

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

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

#### **MEMORANDUM**

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

FROM: Cynthia Franklin RE: AK Fuzzy Budz #10293

Director, Marijuana Control Board

This is an application for a new limited cultivation facility in the Municipality of Anchorage by AKGLD, LLC, DBA AK Fuzzy Budz.

Date Application Initiated: 04/25/2016

Date Under Review: 06/02/2016

Incomplete Letter(s) Date: 06/03/2016

Date Final Corrections Submitted: 06/07/2016

Determined Complete/Notices Sent: 06/08/2016

Local Government Response/Date: 6/8/2016 – 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**

License Number: 10293 License Status: New

License Type: Standard Marijuana Cultivation Facility

Doing Business As: AK FUZZY BUDZ

**Business License Number: 1035954** 

**Designated Owner:** James Millhouse

Email Address: akgreenlight@yahoo.com

Latitude, Longitude: 61.196000, -149.875000

Physical Address: 2612 Eagle St

Anchorage, AK 99503 UNITED STATES

#### Owner #1

Owner Type: Entity

Alaska Entity Number: 10037905

Alaska Entity Name: AKGLD, LLC

Phone Number: 907-351-6699

Email Address: akgreenlight@yahoo.com

Mailing Address: 407 E Northern Lights BLVD

Anchorage, AK 99503 UNITED STATES

#### Affiliate #2

Owner Type: Individual

Name: Troy Millhouse

SSN:

Date of Birth:

**Phone Number: 9072296783** 

Email Address: bigdaddyfuzzy@yahoo.com
Mailing Address: 407 E Northern Lights BLVD

Anchorage, AK 99503 UNITED STATES

#### Affiliate #1

Owner Type: Individual

Name: James Millhouse

SSN:

Date of Birth:

**Phone Number:** 9073516699

Email Address: akgreenlight@yahoo.com

Mailing Address: 407 E Northern Lights BLVD Anchorage, AK 99503

UNITED STATES



Alcohol and Marijuana Control Office 550 W 7th Avenue, Suite 1600 Anchorage, AK 99501 marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

#### Alaska Marijuana Control Board

#### Form MJ-00: Application Certifications

#### 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 2 – Individual Information er information for the individual licensee or affiliate.  Name: Troy Millhouse  Title: Owner  Section 3 – Other Licenses  nership and financial interest in other licenses:  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	er information for the	A CONTRACT OF THE PROPERTY OF	ment Informat				
License Type: Standard Marijuana Cultivation Facility  Doing Business As: AK FUZZY BUDZ  Premises Address: 2612 Eagle St  City: Anchorage State: ALASKA ZIP: 9950  Section 2 - Individual Information  er information for the individual licensee or affiliate.  Name: Troy Millhouse  Title: Owner  Section 3 - Other Licenses  nership and financial interest in other licenses: Yes  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?		business seeking to be licensed, as identified	on the license applicat	ion.			
Doing Business As: AK FUZZY BUDZ  Premises Address: 2612 Eagle St  City: Anchorage State: ALASKA ZIP: 9950  Section 2 – Individual Information  er information for the individual licensee or affiliate.  Name: Troy Millhouse  Title: Owner  Section 3 – Ofher Licenses  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	Licensee:	AKGLD, LLC	License	Number:	10293	3	
Premises Address: 2612 Eagle St  City: Anchorage State: ALASKA ZIP: 9950  Section 2 - Individual Information  or information for the individual licensee or affiliate,  Name: Troy Millhouse  Title: Owner  Section 3 - Other Licenses  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	License Type:	Standard Marijuana Cultivation	Facility			· "=	
Section 2 – Individual Information  ar information for the individual licensee or affiliate.  Name: Troy Millhouse  Title: Owner  Section 3 – Other Licenses  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	Doing Business As:	AK FUZZY BUDZ		···			
Section 2 – Individual Information  or information for the individual licensee or affiliate.  Name: Troy Millhouse  Title: Owner  Section 3 – Other Licenses  pership and financial interest in other licenses:  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	Premises Address:	2612 Eagle St					
Per information for the individual licensee or affiliate.  Name: Troy Millhouse  Title: Owner  Section 3 — Other Licenses  Description and financial interest in other licenses:  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	City:	Anchorage	State:	ALASKA	ZIP:	99503	<del></del>
Title: Owner  Section 3 - Other Licenses  ership and financial interest in other licenses:  Yes  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	***						
Title: Owner  Section 3 – Other Licenses  Pership and financial interest in other licenses:  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?							
Section 3 — Other Licenses  Pership and financial interest in other licenses:  Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	Name:	Troy Millhouse					
Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?	Title:	Owner					
another marijuana establishment license?	iership and financial ii		er Licenses			Yes	N
	Do you currently ha	ve or plan to have an ownership interest in, c establishment license?	or a direct or indirect fi	nancial intere	est in		
f "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?			upos do vou ever be ele	<b>-</b>			
Plan to start another Cultivation and Retail in the future.	"Yes", which license	numbers (for existing licenses) and license t	YNG2 UU YUU UWII OL DII	an to own?			
				an to own?		<u></u>	

[Form MJ-00] (rev 02/05/2016)

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Phone: 907.269.0350

#### 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.





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### Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of only the applicable statement:	Initials
Only initial next to the following statement if this form is accompanying an application for a <u>marijuana testing facility</u> lice	ense: N/
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.	Tr
Only initial next to the following statement if this form is accompanying an application for a <u>retail marijuana store</u> , a <u>macultivation facility</u> , or a <u>marijuana products manufacturing facility</u> license:	<u>rijuana</u>
I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.	Tm
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 a with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schestatements, and to the best of my knowledge and belief find them to be true, correct, and complete.	
TRey mumin	
Subscribed and sworn to before me this 25 <sup>th</sup> day of MUY	_ 20 <u>  [/</u> _
Notary Public in and for the State	e of Alaska
NOTARY  My commission expires: 01/29	<u> </u> ΙΨ



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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. Subscribed and sworn to before me this 25<sup>th</sup> day of \_\_\_

My commission expires: 01/29



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

	Section 1 – Establi	shment Informat	ion			
Enter information for the b	usiness seeking to be licensed, as identi	fied on the license applicat	ion.	5853Y 0585253554		(PAPERSON)
Licensee:	AKGLD, LLC	· · · · · · · · · · · · · · · · · · ·	License Number: 10293			
License Type:	Standard Marijuana Cultivation	on Facility		J		
Doing Business As:	AK FUZZY BUDZ					
Premises Address:	2612 Eagle St		<u> </u>			
City:	Anchorage	State:	ALASKA	ZIP:	99503	
	Section 2 – Indiv	idual Information	ı			
Enter information for the in	dividual licensee or affiliate.		elektrisen van de beste anderen van ge	in de la fina de la fi La fina de la fina de	teraket stakerinteken jul	AP POST AND MENTERS
Name:	James Millhouse					
Title:	Owner					
Ownership and financial int		ther Licenses			Yes	No
	e or plan to have an ownership interest stablishment license?	in, or a direct or indirect fi	nancial intere	est in		
	umbers (for existing licenses) and licen ner retail location in the future.		an to own?			
			· · · · · · · · · · · · · · · · · · ·		<u> </u>	. 



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#### Alaska Marijuana Control Board

#### Form MJ-00: Application Certifications

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

Initials

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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).



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#### Alaska Marijuana Control Board

### Form MJ-00: Application Certifications

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### Form MJ-00: Application Certifications

Read each line below, and then sign your initials in the box to the right of only the applicable statement:	Initials
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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.	Ja
Only initial next to the following statement if this form is accompanying an application for a <u>retail marijuana store</u> , a <u>marijua cultivation facility</u> , or a <u>marijuana products manufacturing facility</u> license:	<u>ına</u>
I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.	14
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 f with AS 17.38 and 3 AAC 306, and that I have examined the online application and this form, including all accompanying schedu statements, and to the best of my knowledge and belief find them to be true, correct, and complete.	amiliar Iles and
Signature of licensee	
Subscribed and sworn to before me this 25 <sup>+N</sup> day of	<u> </u>
Notary Public in and for the State of	Alaska.
My commission expires: 01 29 19	1



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### 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: AKGLD, LLC License Number: 10293 License Type: Standard Marijuana Cultivation Facility **Doing Business As:** AK FUZZY BUDZ Premises Address: 2612 Eagle St City: Anchorage State: ALASKA ZIP: 99503 Mailing Address: 2612 Eagle St City: Anchorage State: ALAS ZIP: 99503 **Primary Contact:** James Millhouse Main Phone: 907-351-6699 Ceil Phone: 907-351-6699 Email: akgreenlight@yahoo.com



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### Form MJ-01: Marijuana Establishment Operating Plan

#### Section 2 - Security

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

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

Restricted Access Areas (3 AAC 306.710):

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

We will have clear and legible signage indicating all restricted access areas. Surveillance camera's will be monitoring all areas of the facility including restricted access areas. All doors will have commercial grade locks. All employees will have ID Badges.

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

All visitors are required to show ID's indictating that said person is 21 years of age or older. All Visitors will be required to wear a visitor indication badge before entering any ristricted access areas. Visitors will be escorted at all times by a licensee, employee, or agent of the marijuana establishment. All visitors will be required to log their name, date & time into a recorded log that will be maintained by a licensee, employee, or agent of AK FUZZ BUDZ.

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#### Alaska Marijuana Control Board

### Form MJ-01: Marijuana Establishment Operating Plan

Describe your recordkeeping of visitors who are escorted into restricted access areas: Any licensee, employee, or agent of AK FUZZ BUDZ will record the name, date & time of any visitors that enters any restricted access area. All recored documentation will be housed by a cloud based service off-site to insure a back-up record. Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises: See attachment.



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#### Alaska Marijuana Control Board

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

### Form MJ-01: Marijuana Establishment Operating Plan

Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement: AK FUZZY BUDZ will have halogen flood lights installed on exterior of building to cover 20ft from all entrances. As a backup the exterior camera's will include IR capibilities incase lighting fails. An alarm system is required for all license types. Describe the security alarm system for the proposed premises: A central station monitored 2gig cellular alarm system with back up battery power, two-way voice response and audible siren will be active at the premise at all times.

