Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	JLG LLC

Entity Type: Limited Liability Company

Entity #: 10115963

Status: Good Standing

AK Formed Date: 10/21/2019

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2023

Entity Mailing Address: 4975 REX ALLEN DRIVE, KETCHIKAN, AK 99901

Entity Physical Address: 4975 REX ALLEN DRIVE, KETCHIKAN, AK 99901

Registered Agent

Agent Name: Jason Kolanko

Registered Mailing Address: 4975 REX ALLEN DRIVE, KETCHIKAN, AK 99901

Registered Physical Address: 33 POWER HOUSE ROAD, KETCHIKAN, AK 99901

Officials

☐Show Former

AK Entity #	Name	Titles	Owned
	Jason Kolanko	Member, Manager	50.00
	Lorraine Kolanko	Member	50.00

Filed Documents

Date Filed	Type	Filing	Certificate
10/21/2019	Creation Filing	Click to View	Click to View
10/21/2019	Initial Report	Click to View	
9/28/2020	Amendment	Click to View	Click to View
9/28/2020	Change of Officials	Click to View	
4/05/2021	Biennial Report	Click to View	

Close Details Print Friendly Version

Alaska Business License # **2130116**

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Rainforest Cannabis

4975 Rex Allen Drive, Ketchikan, AK 99901

owned by

JLG LLC

is licensed by the department to conduct business for the period

April 22, 2021 to December 31, 2022
for the following line(s) of business:

42 - Trade

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.

Julie Anderson
Commissioner

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Alaska Business License # **2130116**

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Rainforest Cannabis

4975 Rex Allen Drive, Ketchikan, AK 99901

owned by

JLG LLC

ENDORSEMENT: 2130116 - 1
Effective April 22, 2021 through December 31, 2022
This business license has an endorsement for the physical address shown below:

726 Water Street, Ketchikan, AK 99901

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.

Julie Anderson
Commissioner

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THE MEMBERSHIP INTEREST IN JLG LLC SHALL CONSTITUTE A "SECURITY" WITHIN THE MEANING OF ALASKA STAT. § 45.08.102(a) AND ALASKA STAT. § 45.08.103(c). THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 AS AMENDED, NOR HAVE THEY BEEN REGISTERED UNDER THE 2018 SECURITIES ACT OF THE STATE OF ALASKA, ALASKA STAT. § 45.56.100–.995, OR ANY OTHER STATE OF THE UNITED STATES. THE SECURITIES THAT MAY BE ISSUED TO JLG LLC HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, OR BY THE SECURITIES COMMISSIONER OF ANY STATE, AND ARE THEREFORE SUBJECT TO THE RESTRICTIONS UPON RESALE, TRANSFER, OR NEW ISSUE IMPOSED BY APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THE SECURITIES YOU MAY ACQUIRE FROM JLG LLC ARE NOT FREELY TRANSFERABLE AND MUST BE HELD INDEFINITELY. NO SALE OR OTHER DISPOSITION OF THESE SECURITIES IS PERMITTED EXCEPT IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE REGULATIONS AND UNLESS THEY ARE EITHER REGISTERED OR QUALIFY AS AN EXEMPT TRANSACTION UNDER ALASKA STAT. § 45.56.120, OR SIMILAR STATE LAW WHERE APPLICABLE. NOTICE IS FURTHER GIVEN THAT THE MEMBERSHIP INTEREST IN JLG LLC MAY NOT BE ASSIGNED OR PLEDGED AS COLLATERAL WITHOUT THE UNANIMOUS CONSENT OF THE MEMBERS; AND, THE ORIGINAL CERTIFICATES OF MEMBERSHIP INTEREST REPRESENTING EACH MEMBER'S RESPECTIVE MEMBERSHIP INTEREST IN JLG LLC SHALL BE DEPOSITED IN THE MINUTE BOOK MAINTAINED AT THE OFFICE OF COMPANY'S ATTORNEY OR AT SUCH OTHER LOCATION AS MAY BE AGREED BY THE MEMBERS.

