

**Alcohol & Marijuana Control Office**

Initiating License Application

6/16/2021 2:05:23 PM

**License Number:** 10315**License Status:** Active-Operating**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** GREEN ELEPHANT, LLC**Business License Number:** 1036860**Designated Licensee:** Richard Dudas**Email Address:** greenelephantalaska@gmail.com**Local Government:** Juneau (City and Borough of)**Local Government 2:****Community Council:****Latitude, Longitude:** 58.287907, -134.385100**Physical Address:** 101 Mill St.  
Suite A  
Juneau, AK 99801  
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10036013**Alaska Entity Name:** Green Elephant, LLC**Phone Number:** 907-321-5886**Email Address:** greenelephantalaska@gmail.com**Mailing Address:** PO Box 21315  
Juneau, AK 99802  
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Richard Dudas**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-321-5886**Email Address:** greenelephantalaska@gmail.com**Mailing Address:** PO Box 21315  
Juneau, AK 99802  
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Jennifer Canfield**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-209-7663**Email Address:** jennifer.n.canfield@gmail.com**Mailing Address:** PO Box 21315  
Juneau, AK 99802  
UNITED STATES**Note:** No affiliates entered for this license.

## COMMERCIAL LEASE

THIS AGREEMENT is entered into the 26 day of September, 2016 by and between Muddy Paws, LLC., ("Landlord") and Green Elephant, LLC., ("Tenant").

**1. Leased Premises.** In accordance with the provisions herein, Landlord leases to Tenant the following described real property, together with all improvements therein except as excluded, more particularly described as follows:

Portions of the commercial building currently existing at 101 Mill Street, AJ Subdivision IV Block A, Lot 1, Juneau Recording District, 1<sup>st</sup> Judicial District, State of Alaska.

The portion of the commercial building consisting of approximately 8,000 square feet plus parking area included in this lease are identified in Exhibit A. This lease excludes the detached garage, the parking on either side and rear of that garage, the second floor of the building and the large Front Lobby Area as depicted in Exhibit A. Tenant agrees to Lease the premises in its current condition and "as is" without any required improvements or alterations by Landlord. Option to lease the Front Lobby Area will be available to the tenant when an on-premises cannabis consumption endorsement becomes available. Also, tenant may exercise an option to lease the balcony and stairs in Exhibit A for a future viewing area.

**2. Term.** The term of this Lease shall be five years commencing on January 1, 2016, and expiring at midnight on December 30, 2020, regardless of whether or not Tenant secures all permits and authorities to operate its business or is otherwise not able to operate.

**3.1. Rent.** Base Rent shall be [REDACTED], Landlord will be granted full access to Tenant books.

**3.2. Late Charge.** Any payment owed but not received by the 5<sup>th</sup> day of the month, whether base rent or a deferred payment for rent, shall bear a 20% late charge.

**4. Renewal Option.** This lease will be automatically renewed for an additional five year period under the same terms and conditions and at the rental rate existing at the end of the initial term, unless either party delivers written notice by May 1, 2020.

**5. Operating, Maintenance and Repair Costs**

All operating, maintenance and repair costs will be the responsibility of the tenant.

**6. Deposit.** Upon execution of this Lease, Tenant shall pay to Landlord a security deposit of [REDACTED] on or before January 1, 2016. This deposit shall be maintained in an account of Landlord's choosing, without incurring any obligation to pay interest or other charges to Tenant. Should tenant not complete the Lease term this security deposit is nonrefundable and shall be used as a damage, security and rent deposit to partially assist in mitigating Landlord's losses including lost rent, repairs, damages, administrative costs; without waiving Landlord's right to recover full damages and rent owed for the entirety of the lease term. At the end of the lease term, provided all rent has been paid and all damages remedied, Landlord shall return the deposit without incurring interest.

**7. Surrender.** Tenant shall surrender the Premises by the expiration of the Lease, or any other earlier termination date, clean and free of debris and in the same condition as on the commencement of this Lease, reasonable wear and tear excepted.

**8. Termination of Lease Prior to Term.** If Tenant vacates the leased premises prior to the end of the lease term for any reason other than Landlord's breach of the Lease, all past and future deferred rent payments and lease payments that would be owed through the end of the lease term become immediately due and owed to Landlord. If not paid within 30 days of demand, Landlord may proceed to collect full amounts owed through litigation or any other remedy available.