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:

Tamper monitored contacts will be mounted on all exterior doors and windows. In addition, interior motion detectors and glass-break detectors will be mounted within the premise to ensure further security. After completion of the closing procedures, the alarm system will be activated to the away mode. If any of the sensors are breached, the audible siren is set off and the central monitoring station alerts the licensee and dispatches the local law enforcement agency.



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### Form MJ-01: Marijuana Establishment Operating Plan

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

All Marijuana and Marijuana products will be inventoried before the start and end of business each day to ensure all Marijuana products are accounted for per AMCO Tracking system. All marijuana will be stored in a restricted access area, which will also be accompanied by surveillance. Surveillance camera's will have complete coverage of all areas where Marijuana is be stored/grown/manufactured. Employees will also be required to sign an employment complaince document before employment start date.

Describe your policies and procedures for preventing loitering:

AK FUZZY BUDZ will provide clear and legible signage indicating, "No Loitering". Designated
security personel will be doing routine premises checks to prevent 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:

Motion detection alerts will be programed into the camera system to send visual notification of unauthorized activity.

After close of business interior motion detectors and glass break detectors will be activated. Employees are provided with a remote panic button that activates the alarm system if under duress.

All video cameras will be equipped with infrared capabilities to allow for clear viewing during low or no-light conditions.



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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:

Unauthorized activity triggers the audible alarm system and connects the personnel from the 24-hour central monitoring station to verify over the 2-way security panel if anyone is present. who is present, and verify if they are a registered agent of the premise with the security questions. If it is an authorized employee, the central monitoring station will ask for name and password for verification. If the employee gives an acceptable answer the police dispatch will be canceled. If the reply to the central monitoring station does not meet criteria, the police dispatch will continue. The authorized employee will be notified and directed to the premise to follow the protocol directed by the police. Before the authorized employee leaves, an inspection of the entire premise will be executed and verify no marijuana product was compromised. If so, after all issues are resolved, the authorized employee will arm the system.

#### 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		



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#### 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 insi licensed premises, or within 20 feet of each entrance to the licensed premises:	de the	
A video surveillance and camera recording system will be installed in and around the marijuana cultivation facility. A camera will be placed:	,	
In view of each restricted access area and each entrance to a restricted access area	·	
In view of each entrance to the exterior of the licensed premises.		
In view of the area where marijuana waste is processed.		
In view of each point-of-sale area.		
Video surveillance recording equipment and records will be housed and stored within manager's office which restricts access with a commercial grade, non-residential doo with key-code entry, for which, only the manager will be able to access. Within this ro video surveillance recordings will be secured in a locked metal cabinet.	the r lock	
cation 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	<u></u>	
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		

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

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### Form MJ-01: Marijuana Establishment Operating Plan

#### Business Records (3 AAC 306.755):

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

Business Records Maintained and Kept on the Licensed Premises:	Yes	No
All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises		
A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment		
The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises		
Records related to advertising and marketing		
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)		



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### Form MJ-01: Marijuana Establishment Operating Plan

A marijuana establishment is required to exercise due diligence in preserving and maintained all required records.	
Describe now you will prevent records and data, including electronically maintained records, from being lost or destroyed:	
All video surveillance recordings will be automatically backed up in case of primary hard drive failure to ensure over 40 days of recording. In addition, all required records are electronically secured on the firewall protected server and backed up.	]

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### Form MJ-01: Marijuana Establishment Operating Plan

#### Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

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

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

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

Marijuana Tracking and Weighing:	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:	ng	
AK FUZZY BUDZ will be using the Franwell Marijuana Enforcement Tracking Reporti Compliance (METRC) inventory tracking system.	ng &	

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



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### Form MJ-01: Marijuana Establishment Operating Plan

#### Section 4 – Employee Qualification and Training

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

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

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

Marijuana Hander Permit:	Yes	No.
Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment		
Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises		
Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired		
Describe how your establishment will meet the requirements for employee qualifications and training:		
Each licensee, employee, or agent within AK FUZZY BUDZ will be required to have a Marijuana Handler permit on or before the start date of employment. Admin will run a report to verify that all employees continue to have current handlers training and perm	monthly	



https://wv

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#### Alaska Marijuana Control Board

### Form MJ-01: Marijuana Establishment Operating Plan

				ste Disposal	ion 5 – W	Sect		
ents.	requireme	he listed r	ent will meet	proposed establishm		AAC 306.740, and er "Yes" to the stat		
No	Yes						aste Disposal:	larijuana W
		•		days notice in the many the waste unusab				
arijua: gulati	l during ma aws and reg	enerated id local la	g wastewater g ederal, state, a	ilquid waste, includi nce with applicable	e of any solid o sales, in comp	anage, and dispos s, testing, or retail	ow you will store, production, proc	Describe ho cultivation,
	l paper	ard and	with cardbo te water wil	cultivation facility ed at a 1:1 ratio e Services. Wa umping Services	d will be mi y Solid Wa	not be recycled In picked up b	terials that ca roducts and tl	Any mat waste pr
		<b>e</b> t:	nake it unusabl	marijuana waste to	with the groun	erials you will mix	nat material or ma	Describe wi
	vill be	ole, It w	aste unusa	the Marijuana v 306.740.	sed to mak under 3 AA	vaste will be u requirement u	rd and Paper a 1:1 ratio pe	Cardboa mixed at



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#### 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:

Cardboard and Paper waste will be used to make the Marijuana waste unusable. It will be mixed at a 1:1 ratio per requirement under 3 AAC 306.740. Waste will be disposed into a 3 cubic yard locking dumpster. A security camera will cover the dumpster parameter at all times. Future plans include a secured fence around dumpster to add additional security.
Solid Waste Services will be managing and disposing of dumbster contents one to two times per week or more as needed.



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#### Alaska Marijuana Control Board

### Form MJ-01: Marijuana Establishment Operating Plan

### Section 6 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment—will meet the listed requirements. Applicants should be able to answer "Yes" to all items below.

Marijuana T	Fransportation:	Yes	No
ensų	marijuana establishment from which a shipment of marijuana or marijuana product originates will are that any individual transporting marijuana shall have a marijuana handler permit required under C 306.700		
use t marij	marijuana establishment that originates the transport of any marijuana or marijuana product will the marijuana inventory tracking system to record the type, amount, and weight of marijuana or juana product being transported, the name of the transporter, the time of departure and expected very, and the make, model, and license plate number of the transporting vehicle		
ensu	marijuana establishment that originates the transport of any marijuana or marijuana product will re that a complete printed transport manifest on a form prescribed by the board must be kept with narijuana or marijuana product at all times during transport		
locke	ng transport, any marijuana or marijuana product will be in a sealed package or container in a ed, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana uct, and the sealed package will not be opened during transport		
estab betw	vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana olishment to the receiving marijuana establishment, and will not make any unnecessary stops in seen except to deliver or pick up marijuana or marijuana product at any other licensed marijuana olishment		
marij	n the marijuana establishment receives marijuana or marijuana product from another licensed uana establishment, the recipient of the shipment will use the marijuana inventory tracking system port the type, amount, and weight of marijuana or marijuana product received		
	narijuana establishment will refuse to accept any shipment of marijuana or marijuana product that accompanied by the transport manifest		

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Alaska Marijuana Control Board

### Form MJ-01: Marijuana Establishment Operating Plan

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

AK FUZZY BUDZ will have all Marijuana products sealed in 5lb tamper proof containers. The containers will be sealed with a tamper proof sticker that both parties will sign verifying the Marijuana products have not been tampered with. All containers will have the required frame tags and the associated manifest for delivery including turn-by-turn driving directions to the delivery location.	
Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijual marijuana product:  AK FUZZY BUDZ will be using a security grade tamper proof lock-box to ensure a safe delivery to it's final destination.	na or



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### 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: AK FUZZY BUDZ will only be putting one 2ft\*1ft sign on the front entrance. Since the limited space for retail within our facility we will be doing "by appointment" pick-ups only and keeping signage to a minimum. 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

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

marijuana



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#### 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)		



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

Alaska Marijuana Control Board

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

Form MJ-01: Marijuana Establishment Operating Plan

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

	All persons attempting access to AK FUZZY BUDZ will be required to show proof of age. No persons under the age of 21 will be allowed to enter. We will be using an age verification scanner to ensure accuracy. We will have on-site security personnel as an additional safety and complaince measure.
ı	

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



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

Form MJ-01: Marijuana Establishment Operating Plan

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

All persons attempting access to AK FUZZY BUDZ will be required to show proof of age. No persons under the age of 21 will be allowed to enter. We will be using an age verification scanner to ensure accuracy. We will have on-site security personnel as an additional safety and complaince measure.	

of my knowledge and belief find  Signature of licensee	it to be true, correct, and complete.	ding all accompanying schedules and statements, and to the bes
Thmes Mille	Subscribed and sworn to before	e me this $25^{th}$ day of May 2010.
	SUITE CLIF-OF	Notary Public in and for the State of Alaska.
Form MI-011 (roy 02/12/2016)	(NOTARÝ)	My commission expires: 01 29 19

