Alaska Business License # **1042747**

Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

R.C.H. CULTIVATION

493 GOLD DUST DR. FAIRBANKS AK 99709

owned by

CHARLES R HNILICKA; RYAN A HALLSTEN

is licensed by the department to conduct business for the period

September 29, 2016 through December 31, 2017
for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Chris Hladick

PARTNERSHIP AGREEMENT

THIS PARTNERSHIP AGREEMENT (the "Agreement") made and entered into this 16th day of October, 2017 (the "Execution Date"),

BETWEEN:

Ryan Allen Hallsten of 1311 Summit Dr., Fairbanks, Alaska, 99712, and
Charles Robert Hnilicka III of 1169 Sunset Dr., Fairbanks, Alaska, 99709
(individually the "Partner" and collectively the "Partners").

BACKGROUND:

A. The Partners wish to associate themselves as partners in business.

B. This Agreement sets out the terms and conditions that govern the Partners within the Partnership.

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

Formation

1. By this Agreement the Partners enter into a general partnership (the "Partnership") in accordance with the laws of The State of Alaska. The rights and obligations of the Partners will be as as stated in the applicable legislation of The State of Alaska (the 'Act') except as otherwise provided in this Agreement.

Name

2. The firm name of the Partnership will be: R.C.H. Cultivation.

Purpose

3. The purpose of the Partnership will be: Standard Marijuana Cultivation.

Term

4. The Partnership will begin on October 11th, 2017 and will continue until terminated as provided in this Agreement.

Place of Business

5. The principal office of the business of the Partnership will be located at 2745 Hanson Rd. Unit A., Fairbanks, Alaska, 99709 or such other place as the Partners may from time to time designate.

Capital Contributions

6. Each of the Partners has contributed to the capital of the Partnership, in cash or property in agreed upon value, as follows (the "Capital Contribution"):

Partner	Contribution Description	Agreed Value
Ryan Allen Hallsten	1/2 of License Fee (3000) 1/2 of conditional zoning permit fee (500) 1/2 of architectural drawings fee (1000) security set up costs (93.16 monthly - 280.86 to date) all grow equipment costs (7500)	$12,280.86 USD
Charles Robert Hnilicka III	1/2 of license fee (3000) 1/2 of conditional zoning permit fee (500) 1/2 of architectural drawings fee (1000)	$4,500.00 USD

7. All Partners will contribute their respective Capital Contributions fully and on time.

Withdrawal of Capital

8. No Partner will withdraw any portion of their Capital Contribution without the express written consent of the remaining Partners.

Additional Capital

9. Capital Contributions may be amended from time to time, according to the requirements of the Partnership provided that the interests of the Partners are not affected, except with the unanimous consent of the Partners. No Partner will be required to make Additional Capital Contributions.

Whenever additional capital is determined to be required and an individual Partner is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by Partnership business obligations, remaining Partners may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of profits or losses among all the Partners will be adjusted to reflect the aggregate change in Capital Contributions by the Partners.

10. Any advance of money to the Partnership by any Partner in excess of the amounts provided for in this Agreement or subsequently agreed to as Additional Capital Contribution will be deemed a debt owed by the Partnership and not an increase in Capital Contribution of the Partner. This liability will be repaid with interest at rates and times to be determined by a majority of the Partners within the limits of what is required or permitted in the Act. This liability will not entitle the lending Partner to any increased share of the Partnership's profits nor to a greater voting power. Such debts may have preference or priority over any other payments to Partners as may be determined by a majority of the Partners.

Capital Accounts

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

Interest on Capital

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

Financial Decisions

13. Decisions regarding the distribution of profits, allocation of losses, and the requirement for Additional Capital Contributions as well as all other financial matters will be decided by a unanimous vote of the Partners.

Profit and Loss

14. Subject to any other provisions of this Agreement, the net profits and losses of the Partnership, for both accounting and tax purposes, will accrue to and be borne by the Partners in equal proportions (the "Profit and Loss Distribution").

Compensation for Services Rendered

15. No Partner will be compensated for services rendered to the Partnership, except reimbursement for expenses directly related to the operation of the Partnership.

Books of Account

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

Annual Report

17. As soon as practicable after the close of each fiscal year, the Partnership will furnish to each Partner an annual report showing a full and complete account of the condition of the Partnership. This report will consist of at least the following documents:

    a. a statement of all information as will be necessary for the preparation of each Partner's income or other tax returns;

    b. a copy of the Partnership's federal income tax returns for that fiscal year;

    c. supporting income statement;

    d. a balance sheet;

    e. a cash flow statement;

    f. a breakdown of the profit and loss attributable to each Partner; and

    g. any additional information that the Partners may require.