**9. Tenant Improvements.** All Tenant improvements and alterations are subject to Landlord approval. Tenant shall submit proposed improvements and alterations to Landlord for review by email with drawings. Once approved, they shall be incorporated into this Lease. All costs associated with any improvements or alterations shall be the exclusive responsibility of Tenant. All improvements and alterations must comply with all permitting, building codes, laws, accepted engineering and construction standards and other legal requirements; and shall be performed by licensed and bonded contractors except for minor work approved by Landlord. Upon completion of improvements involving structural components, Tenant shall provide Landlord with "as-built" plans and specifications.

**10. Ownership of Improvements and Fixtures.** All tenant improvements and alterations shall be the property of, and owned by Landlord and may not be removed by Tenant at the expiration or earlier termination of the Lease. Landlord may elect to require Tenant to remove at the expiration or termination of the Lease any improvements or alterations, at Tenant's sole cost. All Tenant fixtures shall be the property of, and owned by Tenant, which Tenant may remove at any time and shall be required to remove at expiration or termination of the Lease. For all purposes of this Lease, "improvements and alterations" shall mean the improvements Tenant makes to the interior or structure of the Premises; "fixtures" shall mean those items of personal property that the Tenant affixes to the Premises in a manner that they can be easily removed without damage to the Premises. Major improvements can be lined out in addendums as we see fit.

**11. Quiet Enjoyment.** If Tenant performs and fulfills all the covenants and conditions herein contained, Tenant shall quietly enjoy the premises during the term of this lease.

**12. Destruction of Premises.** If the Premises shall be destroyed or rendered untenable, either wholly or in part, by fire or other casualty, Landlord may, at its option, restore the Premises to its previous condition, and in the meantime the monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole thereof; but unless Landlord, within 30 days after the happening of any such casualty, shall notify the Tenant of its election to so restore the Premises under this Section, Landlord must do so within a reasonable time not to exceed 10 months of the notice of its intention to so restore.

If the Building of which the Premises are a part shall be destroyed or damaged by fire or other casualty insured against under Landlord's fire and extended coverage insurance policy to the extent that more than 50% thereof is rendered untenable, or in the case the Building of which the Premises is a part shall be materially destroyed or damaged by any other casualty other than those covered by such insurance policy, Landlord may in its election, terminate this Lease by notice in writing to Tenant within 60 days after such destruction or damage. Such notice shall be effective 30 days after receipt thereof by Tenant.

If the Premises are damaged to the extent that the damage materially interferes with Tenant's business operations, or reduces the Premises therefore by more than 25%, provided the damage is not due to the intentional or negligent acts of Tenants, then Tenant may, at its election, terminate this Lease by notice in writing to Landlord within 60 days after such damage. Such notice shall be effective 30 days after receipt by Landlord.

**13. Assignments and Subleases.** Tenant shall neither assign the leasehold created hereby or any interest hereunder for any purpose, nor sublet the premises or any part thereof, nor permit any person to occupy or use the premises except upon Landlord's written consent. Landlord reserves the right to withhold said consent in its sole discretion.

**14. Liens.** Tenant shall not do or permit anything causing the premises to be encumbered by any lien and shall, whenever and as often as such lien is claimed against the premises purporting to be for labor or materials furnished to Tenant or otherwise being based on a claim against Tenant, discharge the same within ten (10) days or Tenant shall post with Landlord a bond in an amount and with sureties which are satisfactory to Landlord guaranteeing that said lien will be removed. Tenant shall indemnify, defend and hold harmless Landlord from any lien claim. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished to Tenant upon credit and that no mechanic's lien for such labor or material or other lien shall be attached to the interest of Landlord in the premises.

**15. Entry of Landlord.** Landlord shall be privileged at any time to inspect the premises and during the 12 month period next preceding the expiration of the term, shall be privileged with brokers and prospective tenants to inspect the premises. If, at reasonable hours, admission to the premises for the purposes aforesaid cannot be obtained, or if any time Landlord shall deem admission necessary for the benefit of Tenant, Landlord may, but is not obligated to, enter the premises by means of a master key or other peaceable manner.

**16. Indemnity.** Tenant agrees to indemnify, defend and hold Landlord harmless from any and all claims of any nature whatsoever, including but not limited to for injury to person or property or contract claims, arising out of or in any way related to the conduct of

Tenant, Tenant's use of the leased premises or this Lease. Tenant shall also indemnify, defend and hold Landlord harmless from any criminal, regulatory or other government actions against Landlord arising out of Tenant's cannabis operations. Landlord agrees to indemnify, defend and hold Tenant harmless from any and all claims for injury to person or damage to property arising out of the Landlord's intentional or negligent acts pertaining to the leased premises.