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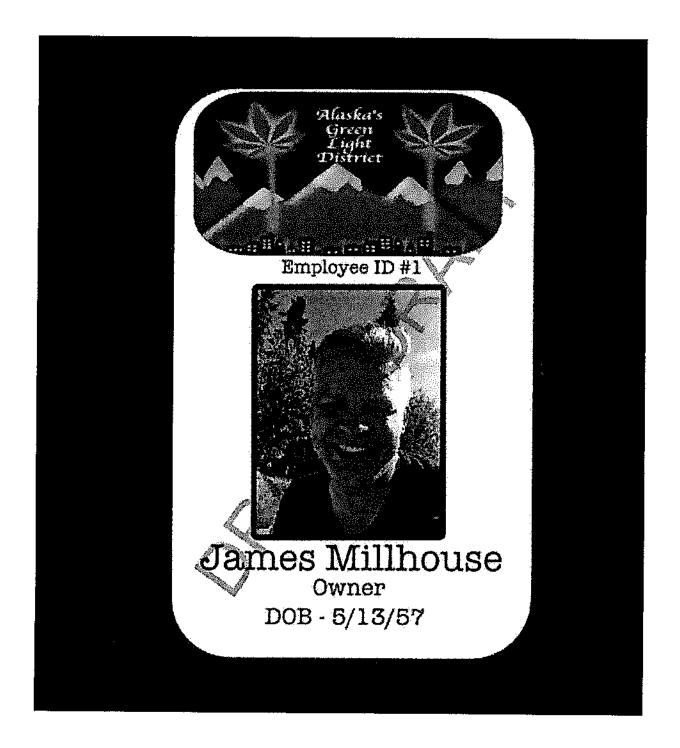
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Alaska Marijuana Control Board

### Form MJ-01: Marijuana Establishment Operating Plan

(Additional Space as Ne	eeded):				
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### **Operating Plan Supplemental**

### Form MJ-04: Marijuana Cultivation Facility

#### What is this form?

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

#### What additional information is required for cultivation facilities?

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

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

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

#### Section 1 - Establishment Information

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

Licensee:	AKGLD, LLC	License	Number:	10293	
License Type:	Standard Marijuana Cultivation Facility				-··-, ,,,,,,
Doing Business As:	AK FUZZY BUDZ			<u> </u>	<u>-</u>
Premises Address:	2612 Eagle St				
City:	Anchorage	State:	ALASKA	ZIP:	99503

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



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### **Operating Plan Supplemental**

### Form MJ-04: Marijuana Cultivation Facility

Section 2 - Prohibitions		
Applicants should review 3 AAC 306.405 – 3 AAC 306.410 and be able to answer "Agree" to all items below.		
The marijuana cultivation facility will not:	Agree	Disagree
Sell, distribute, or transfer any marijuana or marijuana product to a consumer, with or without compensation		
Allow any person, including a licensee, employee, or agent, to consume marijuana or marijuana product on its licenses premises or within 20 feet of the exterior of any building or outdoor cultivation facility		
Treat or otherwise adulterate marijuna with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana	e 🔳	
Section 3 – Cultivation Plan		
Review the requirements under 3 AAC 306.420, and identify how the proposed premises—will meet the listed requirements under 3 AAC 306.420, and identify how the proposed premises—will meet the listed requirements.	uirements.	
Describe the size of the space(s) the marijuana cultivation facility intends to be under cultivation, including dissipance footage. Provide your calculations below:	mensions a	nd overal
Total Area Footage: 66 x 28.5 = 1,881 Feet Bathroom = 6 x 1.74 = 70.5 Retail and Entry 18.625 x 7.75 = 144.34		
Total area footage - Bathroom - Retail and entry = Total Cultivation footage 1,881-70.5-144.34=1,666.16		
Total Cultivation - 1,666.16 Feet,		



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### **Operating Plan Supplemental**

### Form MJ-04: Marijuana Cultivation Facility

Hydro with cocoa, hydro corn, nutrients are General Hydroponics, Pesticides are Organic Mighty Wash.
Describe the marijuana cultivation facility's fertilizers, chemicals, gases, and delivery systems, including carbon dioxide management, to be used:
CO2 Bags General Hydroponics Snow Storm Sweatner Mighty Wash 4 Air Boxes (carbon dioxide management)
Describe the marijuana cultivation facility's irrigation and waste water systems to be used:
AK FUZZY BUDZ have seven 100 gallon water tanks within the facility that will hold the water. Outside of the facility there are two 350 gallon tanks that hold the waste water. Once filled they will be picked up and transported to Isaac's Pumping Services to be disposed.



Describe the marijuana cultivation facility's waste disposal arrangements:

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#### **Operating Plan Supplemental**

### Form MJ-04: Marijuana Cultivation Facility

AK FUZZY BUDZ will recyle all waste within the cultivation facility that is able to be recycled. Any materials that cannot be recycled will be mixed at a 1:1 ratio with cardboard and paper

# waste products and than picked up by Solid Waste Services. All waste water will be stored in two 350 gallon tanks and picked up by Isaac's Pumping Services.

#### 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:

Four 12in air and blower boxes that will scrub 3,200 CFM's. There is approximately 13,600 Cubic feet in the grow faciliity. Odor causing agents will be scrubbed from the air every 3 minutes.



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

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Section 5 – Testing Procedure and Protocols		
Review the requirements under 3 AAC 306.455 and 3 AAC 306.465, and identify how the proposed premises—will meet requirements.	t the lì	sted
Applicants should be able to answer "Agree" to the item below.		
1 understand and agree that:	gree	Disagre
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:		
AK FUZZY BUDZ will submit required sample to licensed testing facility per regulation fevery 5lb batch of cultivated and cured marijuana product. Product will be stored until te results are received back from testing facility. Once results are received Marijuana produil begin sales process.	esting	3



**Operating Plan Supplemental** 

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## 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 p meet the listed requirements.	remise	s: will
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	Ņο
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 ba	rtier:	



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### **Operating Plan Supplemental**

### Form MJ-04: Marijuana Cultivation Facility

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

There is bullet proof tent the windows will be cove to add another prevental	ered by sheetrock to elim	ninate outside light for	visibility; additionally, growing purposes and

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	<u>~</u>
Järnes Millhouse	
Printed name	Subscribed and sworn to before me this 27 <sup>TH</sup> day of WAY 20 16.
	ARY ARY
	Notary Public in and for the State of Alaska.
	My commission expires: 9-12-18



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## Operating Plan Supplemental

### Form MJ-04: Marijuana Cultivation Facility

Additional Space as I	Needed):	 		
<u> </u>		 	 	



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### Form MJ-07: Public Notice Posting Affidavit

#### What is this form?

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

This form must be 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: AKGLD, LLC License Number: 10293 License Type: Standard Marijuana Cultivation Facility Doing Business As: AK FUZZY BUDZ Premises Address: 2612 Eagle St City: Anchorage State: ALASKA ZIP: 99503 Section 2 - Certification

### 



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### 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.

Section 1 - Establishment Information

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

Licensee:	AKGLD, LLC	License	Number:	10293	3
License Type:	Standard Marijuana Cultivation Facility				* ***
Doing Business As:	AK FUZZY BUDZ				
Premises Address:	2612 Eagle St				33/13
City:	Anchorage	State:	ALASKA	ZIP:	99503
	Section 2 – Certificat	ion			
pplication to the following ocal Government: (Inc.) Community Council: (Mu) Municipality of Anchorage and declare under penalty of p	Date Subrement that I have examined this form, including all accifing it to be true, correct, and complete.	e): nitted: <u>5</u> nitted: <u>5</u>	126/14 126/16	,	
ignature of licensee	Subscribed and sword for bother me this 2	7 <sup>TH</sup> day of	MAY		, 20 <u>16</u>
	PUBLIC XX POR AVE OF AV		ntary Public in		the State of Alaska
Form MJ-08] (rev 02/02/2016					Page 1 of 1



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### 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:	AKGLD, LLC	License Number:	10293
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	AK FUZZY BUDZ		
Premises Address:	2612 Eagle St		
City:	Anchorage	State: ALASKA	ZIP: 99503

#### Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	James Millhouse
Title:	Owner
SSN:	



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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  $25^{+0}$  day of 000

Notary Public in and for the State of Alaska

My commission expires: 0) 29 19



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### 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 <u>by each proposed licensee or affiliate</u> 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:	AKGLD, LLC	License Numb	ber:	10293	3
License Type:	Standard Marijuana Cultivation Facility	·1			
Doing Business As:	AK FUZZY BUDŽ	·			
Premises Address:	2612 Eagle St				
City:	Anchorage	State: ALA	SKA	ZIP:	99503

#### Section 2 - Individual Information

Enter information for the individual licensee or affiliate.

Name:	Troy Millhouse
Title:	Owner
SSN:	



Alcoh

Alcohol and Marijuana Control Office 550 W 7<sup>th</sup> 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-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.

Roy Mullion
Signature of licensee/affiliate

Subscribed and sworn to before me this 25 day of \_\_\_\_

Maria Cliffal

n. halte

My commission expires:





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

#### What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

#### Section 1 - Establishment Information

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

Licensee:	AKGLD, LLC	License	Number:	10293		
License Type:	Standard Marijuana Cultivation Facility					
Doing Business As:	AK FUZZY BUDZ					
Physical Address:	2612 Eagle St					
City:	Anchorage	State:	AK	Zip Code:	99503	
Designated Licensee:	James mielhouse					
Email Address:	akgreenlight@yahoo.com					

#### Section 2 - Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	AMW Stubb.	as requested	pri

OFFICE USE ONLY			
Received Date:	Payment Submitted Y/N:	Transaction #:	

Basic Lease Provisions
Date:5/17/2016
Landlord: Dennis Millhouse
Address of Landlord: 407 E. Northern Lights Blvd.
Tenant:AKGLD, LLC
Leased Premises: 2612 Eagle St, Anchorage, AK 99503
Lease Term: One (1) Year
Commencement Date: 6/1/2016
Expiration Date: 6/1/2017
Fixed Rent: _\$2500 per month  Rent is due and payable on the 1 <sup>st</sup> day of each calendar month.  Rent is late after the 5 <sup>th</sup> day of the month.
Landlord provides trash pick-up and snow removal.  Tenant provides all other utilities in Tenant's name.
Parking: 5 regular spots + 1 handicap spot
Insurance: Tenant will keep in full force and effect, a policy of public liability and property damage insurance with respect to the premises and the operations of Tenant.  A copy of the certificate of insurance shall be delivered to Landlord within 30 days of the start of this lease. Said policy shall name Landlord as an additional insured.
No subletting without the prior written approval of Landlord.
<b>Property Use:</b> Tenant is aware that property will be used for the Cultivation and Retail of Marijuana by AKGLD, LLC.
Amount Due on Signing: \$5000 (\$2500 6-1-2016 to 6-30-2016 + \$2500 Security Deposit)
Landlord's Signature: Date: Date:
Senant's Signature: Date: Date:
depresentative of AKGLD, LLC Signature:

# Division of Corporations, Business and Professional Licensing

### Name(s)

Туре	Name
Legal Name	AKGLD, LLC

### **Entity Details**

**Entity Type:** Limited Liability Company

**Entity #:** 10037905

**Status:** Good Standing

**AK Formed Date:** 4/22/2016

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2018

Entity Mailing Address: 5. 2612 EAGLE ST, ANCHORAGE, AK 99503

Entity Physical Address: 5. 2612 EAGLE ST, ANCHORAGE, AK 99503

Registered Agent

**Agent Name:** James Millhouse

Registered Mailing Address: 407 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503

Registered Physical 407 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503

**Address:** 

### Officials

AK Entity#	Name	Titles	<b>Percent Owned</b>
	James Millhouse	Member	50
	Troy Millhouse	Member	50

### Filed Documents

Date Filed	Туре	Filing	Certificate
4/22/2016	Creation Filing		
6/7/2016	Initial Report		

[Division of Corporations, Business & Professional Licensing]

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

#### Confirmation

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

Important entity responsibility information is available by clicking the following link: Entity Responsibility.