Banking and Partnership Funds

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

Fiscal Year

19. The fiscal year will end on the 1st day of January of each year.

Audit

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

Management

21. Except as all of the Partners may otherwise agree in writing, all actions and decisions respecting the management, operation and control of the Partnership and its business will be decided by a unanimous vote of the Partners.

Contract Binding Authority

22. All actions and decisions with respect to binding the Partnership in contract requires the consent of a majority of the Partners.

Tax Matters Partner

23. The tax matters partner will be Ryan Allen Hallsten (the "Tax Matters Partner"). The Tax Matters Partner will prepare, or cause to be prepared, all tax returns and reports for the Partnership and make any related elections that the Partners deem advisable.

24. A Tax Matters Partner can voluntarily withdraw from the position of Tax Matters Partner or can be appointed or replaced by a majority vote of the other Partners. In the event of a withdrawal of the

Tax Matters Partner from the Partnership, the remaining Partners will appoint a successor as soon as practicable.

Meetings

25. Regular meetings of the Partners will be held weekly.

26. Any Partner can call a special meeting to resolve issues that require a vote, as indicated by this Agreement, by providing all Partners with reasonable notice. In the case of a special vote, the meeting will be restricted to the specific purpose for which the meeting was held.

27. All meetings will be held at a time and in a location that is reasonable, convenient and practical considering the situation of all Partners.

Admitting a New Partner

28. No new Partners may be admitted into the Partnership.

Voluntary Withdrawal of a Partner

29. Any Partner will have the right to voluntarily withdraw from the Partnership at any time. Written notice of intention to withdraw must be served upon the remaining Partners at least one (1) year prior to the withdrawal date.

30. The voluntary withdrawal of a Partner will result in the dissolution of the Partnership.

31. A Dissociated Partner will only exercise the right to withdraw in good faith and will act to minimize any present or future harm done to the remaining Partners as a result of the withdrawal.

Involuntary Withdrawal of a Partner

32. Events resulting in the involuntary withdrawal of a Partner from the Partnership will include but not be limited to: death of a Partner; Partner mental incapacity; Partner disability preventing reasonable participation in the Partnership; Partner incompetence; breach of fiduciary duties by a Partner; criminal conviction of a Partner; Expulsion of a Partner; Operation of Law against a Partner; or any act or omission of a Partner that can reasonably be expected to bring the business or societal reputation of the Partnership into disrepute.

33. The involuntary withdrawal of a Partner will result in the dissolution of the Partnership.

34. A trustee in bankruptcy or similar third party who may acquire that Dissociated Partner's interest in the Partnership will only acquire that Partner's economic rights and interests and will not acquire any other rights of that Partner or be admitted as a Partner of the Partnership or have the right to exercise any management or voting interests.

Dissociation of a Partner

35. Where the dissociation of a Partner for any reason results in the dissolution of the Partnership then the Partnership will proceed in a reasonable and timely manner to dissolve the Partnership, with all debts being paid first, prior to any distribution of the remaining funds. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.

36. The remaining Partners retain the right to seek damages from a Dissociated Partner where the dissociation resulted from a malicious or criminal act by the Dissociated Partner or where the Dissociated Partner had breached their fiduciary duty to the Partnership 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 Partnership or to the reputation of the Partnership.

Dissolution

37. Except as otherwise provided in this Agreement, the Partnership will be dissolved upon a majority vote of all Partners.

Distribution of Property on Dissolution of Partnership

38. In the event of the dissolution of the Partnership, each Partner will share equally (the "Dissolution Distribution") in any remaining assets or liabilities of the Partnership.

39. Upon Dissolution of the Partnership and liquidation of Partnership Property, and after payment of all selling costs and expenses, the liquidator will distribute the Partnership assets to the following groups according to the following order of priority:

    a. in satisfaction of liabilities to creditors except Partnership obligations to current Partners;

    b. in satisfaction of Partnership debt obligations to current Partners; and then

c. to the Partners according to the Dissolution Distribution described above.

40. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Partnership assets after liabilities or any insufficiency in Partnership assets in resolving liabilities under this section will be shared by the Partners according to the Dissolution Distribution described above.

Valuation of Interest

41. In the absence of a written agreement setting a value, the value of the Partnership will be based on the fair market value appraisal of all Partnership assets (less liabilities) determined in accordance with generally accepted accounting principles (GAAP). This appraisal will be conducted by an independent accounting firm agreed to by all Partners. 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 Partners. A withdrawing Partner's interest will be based on that Partner's proportion of the Dissolution Distribution described above, less any outstanding liabilities the withdrawing Partner may have to the Partnership. The intent of this section is to ensure the survival of the Partnership despite the withdrawal of any individual Partner.