OPERATING AGREEMENT
JLG LLC
an Alaska Limited Liability Company
(January 5, 2021)

This Operating Agreement (this ***Agreement***) is adopted and entered into on the 5th day of January, 2021, pursuant to and in accordance with the Revised Limited Liability Company Act, Alaska Statutes 10.50.010 et seq. (the ***Act***), as amended from time to time, by and between JLG LLC (the ***Company***), an Alaska limited liability company, and Jason Kolanko and Lorraine C. Kolanko, members of the Company (collectively, the ***Members***), which term also includes any other persons who may become Members of the Company in accordance with the terms of this Agreement and the Act. Terms used in this Agreement which are not otherwise defined shall have the respective meanings given those terms in the Act.

Article 1
FORMATION

1.1 *Formation*. Effective the 21st day of October, 2019, the Members caused an Alaska limited liability company to be formed under the name JLG LLC by filing Articles of Organization (***Articles***) with the office of the State of Alaska, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, upon which the State issued a Certificate of Organization on October 21, 2019, and Entity No. 10115963. Company and the Members now enter into an operating agreement as set forth in this Agreement. The rights and obligations of the Members are as provided in the Act, except as otherwise expressly provided in this Agreement. The Members have operated the business of Rainforest Cannabis as a retail marijuana business licensed by the State of Alaska

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under Alaska Business License No. 1040416 since August 1, 2016 from the leased premises location at 726 Water Street, Ketchikan, Alaska 99901. The Rainforest Cannabis business was operated as a partnership with the Members and Gary R. Croy, who passed away on January 23, 2020. Gary R. Croy held a 25% partnership interest in the business, which was distributed by the Estate of Gary R. Croy to Member, Lorraine C. Kolanko pursuant to the Last Will and Testament of Gary R. Croy.

1.2 *Name*. The business of Company will be conducted under the business name of ***Rainforest Cannabis***. Company may do business under that name and under any other name the Members (defined below) select from time to time. If Company does business under a name other than that set forth in its Articles, then Company shall file an assumed business name as required by law. As of this date the business name of Rainforest Cannabis has been registered with the State of Alaska.

1.3 *Purpose*. The purpose of Company is to engage in the retail sale of marijuana as a licensed marijuana seller under Alaska law, and may pursue any other lawful activity for which limited liability companies may be organized in the State of Alaska pursuant to and in accordance with the Act. Company shall possess and may exercise all of the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, necessary or convenient to the conduct, promotion, or attainment of the business purposes or activities of Company.

1.4 *Office*. Company maintains its principal business office within Alaska at 4975 Rex Allen Drive, Ketchikan, Alaska, 99901.

1.5 *Registered Agent*. The name and address of Company's registered agent in the State of Alaska shall be: Jason Kolanko, 726 Water Street, Ketchikan, Alaska 99901.

1.6 *Term*. The term of Company shall be perpetual unless sooner terminated as provided by law or dissolved earlier as set forth in this Agreement.

1.7 *Defects as to Formalities*. A failure to observe any formalities or requirements of this Agreement, the Articles of Organization, or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

1.8 *No Partnership intended for Non-Tax Purposes.* The Members have formed the Company under the Act and expressly do not intend hereby to form a partnership under either the Alaska Uniform Partnership Act or the Alaska Uniform Limited Partnership Act or a corporation under the Alaska Business Corporation Act. The Members do not intend to be partners one to another or partners as to any third party. To the extent any Member, by work or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

1.9 *Conversion to Limited Liability Company*. The Members have elected to convert the Rainforest Cannabis partnership to a limited liability company pursuant to AS 10.50.570. The conversion shall be submitted to the State of Alaska to become effective simultaneous with the approval of the transfer of the partnership's AMCO marijuana license to the Company.