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

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

#### **Entity Details**

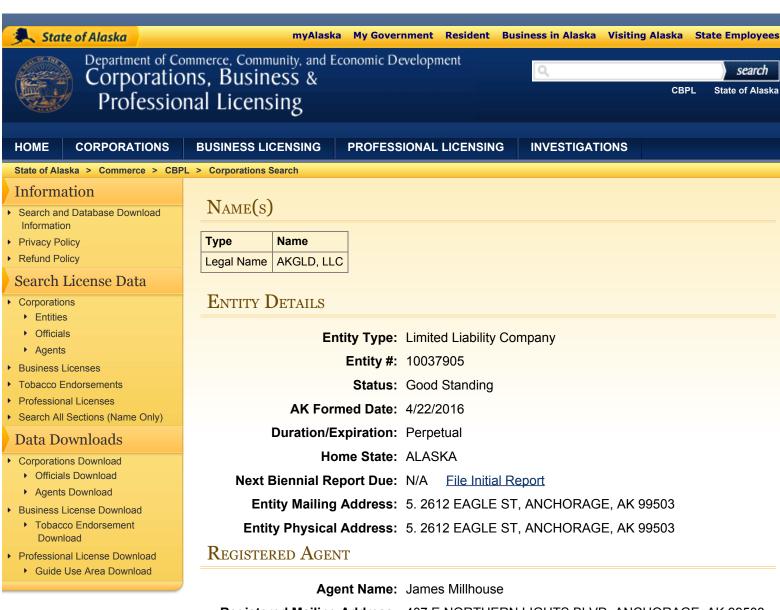
Entity Number: 10037905

Legal Name: AKGLD, LLC

Filing Type: Initial Report - Domestic Limited Liability Company

Corporations Email corporations@alaska.gov Contact Phone (907) 465-2550





Registered Mailing Address: 407 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503 Registered Physical Address: 407 E NORTHERN LIGHTS BLVD, ANCHORAGE, AK 99503

#### **OFFICIALS**

Show Former (None on file)

AK Entity#	Name	Titles	Percent Owned
	James Millhouse	Organizer	
	Troy Millhouse	Organizer	

#### FILED DOCUMENTS

Date Filed	Туре	Filing	Certificate
4/22/2016	Creation Filing	Click to View	Click to View

TOP OF PAGE

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

### Cover Sheet for Marijuana Establishment Applications

### What is this form?

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License Type:	Standard Marijuana Cultivation Facility				
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Physical Address:	2612 Eagle St				
City:	Anchorage	State:	AK	Zip Code:	99503
Designated Licensee:					
Email Address:	akgreenlight@yahoo.com				

#### Section 2 - Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Entity documents aka AKGLD, LLC aperating agreement.	
	debuting agreement.	

OFFICE USE ONLY				
Received Date:	Payment Submitted Y/N:	Transaction #:		

#### **OPERATING AGREEMENT**

of

#### AKGLD, LLC

This Operating Agreement (the "Agreement") made and entered into this \_\_\_\_\_ day of April, 2016 (the "Execution Date").

#### **AMONGST**

James Millhouse of 407 E Northern Lights Blvd Troy Millhouse of 407 E Northern Lights Blvd

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

#### **BACKGROUND**

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

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

#### **Formation**

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

#### Name

2. The name of the Company will be AKGLD, LLC.

#### **Purpose**

3. To cultivate and retail commercial marijuana.

#### **Term**

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

#### **Place of Business**

- 5. The Principal Office of the Company will be located at 2612 Eagle St, Anchorage, AK 99503 or such other place as the Members may from time to time designate.
- 6. The mailing address of the Principal Office of the Company will be 407 E Northern Lights Blvd, Anchorage, AK or such other place as the Members may from time to time designate.

#### Membership Classes

7. Members will be divided into classes. Each class will have distinct rights and obligations as follows: Voting **Duties and Obligations Member Class** Manage day to day operations in club. Has the right to make final decisions for the club. Yes Has the right to veto Managing Partner decisions made by the partners because of having controlling interest in the company. Assist with management of day to day operations within the club. Has the right to present Yes Partner information to managing partner. Decisions will be made based on group vote. 8. The following is a list of all Members and the membership class to which they belong: **Member Class** Member Managing Partner James Millhouse Managing Partner Troy Millhouse Capital Contributions 9. The following is a list of all Members and their Initial Capital Contributions to the Company. Each of the Members agree to make their Capital Contributions to the Company, full and on time, according to the following terms: **Delivery** Value of Contribution Date Member Contribution Description This member will 04/20/16 \$50,000.00 James Millhouse provide cash; 04/20/16 \$50,000.00 This member will Troy Millhouse

#### Distribution of Profits/Losses

10. Subject to the other provisions of this Agreement, the Net Profits or Losses of the Company, for both accounting and tax purposes, will be distributed between the Members in the following manner:

Member	Profit/Loss Percentage
James Millhouse	50.00%
Troy Millhouse	50.00%

- 11. Distributions will be made according to the following schedule: Quarterly.
- 12. Tax Allocations will be made in the same fixed proportions as the allocation of Net Profits or Losses described above.
- 13.No Member will have priority over any other Member for the distribution of Net Profits or Losses. **Voting**
- 14.Each Member of a voting membership class will be entitled to cast votes, on any matter within the authority of that membership class, based upon the proportion of that Member's Capital Contributions in the Company.

#### **Nature of Interest**

- 15.A Member's interest in the Company will be considered personal property.
- 16.A Member's ownership interest in the Company will be represented by a certificate issued by the Company.

#### Withdrawal of Contribution

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

#### **Liability for Contribution**

18.A Member's obligation to make their required Capital Contribution can only be compromised or released with the consent of all remaining Members or as described elsewhere in this Agreement. If a Member does not make the Capital Contribution when it is due, he is obligated at the option of the remaining Members to contribute cash equal to the agreed value of the Capital Contribution. This

option is in addition to and not in lieu of any others rights, including the right to specific performance that the Company may have against the Member.

#### **Additional Contributions**

- 19.Capital Contributions may be amended from time to time, according to the requirements of the Company provided that the Members' interests are not affected, except with the unanimous consent of the Members. No Member will be required to make Additional Contributions. Whenever additional capital is determined to be required and an individual Member is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by business obligations, the remaining Members may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of Net Profits or Losses of the Company among all the Members may be adjusted to reflect the aggregate change in Capital Contributions by the Members.
- 20. Any advance of money to the Company by any Member in excess of the amounts provided for in this Agreement or subsequently agreed to, will be deemed a debt due from the Company rather than an increase in the Capital Contribution of the Member. This liability will be repaid with interest at such rates and times to be determined by a majority of the Voting Members. This liability will not entitle the lending Member to any increased share of the Company's profits nor to a greater voting power. Resolution of such debts may have preference or priority over any other payments to Members as may be determined by a majority of the Voting Members.

#### **Capital Accounts**

21.An individual capital account will be maintained for each Member (if able to do so because of banking issues) and their initial Capital Contribution will be credited to this account. Any Additional Contributions made by any Member will be credited to that Member's individual Capital Account.

#### **Interest on Capital**

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

#### **Drawing Accounts**

23.An individual drawing account will be maintained for each Member. Each Member will be entitled to draw against their share of the profits in such amounts and at such time as will be agreed by the Members. The drawing account is a temporary account and is expected to have a debit balance if there have been any withdrawals. At the end of each accounting year, the drawing accounts are closed by transferring the debit balance to each Member's capital account.

#### Compensation of Members for Services Rendered

24. Members will be compensated by the Company for services rendered to or on behalf of the Company.

#### **Management**

25. Management of this Company is vested in the Members.

#### **Authority to Bind Company**

26. Only the following individuals have authority to bind the Company in contract: Managing Partner.

#### **Duty of Loyalty**

27.No Member or Manager will engage in any business, venture or transaction, whether directly or indirectly, that might be competitive with the business of the Company or that would be in direct conflict of interest to the Company. Any potential conflicts of interest will be deemed an Involuntary Withdrawal of the offending Member or Manager and may be treated accordingly by the remaining Members. A withdrawing Member or Manager will not carry on a similar business to the business of the Company within any established or contemplated market regions of the Company for a period of at least 2 years after the date of withdrawal.

#### **Duty to Devote Time**

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

#### **Member Meetings**

- 29.Member meetings will be held at the following address, or any other location that the Members may from time to time designate: the Principal Office, 2612 Eagle St, Anchorage, AK 99503 as agreed by members.
- 30. Any impending Member meeting will require 3 days notice be given to all Members.
- 31.A meeting may be called by any Member providing that appropriate notice has been provided to the other Members.
- 32.Regular Member meetings will be held according to the following schedule: Monthly.
- 33. There must be at least 51.00% of the Members present at a meeting for any decisions to be binding.