**17. Use and Care of the Premises.** Tenant: (a) shall use the premises only for the production and sale of cannabis and related products; and offices, storage, vehicle parking and other purposes directly related to the same; (b) shall conduct its activities upon and generally maintain the premises in such a manner and with such care that injury to persons and damage to property does not result therefrom; (c) shall not make any use of the premises that will cause the cancellation of Tenant's insurance or will make such coverage unavailable; (d) shall not damage the building while moving equipment to and from the premises; (e) shall comply with all federal, state and municipal laws, ordinances, regulations or orders, whether the same are of legislative, administrative or judicial origin. Upon Tenant's failure to comply with these conditions, Tenant agrees that Landlord may bring the premises into compliance and charge Tenant the reasonable cost thereof. Any such expense incurred by Landlord is payable by Tenant to Landlord upon presentment of the charges to Tenant. When Tenant vacates the premises at the conclusion of the rental term, Tenant will be charged rent for each day required by Landlord to clean or repair the premises in order to bring the premises back to its condition at the time of renting.

**18. Default.** Any of the following shall constitute a default hereunder by Tenant:

- a. Failure to perform the covenants contained herein for the payment of rent.
- b. Failure to perform or fulfill any other covenant or condition contained herein.
- c. Dissolution, other termination of existence, or insolvency, in any sense, of Tenant.

Failure to perform a covenant or fulfill a condition contained herein shall constitute a default for purposes of this paragraph, regardless of whether other consequences of such failure are provided for herein, as in the case where an assignment without consent is void.

All rights and remedies of the Landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. In addition to the other

remedies in this lease provided, the Landlord shall be entitled to the restraint by injunction of the violation or attempted violation of any of the covenants, agreements or conditions of this lease. Landlord's remedies are as follows:

i. If Tenant defaults in the payment of the rent reserved in this lease, and such default continues for ten (10) days after notice, or if Tenant defaults in the prompt and full performance of any other provision of this lease and such default continues for thirty (30) days after notice, or if the leasehold interest of Tenant be levied upon under execution or be attached by process of law, or if Tenant abandons the Property, then, in any such events, Tenant shall be in default under this lease and Landlord may, at its election, either terminate this lease and Tenant's right to possession of the premises or, without terminating this lease, endeavor to relet the premises. Nothing herein shall be construed so as to relieve Tenant of any obligation including payment of the rent reserved in this lease.

ii. Upon termination of this lease, Tenant shall surrender possession and vacate the premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the premises in such event with or without process of law, and to repossess Landlord of the Property and to expel or remove Tenant and any others who may be occupying or within the premises, and to remove any and all property therefrom, using such force as may be necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

iii. If Tenant abandons the premises or Landlord otherwise becomes entitled so to elect, and Landlord elects, without terminating this lease, to endeavor to relet the premises, Landlord may, at Landlord's option, enter into the premises, remove Tenant's signs and other evidence of tenancy, and take and hold possession thereof as provided in subparagraph (ii) of this paragraph, without such entry and possession terminating this lease or releasing Tenant, in whole or in part, from Tenant's obligation to pay the rent hereunder for the full term as hereinafter provided. Upon and after entry into possession without termination of this lease, Landlord may relet the premises or any part thereof for the account of Tenant to any person, firm or corporation other than Tenant for such rent,



for such time and upon such terms as Landlord shall determine to be reasonable. In any such case, Landlord may make repairs, alterations and additions in or to the premises, and redecorate the same to the extent deemed by Landlord necessary or desirable, and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of the reletting including, without limitation, broker's commissions and advertising expenses. If the consideration collected by Landlord upon any such reletting for Tenant's account is not sufficient to pay yearly the full amount of the rent reserved in this lease, together with the cost of repairs, alterations, additions, redecorating and Landlord's expenses, Tenant shall pay to Landlord the amount of each yearly deficiency upon demand.

iv. If Landlord elects to terminate this lease in any of the contingencies specified in this paragraph, it being understood that Landlord may elect to terminate the lease after, and notwithstanding its election to terminate Tenant's right to possession as provided in subparagraph (i) of this paragraph, Landlord shall forthwith, upon such termination, be entitled to recover as damages, and not as a penalty, an amount equal to the then present value of the rent reserved in this lease for the residue of the term of this lease, less the present value of the fair rental value of the premises for the residue of the term of this lease.