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Article 2
MEMBERS, CONTRIBUTIONS, AND INTERESTS

2.1 *Names.* The names of the Members of the Company and their percentage of membership ownership interests in the Company (***Interest***) and initial contribution (***Initial Contribution)***, are stated below. The Initial Contribution shall be the ending balance of each Members capital account under the partnership prior to conversion. The Members shall further execute such transfer documents as necessary to convey the inventory and furniture, fixtures and equipment of the partnership to Company, and will assign with the consent of the Landlord, Tom Ferry, the real property lease for the premises located at 726 Water Street where the partnership has conducted business since authorized by AMCO. Each Members Initial Contribution is stated in terms of their capital account, and as concerns the capital account of Lorraine C. Kolanko, is inclusive of the capital account of Gary R. Croy, which was conveyed to her through the Estate of Gary R. Croy:

Member	Capital Account	Membership Interest
Jason Kolanko	$14,000	50%
Lorraine C. Kolanko	$50,000	50%

Interest shall remain equal to the respective percentages which the respective capital accounts of the Members bear to the sum of the Members capital accounts, as they may be adjusted pursuant to the terms of this Agreement.

2.2 *Other Business of Members.* Any Member may engage independently or with others in other business and investment ventures of every nature and description and shall have no obligation to account to the Company for such business or investments or for business or investment opportunities.

2.3 *Additional Members.* Additional Members may be admitted but only upon the election and with the consent of all Members. The consent of all Members to the admission of any additional Member shall be subject to and shall become effective, only when the additional Member has agreed in writing to be bound by all terms and provisions of this Agreement. The requirement that additional Members be admitted only with the consent of all Members is subject to the limited right of a withdrawing Member to sell his/her Interest to a non-member, which right would arise under Article 7 of this Agreement if the remaining Members do not exercise either the option, or the right of first refusal to purchase the Interest of the withdrawing Member. However, unless the required consent of Members has been obtained to admit the purchaser as a Member of the Company, the rights acquired by a non-member who purchases an Interest in that circumstance shall be limited as set forth in Article 6, Transfers of Membership interests.

2.4 *Capital Accounts.* An individual capital account shall be maintained for each Member. Each Member's capital account shall be (i) credited with all capital contributions by such Member and the Member's distributive share of all income and gain (including any income exempt from federal income tax); and (ii) charged with the amount of all distributions to such Member and the Member's distributive share of losses and deductions. Capital accounts shall be maintained in accordance with federal income tax accounting principles as set forth in Treas. Reg. § 1.704-1(b)(2)(iv) or any successor provision, unless and until the Members should elect Company to be taxed as a Subchapter-S Corporation.

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2.5 *Capital Contributions.*

2.5.1. *Additional Contributions or Loans.* No Member may make any additional capital contributions to the Company, and no Member shall be obligated to contribute additional capital unless all Members agree on the terms upon and proportions in which such will be contributed. Capital contributions may be in the form of cash, property or services rendered, or a promissory note or other obligation to contribute cash or property or to render services, as the Members may agree. No Member shall be obligated to make any loan to the Company. A Member may, however, advance additional monies to the Company as a loan upon such terms as the Members may together agree.

2.5.2. *Treatment of Loans.* No loan made by any Member to the Company will result in an increase in the percentage Interest of the lending Member. The amount of any such loan will not be credited to the lending Member's capital account. Any such loan together with such interest as may have been agreed will be an obligation of the Company to the lending Member and will be repaid to the lending Member before any amount may be distributed to any Member with respect to his/her ownership Interest. Interest on such loans will be payable without regard to the profits or losses of the Company and will be treated as a transaction with a Member other than in his/her capacity as a Member of the Company pursuant to Section 707(a) of the Internal Revenue Code of 1986, as amended (the ***Code***). All such loans will be repayable solely from the Company's assets and represented by promissory notes executed by the Company.

Article 3
MANAGEMENT AND MEMBER MEETINGS

3.1 *Manager-Managed.* The Company's Articles of Amendment, filed with the State of Alaska, Corporations Section on September 28, 2020, provide that its management shall be vested in its ***Manager***. Except as otherwise required by the Act and subject to the terms and provisions of this Agreement, including its requirements set forth below for all Members to approve major actions, the Manager shall have the authority power and discretion to manage and control the business, affairs and property of the Company, to make all decisions regarding those matters and to perform any and all other acts and activities customary or incident to the Company's business, all to the full extent permitted by the Act and this Agreement, except as otherwise stated in Section 3.2, as concerns Major Actions. The initial Manager of the Company shall be Jason Kolanko and Lorraine C. Kolanko, who shall serve continuously as Co-Managers until they should elect to resign, or the Members determine pursuant to Section 3.2 to terminate their role as Co-Managers and appoint a new Manager or Co-Manager.