  Admission of New Members
- 34.A new Member may only be admitted to the Company with a unanimous vote of the existing Members.
- 35.In addition to the required vote of existing Members the following conditions must be satisfied:

- New Members will only be admitted by majority vote if the Company is in financial difficulty as determined by existing Members.
- 36. The new Member agrees to be bound by all the covenants, terms, and conditions of this Agreement, inclusive of all current and future amendments. Further, a new Member will execute such documents as are needed to effect the admission of the new Member. Any new Member will receive such business interest in the Company as determined by a unanimous decision of the other Members.

  Voluntary Withdrawal of a Member
- 37.No Member may voluntarily withdraw from the Company for a period of 12 months from the execution date of this Agreement. Any such unauthorized withdrawal prior to the expiration of this period will be considered a wrongful dissociation and a breach of this Operating Agreement. In the event of any such wrongful dissociation, the withdrawing Member will be liable to the remaining Members for any damages incurred by the remaining Members including but not limited to the loss of future earnings. After the expiration of this period, any Member will have the right to voluntarily withdraw from the Company. Written notice of intention to withdraw must be served upon the remaining Members at least 90 days prior to withdrawal.
- 38. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company.
- 39.It remains incumbent on the withdrawing Member to exercise this dissociation in good faith and to minimize any present or future harm done to the remaining Members as a result of the withdrawal.

  Involuntary Withdrawal of a Member
- 40. Events leading to the involuntary withdrawal of a Member from the Company will include but not be limited to: death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; breach of fiduciary duties by a Member; criminal conviction of a Member; Operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute. Expulsion of a Member can also occur on application by the Company or another Member, where it has been judicially determined that the Member: has engaged in wrongful conduct that adversely and materially affected the Company's business; has wilfully or persistently committed a material breach of the Operating Agreement or of a duty owed to the Company or to the other Members; or has engaged in conduct relating to the Company's business that makes it not reasonably practicable to carry on the business with the Member.
- 41. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company.

  Dissociation of a Member
- 42.In the event of either a voluntary or involuntary withdrawal of a Member, if the remaining Members

elect to purchase the interest of the withdrawing Member, the remaining Members will serve written notice of such election, including the purchase price and method and schedule of payment for the withdrawing Member's interest, upon the withdrawing Member, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the affected Member. The purchase amount of any buyout of a Member's interest will be determined as outlined in the Valuation of Interest section of this Agreement.

- 43.In the event the remaining Members are unwilling or unable to purchase the interest of the Dissociated Member due to a voluntary or involuntary withdrawal from the Company then the Members will submit to mediation and, if necessary, binding arbitration for a final resolution. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
- 44. The remaining Members retain the right to seek damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.
- 45.On any purchase and sale resulting from the voluntary or involuntary dissociation of a Member, a dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. Immediately upon purchase of a withdrawing Member's interest, the Company will prepare, file, serve, and publish all notices required by law to protect the withdrawing Member from liability for future Company obligations. Where the remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

#### **Buyout Agreement**

46.In the event of a Member's interest in the Company becoming for sale, due to any reason, the remaining Members of the Company have a right of first purchase on the interest. The value of the interest in the Company will be determined as outlined in the Valuation of Interest section of this Agreement.

#### **Assignment of Interest**

- 47.A Member's financial interest in the Company can only be assigned to another Member and cannot be assigned to a third party.
- 48.In the event that a Member's interest in the company is transferred or assigned as the result of a court order or Operation of Law, the trustee in bankruptcy or other person acquiring that Member's interest

in the Company will only acquire that Member's economic rights and interests and will not acquire any other rights of that Member or be admitted as a Member of the Company or have the right to exercise any management or voting interests.

#### Valuation of Interest

- 49.In the absence of a written agreement setting a value, the value of the Company will be based on the fair market value appraisal of all Company assets (less liabilities) determined in accordance with generally accepted accounting procedures. This appraisal will be conducted by an independent accounting firm agreed to by all Members. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Members. A withdrawing Member's interest will be in proportion to their profit and loss share in the Company, less any outstanding liabilities a Member may have to the Company. The intent of this section is to ensure the survival of the Company despite the withdrawal of any individual Member.
- 50.No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Company books immediately prior to valuation.

#### **Dissolution**

- 51. The Company may be dissolved by a unanimous vote of the Members. The Company will also be dissolved on the occurrence of events specified in the Act.
- 52. Upon Dissolution of the Company and liquidation of Company property, and after payment of all selling costs and expenses, the liquidator will distribute the Company assets to the following groups according to the following order of priority:
  - 1. in satisfaction of liabilities to creditors except Company obligations to current Members;
  - 2. in satisfaction of Company obligations to current Members to pay debts; and
  - 3. to the Members in proportion to their profit and loss share in the Company.
- 53. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Company assets after liabilities or any insufficiency in Company assets in resolving liabilities under this section will be resolved by the Members in proportion to the profit and loss share of each Member as set out in this Agreement.

#### Records

- 54. The Company will at all times maintain accurate records of the following:
  - 1. Information regarding the status of the business and the financial condition of the Company.

- 2. A copy of the Company federal, state, and local income taxes for each year (promptly after becoming available).
- 3. Name and last known business, residential, or mailing address of each Member, as well as the date that person became a Member.
- 4. A copy of this Agreement and any articles or certificate of formation, as well as all amendments, together with any executed copies of any written powers of attorney pursuant to which this Agreement, articles or certificate, and any amendments have been executed.
- 5. The cash, property, and services contributed to the Company by each Member, along with a description and value, and any contributions that have been agreed to be made in the future.
- 55.Each Member has the right to demand, within a reasonable period of time, a copy of any of the above documents for any purpose reasonably related to their interest as a Member of the Company, at their expense.

#### **Books of Account**

56.Accurate and complete books of account of the transactions of the Company will be kept and at all reasonable times be available and open to inspection and examination by any Member. The Books of Account will be kept on the cash basis method of accounting.

#### **Banking and Company Funds**

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

#### Audit

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

#### Fiscal Year End

59. The fiscal year end of the Company is the 1st day of January.

#### **Tax Treatment**

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

Tax.

#### Tax Matters Partner

- 61. The tax matters partner will be James Millhouse, (the "Tax Matters Partner"). The Tax Matters Partner will prepare, or cause to be prepared, all tax returns and reports for the Company and make any related elections that the Members deem advisable.
- 62.A Tax Matters Partner can voluntarily withdraw from the position of Tax Matters Partner or can be appointed or replaced by a majority of the Voting Members. In the event of a withdrawal of the Tax Matters Partner from the Company, the remaining Members will appoint a successor as soon as practicable.

#### **Annual Report**

- 63.As soon as practicable after the close of each fiscal year, the Company will furnish to each Member an annual report showing a full and complete account of the condition of the Company including all information as will be necessary for the preparation of each Member's income or other tax returns. This report will consist of at least:
  - 1. A copy of the Company's federal income tax returns for that fiscal year.
  - 2. Supporting income statement.
  - 3. A balance sheet.
  - 4. A cash flow statement.
  - 5. A breakdown of the profit and loss attributable to each Member.

#### Goodwill

64. The goodwill of the Company will be assessed at an amount to be determined by appraisal using generally accepted accounting procedures.

#### **Governing Law**

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

#### **Mediation and Arbitration**

66.In the event a dispute arises out of or in connection with this Agreement, the parties will attempt to resolve the dispute through friendly consultation. If the dispute is not resolved within a reasonable period then any or all outstanding issues may be submitted to mediation in accordance with any

statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the State of Alaska. The arbitrator's award will be final, and judgment may be entered upon it by any court having jurisdiction within the State of Alaska.

#### Force Majeure

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

#### Forbidden Acts

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

#### **Indemnification**

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

#### **Liability**

75.A Member or any employee will not be liable to the Company or to any other Member for any mistake or error in judgment or for any act or omission believed in good faith to be within the scope

of authority conferred or implied by this Agreement or the Company. The Member or employee will be liable only for any and all acts and omissions involving intentional wrongdoing.

#### **Liability Insurance**

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

#### Life Insurance

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

#### Actions Requiring Unanimous Consent

- 78. Actions requiring the unanimous consent of all Members will include, but not be limited to, the following:
  - 1. Incurring Company liabilities over \$25,000.00.
  - 2. Incurring a single transaction expense over \$1,000.00.
  - 3. The sale of any Company asset with a fair market value over \$1,000.00.
  - 4. Hiring an employee with an annual compensation over \$12,500.00.
  - 5. Firing any employee.
  - 6. Assignment of ownership rights of Company property.
  - 7. Endangering the ownership or possession of Company property.
  - 8. Assignment of check signing authority.
  - 9. Releasing any Company claim except for payment in full.

### **Amendment of Operating Agreement**

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

### **Title to Company Property**

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

#### Miscellaneous

- 81. Time is of the essence in this Agreement.
- 82. This Agreement may be executed in counterparts.
- 83. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in a neutral gender include the masculine gender and the feminine gender and vice versa.
- 84.If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
- 85. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations that may have been made by any party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements have no force or effect in respect to this Agreement. Only the written terms of this Agreement will bind the parties.
- 86. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Member's successors, assigns, executors, administrators, beneficiaries, and representatives.
- 87. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the parties at the addresses contained in this Agreement or as the parties may later designate in writing.
- 88. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

#### Additional Terms

89.If a Partner decides to leave the company the partner is required to sell their percentage in the company back to the Managing Partner.

#### **Definitions**

90. For the purpose of this Agreement, the following terms are defined as follows:

- 1. "Additional Contribution" means Capital Contributions, other than Initial Contributions, made by Members to the Company.
- 2. "Capital Contribution" means the total amount of cash, property, or services contributed to the Company by any one Member.
- 3. "Initial Contribution" means Capital Contributions made by any Member to acquire an interest in the Company.
- 4. "Net Profits or Losses" means the net profits or losses of the Company as determined by generally accepted accounting principles.
- 5. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.
- 6. "Principal Office" means the office whether inside or outside the State of Alaska where the executive or management of the Company maintain their primary office.
- 7. "Voting Members" means the Members who belong to a Membership class that has voting power.