v. Tenant agrees that if it shall, at any time, fail to make any payment or perform any other act on its part to be made or performed under this lease, Landlord may, but shall not be obligated to, after ten (10) days prior written notice and without waiving, or releasing Tenant from any obligation under this lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith to pay expenses and employ counsel. Tenant agrees to pay a reasonable attorney's fee if legal action is required to enforce performance by Tenant of any condition, obligation or requirement thereunder. All sums so paid by Landlord and all expenses in connection therewith, together with interest thereon at the current maximum legal rate of interest from the date of payment to the date of repayment, shall be deemed additional rent hereunder and payable at the time of any installment of rent thereafter becoming due, and Landlord shall have the same rights and remedies for the non-payment thereof, or of any other additional rent, as in the case of default in the payment of rent.



**19. Insurance.** During the term of this Lease Tenant shall maintain at its sole cost and with proof of said insurance upon demand by Landlord:

(a) Commercial general comprehensive liability insurance, that specifically includes coverage for Tenant's cannabis operations, protecting Tenant and Landlord (as an additional named insured) against all claims for personal injury and death, and property damage based upon, involving, or arising out of the operation, maintenance or use of the Premises or Tenant's business operations, in an amount of not less than Three Million and No/100 Dollars (\$3,000,000.00) per occurrence. The foregoing insurance may be effected under a master or general policy carried by Tenant. Any such insurance shall be endorsed to require at least thirty (30) days' notice to Landlord prior to cancellation.

(b) Insurance coverage on Tenant's personal property and fixtures. Tenant shall also be responsible for providing Tenant's own loss of business, property damage, content, personal property/inventory insurance coverage. Landlord will not be providing any insurance for the protection of Tenant, including but not limited to Tenant's loss of business, personal injury or property damage claims or content coverage.

(c) Fire and casualty insurance on the building, premises and all leasehold improvements protecting against loss, damage or destruction caused by wind, fire, lightning, explosion, vandalism, malicious mischief, or such other casualties and such other risks as may be provided by extended coverage, said amount to be sufficient to cover any such losses as to be determined by Landlord. Any such insurance shall name Landlord as an additional insured or contain such other provisions as may be needed to preclude any subrogation claims by the insurers against Landlord. Any such insurance shall be endorsed to require at least thirty (30) days' notice to Landlord prior to cancellation.

(d) All policies of insurance shall be issued by and maintained in responsible insurance companies selected by Tenant, organized under the laws of one of the states of the United States or The Underwriters at Lloyd's of London, authorized under the laws of the State of Alaska to assume the risks covered thereby, and rated at least "A" by A.M. Best Company, Inc. or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. Tenant will deposit annually with Landlord policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating

that such insurance is in force and effect. Each policy shall contain a provision that the insurer shall not cancel nor modify it without giving written notice to Landlord and Tenant at least 30 days before the cancellation, non-renewal or modification becomes effective.

**20. Hazardous Materials.** Tenant shall be strictly liable for any and all hazardous waste materials stored, used, tested or distributed from the premises during the term of this lease. Further, Tenant shall be strictly liable for any and all hazardous waste damage done to the property during the lease term as a result of Tenant's acts, even if such hazardous waste damage does not become known until after the lease termination. Tenant further agrees to indemnify, defend and hold Landlord harmless against any claim, cause of action, or regulatory action arising out of the use, storage, removal, or disposal of hazardous waste products in, on, or about the leased premises, said indemnity to continue in existence beyond the lease termination for all hazardous waste activities identifiable to Tenant.

**21. Key to Leased Premises.** Landlord agrees to provide Tenant with a key to said premises, and further agrees that all locks to that portion of the property demised to Tenant shall be keyed differently from the Landlord's facilities. Tenant, at Tenant's sole cost and expense, is authorized to install such lock(s) on all doors, grates over windows or motion security systems as are deemed necessary by Tenant, provided Tenant agrees to provide a key for each lock to Landlord.

**22. Signs.** Tenant will pay for exterior signage for Tenant's business. All signage must be consistent with the signing size requirements of the City and Borough of Juneau. Tenant must obtain Landlord's prior written consent on the location of Tenant's business sign, and the manner by which said sign shall be displayed.