3.2 *Major Actions.* Notwithstanding Section 3.1 or any other provision of this Agreement, the Manager shall not have authority to take major action as that term is defined herein, without the prior written consent of Members holding sixty percent (60%) or more of the Interest then outstanding which consent shall constitute authorization for the Manager to take such action. As used in the preceding sentence, major actions shall include, without limitation, the following:

3.2.1. any transaction or agreement with a Member not otherwise in the ordinary course of the Company's business;

3.2.2. purchase, lease or other acquisition of any interest in real property;

3.2.3. sale, conveyance, mortgage, lease, exchange or other disposition of any

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real property;

3.2.4. encumbrance of any Company property, real or personal, to secure an obligation in excess of $10,000;

3.2.5. amendment or modification of the Company's Articles of Organization or this Agreement;

3.2.6. admission of a new Member or determination of the capital contribution or other terms under which a new Member may be admitted;

3.2.7. determination that additional capital is needed for the Company that is not otherwise required to be contributed by the Members under the terms of this Agreement;

3.2.8. withdrawal of capital by a Member;

3.2.9. withdrawal of an existing Member;

3.2.10. waiver of a restriction against the transfer by a Member of the Member's Interest;

3.2.11. guarantee by Company of any obligation or liability of a Member or any third party;

3.2.12. indemnification of a person not otherwise entitled to indemnification as provided in this Agreement;

3.2.13. engage in any business in any jurisdiction other than Alaska to which the Company is not authorized under state or federal law;

3.2.14. sale of all or substantially all of the assets of the Company;

3.2.15. conversion of one entity with Company or the merger of the Company with another entity;

3.2.16. any act by the Company that materially contravenes the terms and conditions set forth in this Agreement;

3.2.17. confession of judgment or settlement and/or compromise of a claim, cause of action, or judgment in excess of $2,500;

3.2.18. capital expenditure in excess of $2,500 in the aggregate during a fiscal year;

3.2.19. initiate action for receivership or bankruptcy under either state law or under the federal bankruptcy code;

3.2.20. revaluation of any Company asset under Regulations Section 1.704-1(b)(2)(iv)(f);

3.2.21. use of retained earnings for purposes different than accelerating pay-down of outstanding, long-term debt as provided in Section 5.4.1;

3.2.22. any agreement or transaction other than an arm's length transaction;

3.2.23. tax elections;

3.2.24. any material amendment or modification of any agreement to which the Company is obligated;

3.2.25. accounting practice not in accordance with GAAP;

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3.2.26. distribution of earnings pursuant to 5.4.2;

3.2.27. assumption of any Company liability by a Member that is not expressly provided for in this Agreement;

3.2.28. any action by Manager or Members that could adversely and materially impact Company's balance sheet, business opportunities, or goodwill;

3.2.29. amount of compensation paid Members doing work for Company; and,

3.2.30. expulsion of Member.

3.3 *Annual and Special Meetings.* If required by state law, an annual meeting of the Members shall be held annually on the first business day in January, or at such other time as shall be determined by the Members, for the purpose of the transaction of such business as may come before the meeting. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by state law, may be called by any Member upon reasonable notice.

3.4 *Place of Meetings.* The Members may designate any place, either within or outside of Alaska, as the location for any meeting of the Members.

3.5 *Voting.* On each matter requiring action by the Members, each Member shall be entitled to vote in accordance with his/her respective Interest. Except as otherwise provided in the Articles of Organization, this Agreement or applicable law, a matter submitted to a vote of the Members shall be deemed approved if it receives the affirmative vote of a Member or Members holding a majority of the total of the ownership percentage Interest in the Company.

