shall execute a memorandum or "short form" of this Lease for purposes of recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Premises and the Lease term, and shall incorporate this Lease by reference.

37. LEASE, NOT OFFER. The submission of this Lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord shall execute a copy of this Lease and deliver the same to Tenant.

38. LICENSEE RELATIONSHIPS. Landlord and Tenant acknowledge that Mark Ha is a Real Estate Licensee in the state of Alaska and has an ownership interest on the Premises.

39. EARLY TERMINATION. This Lease may be terminated by the Landlord due to specific events. Immediate and Early Termination events shall include Federal, state or local action resulting from the activities of the Tenant, Foreclosure or default actions from the financial institution that claim default of the mortgage terms due to Tenant's activities and/or non-compliance with state and local laws governing the Tenant's enterprise.

40. OTHER TERMS. Whenever the Landlord's consent, permission, approval or acquiescence of any type, is required under this Lease, Landlord shall not unreasonably withhold such consent, permission, approval, or acquiescence.

Exhibit "A" Attached.

Executed on the 17th day of February, 2016.

Landlord
Pioneer Ventures, LLC.



By:
Its: Manager

Executed on the 17th day of February, 2016.

Tenant
Broken Dirt, LLC.



By: Will Schneider

Its: Member

Exhibit "A"

Legal Description

Interair Subdivision Blk 2, Lot 5G

**Approximately 4500 sq. ft. on the East Section of building located at
5001 Eagle Street, Anchorage, Alaska**

AMENDMENT TO COMMERCIAL LEASE AGREEMENT

THIS SECOND AMENDMENT TO COMMERCIAL LEASE AGREEMENT ("Agreement") made and entered into this 26th of May, 2016, by and between Pioneer Ventures, LLC hereinafter referred to as "Landlord" and Broken Dirt, LLC. hereinafter referred to as "Tenant".

RECITALS:

WHEREAS, Landlord and Tenant entered into a Commercial Lease Agreement dated the 12th day of February, 2016, calling for the lease of certain real property referred to as approximately 4500 square feet of office, storage, and warehouse space located at 5001 Eagle Street, Suite B, Anchorage, Alaska, effective on March 1, 2016 and expiring on February 28, 2021.

WHEREAS, the parties desire to modify the terms and conditions of the commercial lease agreement as set forth below:

NOW, THEREFORE, IT IS AGREED THAT THE FOLLOWING VERBIAGE BE INSERTED TO THE LAST OF SECTION 24:

The Landlord's exercise of entry or possession shall only be coordinated with the offices of the State of Alaska-Alcohol and Marijuana Control Office and shall exclude marijuana or any marijuana products.

This Amendment is effective as of the 26th day of May, 2016.

End of Amendment.

LANDLORD:

Pioneer Ventures, LLC

By: _____

Its: _____ Manager

TENANT:

Broken Dirt, LLC

By: _____

Its: _____ Member