**23. Notice.** All notices required or permitted to be given hereunder shall be deemed given if in writing and delivered personally or sent by registered or certified mail, with postage thereon paid, addressed to Landlord or Tenant, as the case may be, at the addresses stated in the opening paragraph of this agreement. Either party may change the address at which it is to receive notices hereunder by giving the other party notice thereof, in writing, in the manner set forth above.

**24. Taxes and Assessments.** Tenant shall be responsible to pay any and all personal property taxes assessed by the City and Borough of Juneau for the leasehold interest in the

subject premises. Landlord agrees to pay the real property taxes assessed by the City and Borough of Juneau on the land and building, exclusive of any Tenant improvements. Tenant shall be responsible for any additional taxes on any Tenant improvements. Said amounts shall be payable at least ten (10) days prior to delinquency. Nonpayment of sales taxes, assessments and/or real property taxes shall be enforceable in the same manner as nonpayment of rent.

**25. Attorney's Fees and Costs.** Tenant agrees to pay any and all reasonable actual attorney's fees and costs incurred by Landlord if legal action is required to enforce performance by Tenant of any condition, obligation or requirement under this lease.

**26. General.**

i. The provisions hereby shall bind and inure to the benefit of the devisees, legatees, heirs, distributees, representatives, and assigns of the parties.

ii. This lease contains all of the covenants, promises, agreements, conditions and understanding, either oral or written, between the parties. No subsequent alteration, change or amendment to this lease shall be binding upon the parties unless reduced to writing and signed by them.

iii. Time is of the essence in this lease agreement.

iv. This lease agreement shall be construed under the laws of the State of Alaska. Any litigation arising out of or in any way related to this Lease or leasehold shall be filed and may only be brought in a court for the State of Alaska, the First Judicial District in Juneau.

v. Tenant agrees to attorney to a lender or any other party who acquires ownership of the Premises by reason of a foreclosure of Security Device. Tenant agrees to subordinate to any ground lease, mortgage, deed of trust or other security device placed by Landlord.

vi. In the event Tenant shall hold over at the expiration or other termination of the Lease, this Lease shall continue as a month to month lease subject to termination by either Party upon 60 days prior written notice, and shall be subject to all terms and conditions of this Lease.

DATED this 26 day of September, 2016.

LANDLORD: MUDDY PAWS, LLC,

By:



TENANT: GREEN ELEPHANT, LLC,

By:



STATE OF ALASKA

)  
)  
)

ss.

FIRST JUDICIAL DISTRICT

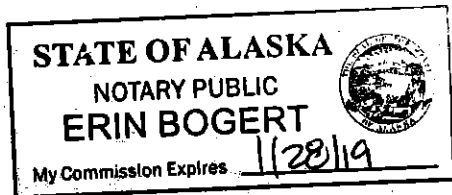
THIS CERTIFIES that on this 26<sup>th</sup> day of September, before me, the undersigned, a notary public in and for the State of Alaska, personally appeared Jennifer Canfield and Richard Dudas, to me known and known to me to be the persons named in and who executed the within and foregoing document, and he/~~she~~/they individually acknowledged that he/~~she~~/they executed the same freely and voluntarily, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.



Notary Public, State of Alaska

My commission expires: 11/28/19



# AMMENDMENT TO COMMERCIAL LEASE

## PARAGRAPH 1

THIS AGREEMENT is entered into the First day of January, 2016 by and between Muddy Paws, LLC., (“Landlord”) and Green Elephant, LLC., (“Tenant”).

**1. Leased Premises.** In accordance with the provisions herein, Landlord leases to Tenant the following described real property, together with all improvements therein except as excluded, more particularly described as follows:

Portions of the commercial building currently existing at 101 Mill Street, AJ Subdivision IV Block A, Lot 1, Juneau Recording District, 1<sup>st</sup> Judicial District, State of Alaska.

Suite A (warehouse) and Suite B (retail) portions of the commercial building consisting of approximately 8,000 square feet plus parking area included in this lease are identified in Exhibit A. This lease excludes the detached garage, the parking on either side and rear of that garage, the second floor of the building and the large Front Lobby Area as depicted in Exhibit. Tenant agrees to Lease the premises in its current condition and “as is” without any required improvements or alterations by Landlord. Option to lease Suite C (the Front Lobby Area) will be available to the tenant when an on-premises cannabis consumption endorsement becomes available. Also, tenant may exercise an option to lease the balcony and stairs in Exhibit for a future viewing area.