42. No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Partnership books immediately prior to valuation.

Goodwill

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

Title to Partnership Property

44. Title to all Partnership Property will remain in the name of the Partnership. No Partner or group of Partners will have any ownership interest in such Partnership Property in whole or in part.

Voting

45. Any vote required by the Partnership will be assessed where each Partner receives one vote carrying equal weight.

Force Majeure

46. A Partner will be free of liability to the Partnership where the Partner 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 Partner has communicated the circumstance of said event to any and all other Partners and taken any and all appropriate action to mitigate said event.

Duty of Loyalty

47. No Partner will engage in any business, venture or transaction, whether directly or indirectly, that might be competitive with the business of the Partnership or that would be in direct conflict of interest to the Partnership without the unanimous written consent of the remaining Partners. Any and all businesses, ventures or transactions with any appearance of conflict of interest must be fully disclosed to all other Partners. Failure to comply with any of the terms of this clause will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

Duty of Accountability for Private Profits

48. Each Partner must account to the Partnership for any benefit derived by that Partner without the consent of the other Partners from any transaction concerning the Partnership or any use by that Partner of the Partnership property, name or business connection. This duty continues to apply to any transactions undertaken after the Partnership has been dissolved but before the affairs of the Partnership have been completely wound up by the surviving Partner or Partners or their agent or agents.

Duty to Devote Time

49. Each Partner will devote such time and attention to the business of the Partnership as the majority of the Partners will from time to time reasonably determine for the conduct of the Partnership business.

Actions Requiring Unanimous Consent of the Partners

50. The following list of actions will require the unanimous consent of all Partners:

    a. assigning check signing authority;

b. committing the Partnership to new liabilities or obligations totaling over $5,000.00 USD;

c. incurring single expenditures that exceed $5,000.00 USD;

d. selling or encumbering of any Partnership asset whose fair market value exceeds $2,500.00 USD;

e. hiring any employee whose total compensation package exceeds $50,000.00 USD per annum;

f. firing of any employee except in the case of gross misconduct that exposes the Partnership to possible liability;

g. waiving or releasing any Partnership claim except for full consideration; and

h. endangering the ownership or possession of Partnership property.

51. Any losses incurred as a result of a violation of this section will be charged to and collected from the individual Partner that acted without unanimous consent and caused the loss.

Forbidden Acts

52. No Partner may do any act in contravention of this Agreement.

53. No Partner may permit, intentionally or unintentionally, the assignment of express, implied or apparent authority to a third party that is not a Partner in the Partnership.

54. No Partner may do any act that would make it impossible to carry on the ordinary business of the Partnership.

55. No Partner may confess a judgment against the Partnership.

56. No Partner will have the right or authority to bind or obligate the Partnership to any extent with regard to any matter outside the intended purpose of the Partnership.

57. Any violation of the above Forbidden Acts will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

Indemnification

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

Liability

59. A Partner will not be liable to the Partnership, or to any other Partner, for any mistake or error in judgment or for any act or omission done in good faith and believed to be within the scope of authority conferred or implied by this Agreement or the Partnership.

Liability Insurance

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

Life Insurance

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

Amendments

62. This Agreement may not be amended in whole or in part without the unanimous written consent of all Partners.

Governing Law

63. This Agreement will be governed by and construed in accordance with the laws of The State of Alaska.

Definitions

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

a. "Additional Capital Contributions" means Capital Contributions, other than Initial Capital Contributions, made by Partners to the Partnership.

b. "Capital Contribution" means the total amount of cash or Property contributed to the Partnership by any one Partner.

c. "Dissociated Partner" means any Partner who is removed from the Partnership through a voluntary or involuntary withdrawal as provided in this Agreement.

d. "Expulsion of a Partner" can occur on application by the Partnership or another Partner, where it has been determined that the Partner:

i. has engaged in wrongful conduct that adversely and materially affected the Partnership's business;

ii. has willfully or persistently committed a material breach of this Agreement or of a duty owed to the Partnership or to the other Partners; or

iii. has engaged in conduct relating to the Partnership's business that makes it not reasonably practicable to carry on the business with the Partner.

e. "Initial Capital Contribution" means Capital Contributions made by any Partner to acquire an interest in the Partnership.

f. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.

Miscellaneous

65. Time is of the essence in this Agreement.

66. This Agreement may be executed in counterpart.

67. 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 the neuter gender include the masculine gender and the feminine gender and vice versa.

68. 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.

69. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations which 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 are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the parties.

70. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Partner's successors, assigns, executors, administrators, beneficiaries, and representatives.

71. 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.

72. 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.

IN WITNESS WHEREOF the Partners have duly affixed their signatures under hand and seal on this 11th day of October, 2017.

WITNESS: Hailey Messick

Ryan Allen Hallsten

WITNESS: Steve Hallsten

Charles Robert Hnilicka III

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