IN WITNESS WHEREOF the parties have duly affixed their signatures under hand and seal on this \_\_\_\_\_\_ day of June, 2016.

SIGNED, SEALED, AND DELIVERED

in the presence of:

Witness Name: Jame Cliffor

James Millhouse (Member)

SIGNED, SEALED, AND DELIVERED

in the presence of:

Witness: WMU Cliffy (Sign)

Witness Name: Jame Clifford

Troy Millhouse (Member)



Alcohol & 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

### Cover Sheet for Marijuana Establishment Applications

#### What is this form?

This cover sheet must be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

### Section 1 – Establishment Information

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

Licensee:	AKGLD, LLC	License	Number:	10293		
License Type:	Standard Marijuana Cultivation Facility					
Doing Business As:	AK FUZZY BUDZ					
Physical Address:	2612 Eagle St					
City:	Anchorage	State:	AK	Zip Code:	99503	
Designated Licensee:	James milhouse		,		•	
Email Address:	akgreenlight@yahoo.com					

### Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

	Attached Items:	thed Items: Udulitaing affidavit				
L						

OFFICE USE ONLY					
Received Date:	Payment Submitted Y/N:	Transaction #:			



### Anchorage Press 540 E. Fifth Avenue Anchorage, Alaska 99501

Phone: 561-7737 Fax: 561-7777

## Application For New Marijuana License

AK GLD, LLC is applying under 3 AAC 306.400(a)(1) for a new Standard Marijuana Cultivation Facility license, license #10293, doing business as AK FUZZY BUDZ, focated at 2612 Eagle St; 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, Zach Menzel, Sales Representative for the Anchorage Press, verify that the New Marijuana License for AK GLD, LLC appeared in April 28, and May 5, May 12, 2016 issues of the Anchorage Press Newspaper.

Zach Menzel

Subscribed and sworn to me in the Municipality of Anchorage, in the state Alaska, on

this\_\_\_\_\_13\_\_

day of

2016

Notary Public Signature

Commission Expires

DAVE DIAZ NOTARY PUBLIC State of Ataska My Commission Expires July 26; 2018

# Correspondence



## Department of Commerce, Community, and Economic Development

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

June 3, 2016

AKGLD, LLC

DBA: AK Fuzzy Budz

Via email: akgreenlight@yahoo.com

Re: Standard Marijuana Cultivation Facility License Application #10293

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-00 Application Certifications
  - o Page 3 for both affiliates should only have one box initialed
  - o This does not need to be re-notarized just initial the changes and re-submit
- Proof of Possession of Proposed Premises
  - o Please add the LLC name to the Tenant's Signature
  - Please also add a section for use of the property describing what the intended use
    of the property is
- Entity Documents
  - You have filed your initial report with the Division of Corporations, Business and Professional Licensing https://www.commerce.alaska.gov/web/cbpl/Corporations.aspx
  - o Please submit a copy of your initial report you file with the Division of Corporations

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: <u>Marijuana Licensing (CED sponsored)</u>

To: <u>"akgreenlight@yahoo.com"</u>

Cc: <u>Marijuana Licensing (CED sponsored)</u>

Subject: FW: Marijuana License Application #10293 AK Fuzzy Budz Incomplete letter \*DEADLINES June 17th &

September 1st\*

Date:Friday, June 03, 2016 11:11:00 AMAttachments:10293 Incomplete Letter.docx

Hello,

Please disregard the previous email and incomplete letter. The attached is the correct incomplete letter.

### Thank you, AMCO Staff

**From:** Marijuana Licensing (CED sponsored) **Sent:** Friday, June 03, 2016 11:06 AM

To: 'akgreenlight@yahoo.com'

**Cc:** Marijuana Licensing (CED sponsored)

Subject: Marijuana License Application #10293 AK Fuzzy Budz Incomplete letter \*DEADLINES June 17th

& September 1st\*

Hello,

Your application is now under review. Please read the attached letter regarding information/documents/corrections needed. Please note there are deadlines of June 17, 2016 and September 1, 2016.

Thank you, AMCO Staff **From:** Marijuana Licensing (CED sponsored)

To: "Rich Beezley"

Cc: Marijuana Licensing (CED sponsored)

Subject: RE: Marijuana License Application #10293 AK Fuzzy Budz (AKGLD, LLC) Corrected Modifications

**Date:** Tuesday, June 07, 2016 8:18:00 AM

#### Good Morning,

Corrections for MJ-00 and proof of possession of proposed premises has been uploaded to the licensing system. You still need to file your initial report with the Division of Corporations as stated in the incomplete letter sent on 6/3/16. I believe this can be done online: https://www.commerce.alaska.gov/cbp/Main/CorporationDetail.aspx?id=10037905.

Please submit a copy of your initial report once you have submitted it to the Division of Corporations. Their phone # is 269-8160.

Please note that your application is considered incomplete until we receive a copy of your initial report filed with the Division of Corporations for AKGLD, LLC showing percentages owned by the two affiliates.

### Thank you, AMCO Staff

**From:** Rich Beezley [mailto:richbeezley@gmail.com]

**Sent:** Friday, June 03, 2016 4:16 PM **To:** Marijuana Licensing (CED sponsored)

Subject: Marijuana License Application #10293 AK Fuzzy Budz (AKGLD, LLC) Corrected Modifications

Good Afternoon,

I am attaching the corrected modifications outlined below including their associated cover page per Cynthia Franklin's request. Thank you for your time.

#### MJ-00 Application Certifications

- o Page 3 for both affiliates should only have one box initialed
- o This does not need to be re-notarized just initial the changes and re-submit

#### Proof of Possession of Proposed Premises

- o Please add the LLC name to the Tenant's Signature
- Please also add a section for use of the property describing what the intended use
  of the property is

Thank you,

Rich Beezley Vice President TC Consultants

# **Notifications**



# Department of Commerce, Community, and Economic Development

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

June 8, 2016

Municipality of Anchorage Attn: Mandy Honest

VIA Email: <a href="mailto:honestml@muni.org">honestml@muni.org</a>

moserak@muni.org jonesbar@muni.org

mcconnelleb@ci.anchorage.ak.us

mclaughlinfd@muni.org

License Number:	10293	
License Type:	Standard Marijuana Cultivation Facility	
Licensee:	AKGLD, LLC	
Doing Business As:	AK FUZZY BUDZ	
Physical Address:	2612 Eagle St Anchorage, AK 99503	
Designated Licensee:	James Millhouse	
Phone Number:	907-351-6699	
Email Address:	akgreenlight@yahoo.com	

	☐ Transfer of Ownership Application	☐ Renewal Application
☐ Onsite Consumption	on 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,

Cynthia Franklin, Director

amco.localgovernmentonly@alaska.gov

From: Thibodeaux, Christina N (CED)

To: "honestml@muni.org"; "MoserAK@muni.org"; "jonesbar@muni.org"; "mcconnelleb@ci.anchorage.ak.us"; "McLaughlin, Francis

D."

Subject: LG Notification of New Marijuana License Application #10293 AK Fuzzy Budz

 Date:
 Wednesday, June 08, 2016 8:18:00 AM

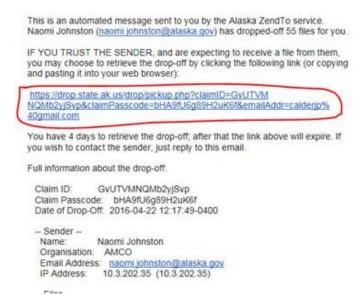
 Attachments:
 10293 Local Government Notice.docx

#### Dear local government officials,

Please find the attached correspondence for a new marijuana establishment license. Direct all correspondence to <a href="mailto:amco.localgovernmentonly@alaska.gov">amco.localgovernmentonly@alaska.gov</a>.

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:



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":





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.

File	ename	Туре	Size	Description
D	ABCAgenda.pdf	application/pdf	472.3 KB	
	Tabl.pdf	application/pdf	416.6 KB	
13	Tab10.pdf	application/pdf	259.1 KB	
0	Tab11.pdf	application/pdf	1.9 MB	
D	Tab12.pdf	application/pdf	1.7 MB	
13	Tab13.pdf	application/pdf	10.0 MB	
D	Tab14.pdf	application/pdf	3.5 MB	
13	Tab15.pdf	application/pdf	1.4 MB	
D	Tab16.pdf	application/pdf	513.9 KB	
13	Tab17.pdf	application/pdf	812.2 KB	
17%			CED E IAD	

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. 7<sup>th</sup> Ave. Ste. 1600 Anchorage, AK 99501 | 907.754.3588 |



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 8, 2016

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

RE:

Local Governing Body Action on State Marijuana License

AK Fuzzy Budz, #10293

Dear Ms. Franklin:

In accordance with Anchorage Municipal Code 10.80.061A., the Municipal Clerk is protesting the state marijuana establishment license #10293 for a marijuana cultivation facility, doing business as AK Fuzzy Budz.

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,

Amanda K. Moser Deputy Municipal Clerk Concur,

Barbara A. Jones Municipal Clerk

C: Erika McConnell, Special Assistant to the OECD Director AK Fuzzy Budz – via email



# Department of Commerce, Community, and Economic Development

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

June 8, 2016

Midtown Community Council Attn: President or Chair

VIA email: <a href="mailto:anchoragemidtowncc@gmail.com">anchoragemidtowncc@gmail.com</a>
Cc: <a href="mailto:info@communitycouncils.org">info@communitycouncils.org</a>

License Number:	10293
License Type:	Standard Marijuana Cultivation Facility
Licensee:	AKGLD, LLC
Doing Business As:	AK FUZZY BUDZ
Physical Address:	2612 Eagle St Anchorage, AK 99503
Designated Licensee:	James Millhouse
Phone Number:	907-351-6699
Email Address:	akgreenlight@yahoo.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 <a href="http://www.commerce.alaska.gov/web/amco">http://www.commerce.alaska.gov/web/amco</a>.