## AMMENDMENT TO COMMERCIAL LEASE

### PARAGRAPH 18

**18. Default.** Any of the following shall constitute a default hereunder by Tenant:

- a. Failure to perform the covenants contained herein for the payment of rent.
- b. Failure to perform or fulfill any other covenant or condition contained herein.
- c. Dissolution, other termination of existence, or insolvency, in any sense, of Tenant.

Failure to perform a covenant or fulfill a condition contained herein shall constitute a default for purposes of this paragraph, regardless of whether other consequences of such failure are provided for herein, as in the case where an assignment without consent is void. All rights and remedies of the Landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. In addition to the other remedies in this lease provided, the Landlord shall be entitled to the restraint by injunction of the violation or attempted violation of any of the covenants, agreements or conditions of this lease. Landlord's remedies are as follows:

i. If Tenant defaults in the payment of the rent reserved in this lease, and such default continues for ten (10) days after notice, or if Tenant defaults in the prompt and full performance of any other provision of this lease and such default continues for thirty (30) days after notice, or if the leasehold interest of Tenant be levied upon under execution or be attached by process of law, or if Tenant abandons the Property, then, in any such events, Tenant shall be in default under this lease and Landlord may, at its election, either terminate this lease and Tenant's right to possession of the premises or, without terminating this lease, endeavor to relet the premises. Nothing herein shall be construed so as to relieve Tenant of any obligation including payment of the rent reserved in this lease. **The Landlord will not remove any cannabis, cannabis product or cannabis waste from the property and will contact the Alcohol and Marijuana Control office at the State of Alaska.**

ii. Upon termination of this lease, Tenant shall surrender possession and vacate the premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the premises in such event with or without process of law, and to repossess Landlord of the Property and to expel or remove Tenant and any others who may be occupying or within the premises, and to remove any and all property therefrom, using such force as may be necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and



without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

iii. If Tenant abandons the premises or Landlord otherwise becomes entitled so to elect, and Landlord elects, without terminating this lease, to endeavor to relet the premises, Landlord may, at Landlord's option, enter into the premises, remove Tenant's signs and other evidence of tenancy, **with the exception of any cannabis, cannabis product or cannabis waste**, and take and hold possession thereof as provided in subparagraph (ii) of this paragraph, without such entry and possession terminating this lease or releasing Tenant, in whole or in part, from Tenant's obligation to pay the rent hereunder for the full term as hereinafter provided. **Should any cannabis material be found on the premises, Landlord will not remove it and will contact the Alcohol and Marijuana Control office at the State of Alaska.** Upon and after entry into possession without termination of this lease, Landlord may relet the premises or any part thereof for the account of Tenant to any person, firm or corporation other than Tenant for such rent, for such time and upon such terms as Landlord shall determine to be reasonable. In any such case, Landlord may make repairs, alterations and additions in or to the premises, and redecorate the same to the extent deemed by Landlord necessary or desirable, and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of the reletting including, without limitation, broker's commissions and advertising expenses. If the consideration collected by Landlord upon any such reletting for Tenant's account is not sufficient to pay yearly the full amount of the rent reserved in this lease, together with the cost of repairs, alterations, additions, redecorating and Landlord's expenses, Tenant shall pay to Landlord the amount of each yearly deficiency upon demand.

iv. If Landlord elects to terminate this lease in any of the contingencies specified in this paragraph, it being understood that Landlord may elect to terminate the lease after, and notwithstanding its election to terminate Tenant's right to possession as provided in subparagraph (i) of this paragraph, Landlord shall forthwith, upon such termination, be entitled to recover as damages, and not as a penalty, an amount equal to the then present value of the rent reserved in this lease for the residue of the term of this lease, less the present value of the fair rental value of the premises for the residue of the term of this lease.

v. Tenant agrees that if it shall, at any time, fail to make any payment or perform any other act on its part to be made or performed under this lease, Landlord may, but shall not be obligated to, after ten (10) days prior written notice and without waiving, or releasing Tenant from any obligation under this lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith to pay expenses and employ counsel. Tenant agrees to pay a reasonable attorney's fee if legal action is required to enforce performance by Tenant of any condition, obligation or requirement thereunder. All sums so paid by Landlord and all expenses in connection therewith, together with interest thereon at the current maximum legal rate of interest from the date of payment to the date of repayment, shall be deemed additional rent

hereunder and payable at the time of any installment of rent thereafter becoming due, and Landlord shall have the same rights and remedies for the non-payment thereof, or of any other additional rent, as in the case of default in the payment of rent.