3.6 *Deadlock.* In the event the Members cannot decide on a course of action with respect to a major action as defined in Section 3.2, after good faith efforts at reaching agreement, any Member may declare a deadlock, in which event any Member may, within ten (10) days of such declaration, submit the matter to a professional mediator for resolution (the costs of which shall be shared equally by all the Members). If within fifteen (15) days of such declaration, all of the Members have not agreed to the appointment of a mediator, then in such event, the accountant then employed by the Company shall serve as the mediator. The date when a mediator is appointed shall constitute the date when the matter is submitted for mediation. In the event the matter is not resolved within forty-five (45) days of submission to mediation, then Members holding 60% or more of the Interest then outstanding shall be entitled to provide the other Members with Notice of Intent to Dissolve the Company. If the matter is not resolved within twenty (20) days of the date when the Notice of Intent to Dissolve is provided, then that circumstance shall constitute an event specified for dissolution of the Company, and the Company shall be dissolved and its affairs shall be wound up in accordance with the Act and this Agreement.

3.7 *Meeting of All Members.* Notwithstanding any other provision of this Agreement, if all the Members shall meet at any time and place, either within or outside of Alaska, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and any lawful action taken at such meeting shall be the action of the Members.

3.8 *Action Without Meeting.* Any action required or permitted to be taken by the Members at a meeting may be taken without a meeting if a consent in writing, describing the action taken is signed by all Members and is included in the minutes or filed with the Company's records of meetings.

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3.9 *Meetings by Telephone*. Meetings of the Members may be held by teleconference or by any other means of communication by which all participants can hear each other simultaneously during the meeting, and such participation shall constitute presence in person at the meeting.

3.10 *Waiver of Notice*. When any notice is required to be given to any Member in a waiver thereof in writing signed by the person entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice.

Article 4
ACCOUNTING AND RECORDS

4.1 *Books of Account*. The Members shall maintain documentation showing the names, addresses, and Interest of the Members and shall keep books and records of the operation of the Company which are appropriate and adequate for the Company's business and for the carrying out of this Agreement, each Member shall have access thereto at all reasonable times.

4.2 *Fiscal Year*. The fiscal year of the Company shall be the calendar years.

4.3 *Accounting Reports*. Within one hundred twenty (120) days after the close of each fiscal year each Member shall receive an unaudited report of the activities of the Company for the preceding fiscal year, including a copy of a balance sheet of the Company as of the end of such year and a statement of income or loss for such year.

4.4 *Tax Elections/Member*. Unless the Manager determines otherwise, Diane J. Palmer, CPA, of Milner, Howard, Palmer & Edwards, CPAs (PC), 426 Main Street, Ketchikan, Alaska 99901, will be the "Company Representative" (herein, ***CR***) under Section 6223 of the Code. The Manager may remove any CR, with or without cause, and designate a successor to any CR who for any reason ceases to act. Unless directed otherwise by the Manager, the CR shall, to the extent permitted, cause the Company to elect out of the partnership-level audit procedures under Section 6221 (b) of the Code or to elect out of the partnership-level tax assessments under Section 6226 of the Code. The CR will inform the Members of all administrative and judicial proceedings pertaining to the determination of the Company's tax items and will provide the Members with copies of all notices received from the Internal Revenue Service regarding the commencement of a Company-level audit or a proposed adjustment of any of the Company's tax items. The Members agree to cooperate in good faith, including without limitation, by timely providing information requested by the CR and, if required, making elections, paying tax liabilities and filing amended tax returns as requested by the CR. The Company will reimburse the CR for reasonable expenses properly incurred while acting within the scope of the CR's authority. The provisions contained in this Section 4.4. shall survive (i) the dissolution of the Company, (ii) the withdrawal of any Member and, (iii) the transfer of any Member's Interest.

Article 5
ALLOCATIONS AND DISTRIBUTIONS

5.1 *Allocations of Income and Loss for Tax Purposes*. All items of income, gain, loss, deduction, and credit shall be allocated among all Members in proportion to the respective Interest of each unless otherwise agreed in writing by all Members.

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5.2 *Definitions.*

5.2.1. Revenue from Operations means, in any relevant period, revenues received by the Company from its business operations in the ordinary course of the Company's business. The term does not include the proceeds from capital contributions, loan proceeds, repayments of loans previously made by the Company, or any other amounts received other than as a result of business operations in the ordinary course of the Company's business.