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) "anchoragemidtowncc@gmail.com" To:

Cc: "info@communitycouncils.org", Marijuana Licensing (CED sponsored)

Subject: Community Council Notification of New Marijuana License Application #10293 AK Fuzzy Budz LLC

Date: Wednesday, June 08, 2016 9:00:00 AM 10293 Community Council Notice.docx 10293 MJ-02 Premises Diagram.pdf 10293 Online Application Redacted.pdf **Attachments:** 

Hello Community Council Members,

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

Thank you, AMCO Staff



# Department of Commerce, Community, and Economic Development

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

June 8, 2016

AKGLD, LLC DBA AK Fuzzy Budz

VIA email: <a href="mailto:akgreenlight@yahoo.com">akgreenlight@yahoo.com</a>

Re: Application Status for License # 10293

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 7, 2016 board meeting for Marijuana Control Board consideration. Because July 7, 2016 is less than 60 days from today, the board will not grant or deny your application before August 7, 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 <a href="marijuana.licensing@alaska.gov">marijuana.licensing@alaska.gov</a> email address if you have any questions.

Sincerely,

Cynthia Franklin

Director, Marijuana Control Board

From: <u>Marijuana Licensing (CED sponsored)</u>

To: <u>"akgreenlight@yahoo.com"</u>

Cc: <u>Marijuana Licensing (CED sponsored)</u>

**Subject:** Marijuana License Application #10293 AK Fuzzy Budz \*Complete Letter\*

**Date:** Wednesday, June 08, 2016 9:17:00 AM

Attachments: 10293 Applicant Notice.docx

#### Good Morning,

Please find the attached letter regarding your complete marijuana license application.

Thank you, AMCO Staff

# **Miscellaneous Documents**

Basic Lease Provisions
Date:5/17/2016
Landlord: <u>Dennis Millhouse</u>
Address of Landlord: 407 E. Northern Lights Blvd.
Tenant: <u>AKGLD, LLC</u> .
Leased Premises: 2612 Eagle St. Anchorage AK 99503
Lease Term: One (1) Year
Commencement Date: 6/1/2016
Expiration Date:6/1/2017
Fixed Rent: \$2500 per month  Rent is due and payable on the 1 <sup>st</sup> day of each calendar month.  Rent is late after the 5 <sup>th</sup> day of the month.
Landlord provides trash pick-up and snow removal. Tenant provides all other utilities in Tenant's name.
Parking: 5 regular spots + 1 handicap spot
Insurance: Tenant will keep in full force and effect, a policy of public liability and property damage insurance with respect to the premises and the operations of Tenant. A copy of the certificate of insurance shall be delivered to Landlord within 30 days of the start of this lease. Said policy shall name Landlord as an additional insured.
No subletting without the prior written approval of Landlord.
Amount Due on Signing: \$5000 (\$2500 6-1-2016 to 6-30-2016 + \$2500 sec dep)
Landlord's Signature: Date: 5/17/19.  Tenant's Signature: Date: Date: 5/17/19.
Tenant's Signature: Date: 5/11/6



Alaska Marijuana Control Board

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

# Cover Sheet for Marijuana Establishment Applications

## What is this form?

This cover sheet <u>must</u> be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

#### Section 1 - Establishment Information

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

Licensee:	AKGLD, LLC	License	Number:	10293	
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AK FUZZY BUDZ				
Physical Address:	2612 Eagle St				
City:	Anchorage	State:	AK	Zip Code:	99503
Designated Licensee:					
Email Address:	akgreenlight@yahoo.com				

#### Section 2 - Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Entity documents aka AKGLD, LLC aperating agreement.	
	débuting agreement.	

OFFICE USE ONLY			
Received Date:	Payment Submitted Y/N:	Transaction #:	

#### **OPERATING AGREEMENT**

of

#### AKGLD, LLC

This Operating Agreement (the "Agreement") made and entered into this \_\_\_\_\_ day of April, 2016 (the "Execution Date").

#### **AMONGST**

James Millhouse of 407 E Northern Lights Blvd Troy Millhouse of 407 E Northern Lights Blvd

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

#### **BACKGROUND**

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

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

#### **Formation**

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

#### Name

2. The name of the Company will be AKGLD, LLC.

#### **Purpose**

3. To cultivate and retail commercial marijuana.

#### **Term**

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

#### **Place of Business**

- 5. The Principal Office of the Company will be located at 2612 Eagle St, Anchorage, AK 99503 or such other place as the Members may from time to time designate.
- 6. The mailing address of the Principal Office of the Company will be 407 E Northern Lights Blvd, Anchorage, AK or such other place as the Members may from time to time designate.

#### Membership Classes

7. Members will be divided into classes. Each class will have distinct rights and obligations as follows: Voting **Duties and Obligations Member Class** Manage day to day operations in club. Has the right to make final decisions for the club. Yes Has the right to veto Managing Partner decisions made by the partners because of having controlling interest in the company. Assist with management of day to day operations within the club. Has the right to present Yes Partner information to managing partner. Decisions will be made based on group vote. 8. The following is a list of all Members and the membership class to which they belong: **Member Class** Member Managing Partner James Millhouse Managing Partner Troy Millhouse Capital Contributions 9. The following is a list of all Members and their Initial Capital Contributions to the Company. Each of the Members agree to make their Capital Contributions to the Company, full and on time, according to the following terms: **Delivery** Value of Contribution Date Member Contribution Description This member will 04/20/16 \$50,000.00 James Millhouse provide cash; 04/20/16 \$50,000.00 This member will Troy Millhouse

#### Distribution of Profits/Losses

10. Subject to the other provisions of this Agreement, the Net Profits or Losses of the Company, for both accounting and tax purposes, will be distributed between the Members in the following manner:

Member	Profit/Loss Percentage
James Millhouse	50.00%
Troy Millhouse	50.00%

- 11. Distributions will be made according to the following schedule: Quarterly.
- 12. Tax Allocations will be made in the same fixed proportions as the allocation of Net Profits or Losses described above.
- 13.No Member will have priority over any other Member for the distribution of Net Profits or Losses. **Voting**
- 14.Each Member of a voting membership class will be entitled to cast votes, on any matter within the authority of that membership class, based upon the proportion of that Member's Capital Contributions in the Company.

#### **Nature of Interest**

- 15.A Member's interest in the Company will be considered personal property.
- 16.A Member's ownership interest in the Company will be represented by a certificate issued by the Company.

#### Withdrawal of Contribution

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

#### **Liability for Contribution**

18.A Member's obligation to make their required Capital Contribution can only be compromised or released with the consent of all remaining Members or as described elsewhere in this Agreement. If a Member does not make the Capital Contribution when it is due, he is obligated at the option of the remaining Members to contribute cash equal to the agreed value of the Capital Contribution. This

option is in addition to and not in lieu of any others rights, including the right to specific performance that the Company may have against the Member.

#### **Additional Contributions**

- 19.Capital Contributions may be amended from time to time, according to the requirements of the Company provided that the Members' interests are not affected, except with the unanimous consent of the Members. No Member will be required to make Additional Contributions. Whenever additional capital is determined to be required and an individual Member is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by business obligations, the remaining Members may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of Net Profits or Losses of the Company among all the Members may be adjusted to reflect the aggregate change in Capital Contributions by the Members.
- 20. Any advance of money to the Company by any Member in excess of the amounts provided for in this Agreement or subsequently agreed to, will be deemed a debt due from the Company rather than an increase in the Capital Contribution of the Member. This liability will be repaid with interest at such rates and times to be determined by a majority of the Voting Members. This liability will not entitle the lending Member to any increased share of the Company's profits nor to a greater voting power. Resolution of such debts may have preference or priority over any other payments to Members as may be determined by a majority of the Voting Members.

#### **Capital Accounts**

21.An individual capital account will be maintained for each Member (if able to do so because of banking issues) and their initial Capital Contribution will be credited to this account. Any Additional Contributions made by any Member will be credited to that Member's individual Capital Account.

#### **Interest on Capital**

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

#### **Drawing Accounts**

23.An individual drawing account will be maintained for each Member. Each Member will be entitled to draw against their share of the profits in such amounts and at such time as will be agreed by the Members. The drawing account is a temporary account and is expected to have a debit balance if there have been any withdrawals. At the end of each accounting year, the drawing accounts are closed by transferring the debit balance to each Member's capital account.

#### Compensation of Members for Services Rendered

24. Members will be compensated by the Company for services rendered to or on behalf of the Company.

#### **Management**

25. Management of this Company is vested in the Members.

#### **Authority to Bind Company**

26. Only the following individuals have authority to bind the Company in contract: Managing Partner.

#### **Duty of Loyalty**

27.No Member or Manager will engage in any business, venture or transaction, whether directly or indirectly, that might be competitive with the business of the Company or that would be in direct conflict of interest to the Company. Any potential conflicts of interest will be deemed an Involuntary Withdrawal of the offending Member or Manager and may be treated accordingly by the remaining Members. A withdrawing Member or Manager will not carry on a similar business to the business of the Company within any established or contemplated market regions of the Company for a period of at least 2 years after the date of withdrawal.

#### **Duty to Devote Time**

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

#### **Member Meetings**

- 29.Member meetings will be held at the following address, or any other location that the Members may from time to time designate: the Principal Office, 2612 Eagle St, Anchorage, AK 99503 as agreed by members.
- 30. Any impending Member meeting will require 3 days notice be given to all Members.
- 31.A meeting may be called by any Member providing that appropriate notice has been provided to the other Members.
- 32.Regular Member meetings will be held according to the following schedule: Monthly.
- 33. There must be at least 51.00% of the Members present at a meeting for any decisions to be binding.

  Admission of New Members
- 34.A new Member may only be admitted to the Company with a unanimous vote of the existing Members.
- 35.In addition to the required vote of existing Members the following conditions must be satisfied:

- New Members will only be admitted by majority vote if the Company is in financial difficulty as determined by existing Members.
- 36. The new Member agrees to be bound by all the covenants, terms, and conditions of this Agreement, inclusive of all current and future amendments. Further, a new Member will execute such documents as are needed to effect the admission of the new Member. Any new Member will receive such business interest in the Company as determined by a unanimous decision of the other Members.