DATED this 23<sup>rd</sup> day of December, 2016.

LANDLORD: MUDDY PAWS, LLC,

By: *MUSA*

TENANT: GREEN ELEPHANT, LLC,

By: *James Confield*

Department of Commerce, Community, and Economic Development  
**CORPORATIONS, BUSINESS & PROFESSIONAL  
 LICENSING**

[State of Alaska](#) / [Commerce](#) / [Corporations, Business, and Professional Licensing](#) / [Search & Database Download](#) / [Corporations](#) / Entity Details

## ENTITY DETAILS

### Name(s)

Type	Name
Legal Name	Green Elephant, LLC

**Entity Type:** Limited Liability Company

**Entity #:** 10036013

**Status:** Good Standing

**AK Formed Date:** 2/23/2016

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2022

**Entity Mailing Address:** PO BOX 21315, JUNEAU, AK 99802

**Entity Physical Address:** 101 MILL ST., JUNEAU, AK 99801

### Registered Agent

**Agent Name:** Richard Dudas

**Registered Mailing Address:** PO BOX 21315, JUNEAU, AK 99802

**Registered Physical Address:** 101 MILL ST., JUNEAU, AK 99801

### Officials

Show Former

AK Entity #	Name	Titles	Owned
	Jennifer Canfield	Manager, Member	50.00
	Richard Dudas	Manager, Member	50.00

## Filed Documents

<b>Date Filed</b>	<b>Type</b>	<b>Filing</b>	<b>Certificate</b>
2/23/2016	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
7/25/2016	Initial Report	<a href="#">Click to View</a>	
12/21/2017	Biennial Report	<a href="#">Click to View</a>	
12/27/2019	Biennial Report	<a href="#">Click to View</a>	

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# LIMITED LIABILITY COMPANY OPERATING AGREEMENT FOR GREEN ELEPHANT, LLC.

This Company Agreement of this MULTIPLE MEMBER MANAGED LIMITED LIABILITY COMPANY organized pursuant to applicable state law, is entered into and shall become effective as of the Effective Date by and among the Company and the persons executing this Agreement as Members. It is the Members express intention to create a limited liability company in accordance with the Act, as currently written or subsequently amended or redrafted. Therefore, all provisions of this document shall be construed consistent with the afore described intent of the Members. Accordingly, in consideration of the conditions contained herein, he/she/they agree as follows:

## ARTICLE I

### Company Formation

- 1.1 **FORMATION.** The Members hereby form a Limited Liability Company ("Company") subject to the provisions of state law as currently in effect as of this date. Articles of Organization shall be filed with the Secretary of State.
- 1.2 **REGISTERED OFFICE AND AGENT.** The location and name of the registered agent shall be as stated in the Articles of Organization.
- 1.3 **TERM.** The Company shall continue for a perpetual period.
  - (a) Members whose capital interest as defined in Article 2.2 exceeds 50 percent vote for dissolution; or
  - (b) Any other event causing dissolution of this Limited Liability Company under applicable state laws.
- 1.4 **CONTINUANCE OF COMPANY.** Notwithstanding the provisions of ARTICLE 1.3, in the event of an occurrence described in ARTICLE 1.3(c), if there are at least one remaining Member(s), said remaining Member(s) shall have the right to continue the business of the Company
- 1.5 **BUSINESS PURPOSE.** The Company shall conduct any and all lawful business deemed appropriate to execute the company's objectives.

- 1.6 **PRINCIPAL PLACE OF BUSINESS.** The location of the principal place of business of the Company shall be as stated in the Articles of Organization or at a location as the Members select.
- 1.7 **THE MEMBERS.** The name and place of residence of each member are listed below at Certification of Members. Members are the owners of this company.
- 1.8 **ADMISSION OF ADDITIONAL MEMBERS.** Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

## ARTICLE II

### Capital Contributions

- 2.1 **INITIAL CONTRIBUTIONS.** The Members initially shall contribute to the Company capital and the company shall keep record of the amount each contributed.
- 2.2 **ADDITIONAL CONTRIBUTIONS.** Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's capital.

## ARTICLE III

### Profits, Losses and Distributions

- 3.1 **PROFITS/LOSSES.** For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's ownership in the Company, and as amended from time to time in accordance with Treasury Regulation 1.704-1.
- 3.2 **DISTRIBUTIONS.** The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Members. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-1(b)(2)(ii)(d).