5.2.2. Net Cash Flow means, in any relevant period: (a) all cash (and items immediately convertible to cash without substantial discount) received by the Company as Revenue from Operations (b) all expenses incurred by the Company in connection with the operation of its business, and (c) required payments of principal and interest on any indebtedness of the Company amounts set aside by the Members as reserves or contingency funds, and the cost of any capital improvements. Salary, other amounts paid or payable to any Member of the Company in connection with employment by or services rendered to the Company shall be included in such expenses only to the extent approved by the Members representing a majority of the Interest.

5.2.3. Taxable Income means taxable income as reported on Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, of the Company's U.S. Return of Partnership Income.

5.3 *Monthly Accounting.* In the event the available Revenue from Operations for any month(s) is insufficient to cover expenses for such month(s), the deficit shall be considered an expense payable from Revenue from Operations received in the subsequent month(s). Further, any Net Cash Flow surplus will be retained in a banking account and utilized to pay any Net Cash Flow deficit in subsequent months or for annual or other distributions to Members.

5.4 *Annual Distributions.*

5.4.1. Profits Interest. The Members shall, at the end of each fiscal year retain in the Company all Taxable Income as of the end of that year, after first deducting therefrom such amounts necessary to pay for each Member's personal income liability thereon. The Members agree that all Taxable Income, less a Member's tax liability thereon, shall be retained by Company, and applied as accelerated pay-down of all outstanding, long-term debt owed by Company. The Members may agree as a major action to redirect use of the retained earnings for capital expenditure or operating expense as provided in Section 3.2, above. Otherwise, the retained earnings shall be used as provided herein.

5.4.2. Capital Interest. Within thirty (30) days following the end of each calendar year, the Members may if they determine that the operations of the Company will not be adversely affected thereby, make a distribution of capital to the Members. Provided, no Member may receive a distribution of capital in excess of that Member's capital account. Provided further, any such distribution of capital shall be to each Member pro rata in accordance with his/her Interest.

Article 6
TRANSFERS OF MEMBERSHIP INTERESTS

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Prohibition of Assignments and Other Transfers. No Member shall sell, transfer, assign, pledge, encumber or otherwise dispose of all or any part of his/her Interest, or any right, title or interest in or to an Interest, or with regard to the Company, whether voluntarily or involuntarily, whether by operation of law or otherwise, except to the Company as provided herein. Any assignment or other transfer in violation of the prohibitions contained in this Agreement shall be deemed invalid, null and void, and of no force or effect *ab initio*. The intent of the restriction on alienation of a Member's Interest is to assure that a withdrawing Member's Interest is not held by any individual other than Company. Therefore, upon a voluntary or involuntary withdrawal by a Member, that Member's Interest will succeed to Company, unless otherwise agreed by the remaining Members.

Article 7
WITHDRAWAL AND DISSOLUTION

7.1 *Voluntary Withdrawal.* Any Member may withdraw voluntarily from the Company without the consent of the other Members (***Voluntary Withdrawal***) effective after not less than thirty (30) or more than sixty (60) days after written notice is delivered to Company. Upon a Voluntary Withdrawal, the Interest of the withdrawing Member shall be redeemed by the Company for the redemption price stated in Section 7.3, below.

7.2 *Involuntary Withdrawal.* Involuntary withdrawal (***Involuntary Withdrawal***) means with respect to any Member, the occurrence of any of the events or circumstances set forth in Alaska Statute 10.50.210, 10.50.215, or 10.50.220. For purposes of this Section 7.2, the voluntary or involuntary liquidation of a Member's personal estate through bankruptcy or otherwise shall be deemed an event of Involuntary Withdrawal. Upon an Involuntary Withdrawal, the Interest of the withdrawing Member shall be redeemed by Company pursuant to Section 7.3, below.