  Voluntary Withdrawal of a Member
- 37.No Member may voluntarily withdraw from the Company for a period of 12 months from the execution date of this Agreement. Any such unauthorized withdrawal prior to the expiration of this period will be considered a wrongful dissociation and a breach of this Operating Agreement. In the event of any such wrongful dissociation, the withdrawing Member will be liable to the remaining Members for any damages incurred by the remaining Members including but not limited to the loss of future earnings. After the expiration of this period, any Member will have the right to voluntarily withdraw from the Company. Written notice of intention to withdraw must be served upon the remaining Members at least 90 days prior to withdrawal.
- 38. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company.
- 39.It remains incumbent on the withdrawing Member to exercise this dissociation in good faith and to minimize any present or future harm done to the remaining Members as a result of the withdrawal.

  Involuntary Withdrawal of a Member
- 40. Events leading to the involuntary withdrawal of a Member from the Company will include but not be limited to: death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; breach of fiduciary duties by a Member; criminal conviction of a Member; Operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute. Expulsion of a Member can also occur on application by the Company or another Member, where it has been judicially determined that the Member: has engaged in wrongful conduct that adversely and materially affected the Company's business; has wilfully or persistently committed a material breach of the Operating Agreement or of a duty owed to the Company or to the other Members; or has engaged in conduct relating to the Company's business that makes it not reasonably practicable to carry on the business with the Member.
- 41. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company.

  Dissociation of a Member
- 42.In the event of either a voluntary or involuntary withdrawal of a Member, if the remaining Members

elect to purchase the interest of the withdrawing Member, the remaining Members will serve written notice of such election, including the purchase price and method and schedule of payment for the withdrawing Member's interest, upon the withdrawing Member, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the affected Member. The purchase amount of any buyout of a Member's interest will be determined as outlined in the Valuation of Interest section of this Agreement.

- 43.In the event the remaining Members are unwilling or unable to purchase the interest of the Dissociated Member due to a voluntary or involuntary withdrawal from the Company then the Members will submit to mediation and, if necessary, binding arbitration for a final resolution. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
- 44. The remaining Members retain the right to seek damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.
- 45.On any purchase and sale resulting from the voluntary or involuntary dissociation of a Member, a dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. Immediately upon purchase of a withdrawing Member's interest, the Company will prepare, file, serve, and publish all notices required by law to protect the withdrawing Member from liability for future Company obligations. Where the remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

#### **Buyout Agreement**

46.In the event of a Member's interest in the Company becoming for sale, due to any reason, the remaining Members of the Company have a right of first purchase on the interest. The value of the interest in the Company will be determined as outlined in the Valuation of Interest section of this Agreement.

#### **Assignment of Interest**

- 47.A Member's financial interest in the Company can only be assigned to another Member and cannot be assigned to a third party.
- 48.In the event that a Member's interest in the company is transferred or assigned as the result of a court order or Operation of Law, the trustee in bankruptcy or other person acquiring that Member's interest

in the Company will only acquire that Member's economic rights and interests and will not acquire any other rights of that Member or be admitted as a Member of the Company or have the right to exercise any management or voting interests.

#### Valuation of Interest

- 49.In the absence of a written agreement setting a value, the value of the Company will be based on the fair market value appraisal of all Company assets (less liabilities) determined in accordance with generally accepted accounting procedures. This appraisal will be conducted by an independent accounting firm agreed to by all Members. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Members. A withdrawing Member's interest will be in proportion to their profit and loss share in the Company, less any outstanding liabilities a Member may have to the Company. The intent of this section is to ensure the survival of the Company despite the withdrawal of any individual Member.
- 50.No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Company books immediately prior to valuation.

#### **Dissolution**

- 51. The Company may be dissolved by a unanimous vote of the Members. The Company will also be dissolved on the occurrence of events specified in the Act.
- 52. Upon Dissolution of the Company and liquidation of Company property, and after payment of all selling costs and expenses, the liquidator will distribute the Company assets to the following groups according to the following order of priority:
  - 1. in satisfaction of liabilities to creditors except Company obligations to current Members;
  - 2. in satisfaction of Company obligations to current Members to pay debts; and
  - 3. to the Members in proportion to their profit and loss share in the Company.
- 53. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Company assets after liabilities or any insufficiency in Company assets in resolving liabilities under this section will be resolved by the Members in proportion to the profit and loss share of each Member as set out in this Agreement.

#### Records

- 54. The Company will at all times maintain accurate records of the following:
  - 1. Information regarding the status of the business and the financial condition of the Company.

- 2. A copy of the Company federal, state, and local income taxes for each year (promptly after becoming available).
- 3. Name and last known business, residential, or mailing address of each Member, as well as the date that person became a Member.
- 4. A copy of this Agreement and any articles or certificate of formation, as well as all amendments, together with any executed copies of any written powers of attorney pursuant to which this Agreement, articles or certificate, and any amendments have been executed.
- 5. The cash, property, and services contributed to the Company by each Member, along with a description and value, and any contributions that have been agreed to be made in the future.
- 55.Each Member has the right to demand, within a reasonable period of time, a copy of any of the above documents for any purpose reasonably related to their interest as a Member of the Company, at their expense.

#### **Books of Account**

56.Accurate and complete books of account of the transactions of the Company will be kept and at all reasonable times be available and open to inspection and examination by any Member. The Books of Account will be kept on the cash basis method of accounting.

### **Banking and Company Funds**

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

#### Audit

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

#### Fiscal Year End

59. The fiscal year end of the Company is the 1st day of January.

#### **Tax Treatment**

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

Tax.

#### Tax Matters Partner

- 61. The tax matters partner will be James Millhouse, (the "Tax Matters Partner"). The Tax Matters Partner will prepare, or cause to be prepared, all tax returns and reports for the Company and make any related elections that the Members deem advisable.
- 62.A Tax Matters Partner can voluntarily withdraw from the position of Tax Matters Partner or can be appointed or replaced by a majority of the Voting Members. In the event of a withdrawal of the Tax Matters Partner from the Company, the remaining Members will appoint a successor as soon as practicable.

#### **Annual Report**

- 63.As soon as practicable after the close of each fiscal year, the Company will furnish to each Member an annual report showing a full and complete account of the condition of the Company including all information as will be necessary for the preparation of each Member's income or other tax returns. This report will consist of at least:
  - 1. A copy of the Company's federal income tax returns for that fiscal year.
  - 2. Supporting income statement.
  - 3. A balance sheet.
  - 4. A cash flow statement.
  - 5. A breakdown of the profit and loss attributable to each Member.

#### Goodwill

64. The goodwill of the Company will be assessed at an amount to be determined by appraisal using generally accepted accounting procedures.

#### **Governing Law**

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

#### **Mediation and Arbitration**

66.In the event a dispute arises out of or in connection with this Agreement, the parties will attempt to resolve the dispute through friendly consultation. If the dispute is not resolved within a reasonable period then any or all outstanding issues may be submitted to mediation in accordance with any

statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the State of Alaska. The arbitrator's award will be final, and judgment may be entered upon it by any court having jurisdiction within the State of Alaska.

#### Force Majeure

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

#### Forbidden Acts

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

#### **Indemnification**

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

#### **Liability**

75.A Member or any employee will not be liable to the Company or to any other Member for any mistake or error in judgment or for any act or omission believed in good faith to be within the scope

of authority conferred or implied by this Agreement or the Company. The Member or employee will be liable only for any and all acts and omissions involving intentional wrongdoing.

#### **Liability Insurance**

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

#### Life Insurance

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

### Actions Requiring Unanimous Consent

- 78. Actions requiring the unanimous consent of all Members will include, but not be limited to, the following:
  - 1. Incurring Company liabilities over \$25,000.00.
  - 2. Incurring a single transaction expense over \$1,000.00.
  - 3. The sale of any Company asset with a fair market value over \$1,000.00.
  - 4. Hiring an employee with an annual compensation over \$12,500.00.
  - 5. Firing any employee.
  - 6. Assignment of ownership rights of Company property.
  - 7. Endangering the ownership or possession of Company property.
  - 8. Assignment of check signing authority.
  - 9. Releasing any Company claim except for payment in full.

## **Amendment of Operating Agreement**

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

## **Title to Company Property**

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

#### Miscellaneous

- 81. Time is of the essence in this Agreement.
- 82. This Agreement may be executed in counterparts.
- 83. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in a neutral gender include the masculine gender and the feminine gender and vice versa.
- 84.If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.
- 85. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations that may have been made by any party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements have no force or effect in respect to this Agreement. Only the written terms of this Agreement will bind the parties.
- 86. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Member's successors, assigns, executors, administrators, beneficiaries, and representatives.
- 87. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the parties at the addresses contained in this Agreement or as the parties may later designate in writing.
- 88. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

#### Additional Terms

89.If a Partner decides to leave the company the partner is required to sell their percentage in the company back to the Managing Partner.

#### **Definitions**

90. For the purpose of this Agreement, the following terms are defined as follows:

- 1. "Additional Contribution" means Capital Contributions, other than Initial Contributions, made by Members to the Company.
- 2. "Capital Contribution" means the total amount of cash, property, or services contributed to the Company by any one Member.
- 3. "Initial Contribution" means Capital Contributions made by any Member to acquire an interest in the Company.
- 4. "Net Profits or Losses" means the net profits or losses of the Company as determined by generally accepted accounting principles.
- 5. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.
- 6. "Principal Office" means the office whether inside or outside the State of Alaska where the executive or management of the Company maintain their primary office.
- 7. "Voting Members" means the Members who belong to a Membership class that has voting power.

IN WITNESS WHEREOF the parties have duly affixed their signatures under hand and seal on this \_\_\_\_\_\_ day of June, 2016.

SIGNED, SEALED, AND DELIVERED

in the presence of:

Witness Name: Jame Cliffor

James Millhouse (Member)

SIGNED, SEALED, AND DELIVERED

in the presence of:

Witness: WMU Cliffy (Sign)

Witness Name: Jame Clifford

Troy Millhouse (Member)