7.3 *Redemption of Withdrawing Member.* Upon either the Voluntary Withdrawal or the Involuntary Withdrawal of any Member, the Company shall purchase the Interest of the withdrawing Member, and pay to the withdrawing Member or the Member's estate the greater of:

7.3.1. The amount of the capital account of the withdrawing Member as of the first day of the month in which the event of Voluntary Withdrawal or Involuntary Withdrawal arises; or,

7.3.2. the redemption price determined by the Members on or before September 1, to be effective for the succeeding year, which amount shall be stated each year on **Appendix A**, attached hereto, as the "*JLG LLC, Operating Agreement, Section 7.3.2, Redemption Price of Withdrawing Member's Interest.*" In the event the Members fail to determine the redemption price in one or more years as provided in this Section 7.3.2, the determination last made as stated in **Appendix A** shall apply. Contemporaneous with the execution of this Agreement, Members have determined that the redemption price to be paid to a withdrawing Member for 2020, until a subsequent determination is made, shall be the sum of Two Hundred Thousand and 0/100 Dollars ($200,000), representing a Member's fifty percent (50%) Interest in Company.

7.4 *Closing and Payment of Redemption Price to Withdrawing Member's Interest*: The closing of Company's redemption of a withdrawing Member's Interest shall at the soonest time, following the effective date of a Member's withdrawal, but in no event more than one hundred eighty (180) days after such event. At the closing, the withdrawing Member or his/her legal representative, heirs or other successor shall execute a transfer to Company such documents as are necessary or proper to accomplish the transfer. The withdrawing Member's Interest shall be

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transferred AS IS AND WHERE-IS with all warranties and representations disclaimed except that the conveyance shall include the warranty and representation of the withdrawing Member that he/she has not sold, transferred, assigned, pledged, encumbered or otherwise disposed of all or any part of his/her Interest in the Company, as those acts are defined in Article 6 of this Agreement or otherwise allowed his/her Interest to be made subject to any encumbrance. The redemption price shall be paid on the installment basis as follows:

7.4.1. A down payment of ten percent (10%) of the redemption price shall be paid at closing.

7.4.2. The balance of the redemption price shall be paid in monthly installments to amortize the balance over a term of 10 years, with interest to accrue at the rate of four percent (4%) on the balance from time to time unpaid.

7.4.3. The redemption price to be paid by Company to the withdrawing Member or his/her legal representative, heirs or other successor, shall be evidenced by an unsecured promissory note of standard form.

7.5 *Events of Dissolution*. Except as otherwise provided in this Agreement, the Company shall dissolve upon the earlier of: (a) approval of dissolution by a vote of Members holding sixty percent (60%) or more of the Interest then outstanding; (b) the Voluntary Withdrawal (including by virtue of a bankruptcy or material breach of this Agreement) of any Member if Members holding sixty percent (60%) or more of the Interest then remaining elect in writing to dissolve the Company following the occurrence of an event that would otherwise constitute a Voluntary Withdrawal; (c) the Involuntary Withdrawal of any Member if Members holding sixty percent (60%) or more of the Interest then remaining elect in writing to dissolve the Company following the occurrence of an event that would otherwise constitute an Involuntary Withdrawal; or, (d) a declaration of deadlock pursuant to Section 3.6.

7.6 *Liquidation upon Dissolution and Winding Up*. Upon the dissolution of the Company, the Members shall wind up the affairs of the Company. A full account of the assets and liabilities of the Company shall be made. After payment or provision for payment of all of the Company's liabilities, any remaining assets shall be distributed to the Members in proportion to their respective interests. At the election of the Members, property may be distributed in kind.

Article 8
INDEMNIFICATION

8.1 *Indemnification*. The Company shall indemnify each of its Members to the fullest extent permissible under Alaska law, as the same exists or may hereafter be amended, against all liability, loss, and costs (including without limitation, attorneys' fees) incurred or suffered by such person by reason of or arising from the fact that such person is or was a Member of the Company. Provided, however, that such indemnification shall not apply to the extent that Members holding sixty percent (60%) or more of Interest in the Company then outstanding, excluding the Interest held by the Member to be indemnified, reasonably determine that the liability, loss or cost arose from a failure of the Member to be indemnified to act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company.

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8.2 *Indemnification for Breach*. Each Member shall indemnify and hold harmless each other Member against all liability, loss and costs, including, without limitation, loss of capital, loans or other investments in the Company, incurred or suffered by the non-breaching Member by reason of or arising from the breach by the breaching Member of any provision of this Agreement.

Article 9
AMENDMENTS

The Members may amend or repeal the provisions of this Agreement by agreement, set forth in writing of Members holding sixty percent (60%) or more of the Interest then outstanding. This Agreement may not be amended or repealed by oral agreement of the Members.

Article 10
MISCELLANEOUS

10.1 *Additional Documents*. Each Member shall execute such additional documents and take such other actions as are reasonably requested by the other Members in order to complete or confirm the transactions contemplated by this Agreement.

10.2 *Entire Agreement*. This document is the entire, final and complete Agreement and understanding of the parties relating to the subject matter herein and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives with respect thereto.

10.3 *Attorney's Fees*. In the event, any suit, action or other legal proceeding shall be instituted to declare or enforce any right created by this Agreement, or by reason of any breach of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees as fixed by the trial court and all appellate courts.

10.4 *Binding Effect*. All rights, remedies, and liabilities herein given to or imposed upon the parties shall extend to, inure to the benefit of, and bind, as the circumstances may require, the parties and, to the extent permitted by this Agreement, their respective heirs, personal representatives, administrators, successors and assigns.

10.5 *Governing Law*. This Agreement and its formation, operation and performance shall be governed, construed, performed and enforced in accordance with the laws of the State of Alaska, excluding its conflict of law principles.

10.6 *Legal Representation*. This Agreement and all documents related to it were prepared by H. Clay Keene of Keene & Currall, PPC at the request of Company, and the Members named herein acknowledged at the organizational meeting, that Keene & Currall, PPC, represents only the legal interest of Company, and does not represent the individual Members. Each of the Members has had the opportunity to obtain his/her own legal counsel and been urged to do so, and the scope of the Keene & Currall, PPC representation has not extended to representing the individual interest of any of the Members. Accordingly, the Members understand and agree, that should a dispute arise over the interpretation of this Agreement, that Keene & Currall, PPC cannot represent the legal rights and interest of a Member to this Agreement. In such event, the Members to the dispute must retain independent legal counsel to represent their interest in the dispute.

10.7 *Disputes Resolution*. The Members have agreed that the exclusive means by which a dispute that may arise under this Agreement shall be by mediation and arbitration. Any dispute,

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controversy or claim arising out of or relating in any way to this Agreement, including without limitation any dispute concerning the construction, validity, interpretation, enforceability or breach, shall be exclusively resolved by binding arbitration upon a Member's submission of the dispute to arbitration, by first delivering written notice to the Manager, Members and the Company's accountant of the Member's election to arbitrate the dispute. Within thirty (30) days of such notice, Manager shall schedule a place and time for the parties to whom notice was given, to meet to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Member shall seek remedies exclusively through arbitration under the Alaska Arbitration Act. The demand for arbitration shall be made within a reasonable time after the dispute or other matter in question has arisen, and in no event, shall it be made after one hundred twenty (120) days from when the aggrieved Member knew or should have known of the controversy, claim, dispute or breach. A Member's failure to timely give written notice of a dispute as provided under the provisions of this Section 10.7, shall terminate the Members right to have the controversy resolved under this Agreement, or otherwise.

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date and year first above written.

COMPANY
JLG LLC

By: Lorraine C. Kolanko
Lorraine C. Kolanko, Co-Manager

By: Jason Kolanko
Jason Kolanko, Co-Manager

MEMBER

By: Jason Kolanko
Jason Kolanko, Member

By: Lorraine C. Kolanko
Lorraine C. Kolanko, Member

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APPENDIX A

JLG LLC Operating Agreement

Section 7.3.2.

Redemption Price of Withdrawing Member's Interest

DATE	PERCENT OF INTEREST	REDEMPTION PRICE
September 1, 2020	1.00%	$1,000.00
September 1, 2021		
September 1, 2022		
September 1, 2023		
September 1, 2024		
September 1, 2025		
September 1, 2026		
September 1, 2027		
September 1, 2028		
September 1, 2029		
September 1, 2030		
September 1, 2031		
September 1, 2032		
September 1, 2033		
September 1, 2034		
September 1, 2035		

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