## ARTICLE IV

### Management

- 4.1 **MANAGEMENT OF THE BUSINESS.** The management of the business is invested in the Members. The members do appoint one Chief Executive Member. The Chief Executive Member is the Member with the most responsibility and head of operations of the business.
- 4.2 **MEMBERS.** The liability of the Members shall be limited as provided pursuant to applicable law. Members may take part in the control, management, direction, or operation of the Company's affairs and shall have powers to bind the Company. Any legally binding agreement must be signed by all Members or present approval of all other Members for one specific Member to sign the binding agreement.
- (a) Any decision that involves a sale of the business, a loan, an acquisition of another company, must have the unanimous consent of all member(s).
- (b) All day to day decisions and management of the LLC will predominantly be made by the Chief Executive Member, but may be made by any Member(s) in compliance with their duties as Members.
- (c) If a Member disagrees with the Chief Executive Member's decision or proposed decision, a Member may call a vote to decide the course of action. A simple majority vote must be completed to take an action on behalf of the LLC in accordance with ARTICLE 4.5. The vote must be in writing.
- 4.3 **POWERS OF MEMBERS.** The Members are authorized on the Company's behalf to make all decisions in accordance with ARTICLE 4.2 as to (a) the sale, development lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the prepayment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and, (g) the employment of persons, firms or corporations for the operation and management of the company's business. In the exercise of their management powers, the Members are authorized to execute and deliver (a) all contracts, conveyances, assignments leases, sub-leases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (b) all checks, drafts and other orders for the payment of the Company's funds; (c) all promissory notes, loans, security agreements and other similar documents; and, (d) all other instruments of any other kind relating to the Company's affairs, whether like or unlike the foregoing.



4.4 **DUTIES OF MEMBERS.**

(a) In the event of a dispute of Member's duties, Members may negotiate an exchange of Membership interests for a lesser amount of Member duties.

4.5 **DISPUTES OF MEMBERS.** Disputes among Members will be decided by a unanimous vote.

4.6 **CHIEF EXECUTIVE MEMBER.** The Chief Executive Member shall have primary responsibility for managing the operations of the Company and for effectuating the decisions of the Members.

4.7 **NOMINEE.** Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Members may designate. The Members shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.8 **COMPANY INFORMATION.** Upon request, the Chief Executive Member shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Chief Executive Member's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 4.6 shall be at the requesting Member's expense.

4.9 **EXCULPATION.** Any act or omission of the Members, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Members to any liability to the Members

4.10 **INDEMNIFICATION.** The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.11 **RECORDS.** The Members shall cause the Company to keep at its principal place of business or at another location agreeable by the Members, the following:

- (a) A current list in alphabetical order of the full name and the last known street address of each Member;
- (b) A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- (c) Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;
- (d) Copies of any financial statements of the limited liability company for the three most recent years.

## **ARTICLE V**

### **Compensation**

- 5.1 **MANAGEMENT FEE.** Any Member rendering services to the Company shall be entitled to compensation commensurate with the value of such services as all members unanimously agree upon.
- 5.2 **REIMBURSEMENT.** The Company shall reimburse the Members for all direct out-of-pocket expenses incurred by them in managing the Company if unanimously agreed upon by all members.

## **ARTICLE VI**

### **Bookkeeping**

- 6.1 **BOOKS.** The Members shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business or at another location agreeable by the Members. Such books shall be kept on such method of accounting as the Members shall select. The company's accounting period shall be the calendar year.
- 6.2 **MEMBER'S ACCOUNTS.** The Members shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:
  - (a) Any additional capital contribution made by him/her;
  - (b) Credit balances transferred from his distribution account to his capital account; and decreased by:
    - (a) Distributions to him/her in reduction of Company capital;

(b) The Member's share of Company losses if charged to his/her capital account.

- 6.3 **REPORTS.** The Members shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

## **ARTICLE VII**

### **Transfers**

- 7.1 **ASSIGNMENT.** If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of its interest in the Company, Member shall comply with the following procedures:
- (a) First make a written offer to sell such interest to the other Member(s) at a price determined in writing. At this point exiting member may not make this intention publicly known. If such other Members decline or fail to elect such interest within sixty (60) days, the exiting member may advertise its membership interest for sale as it sees fit.
- (b) If a member has a buyer of member's interest, the other current member(s) have first right of refusal to purchase the exiting members interest for the agreed purchase price. If there are more than one current remaining members, remaining members may combine funds to purchase the exiting members interest. Exiting member must show that potential purchaser has full certified funds, or the ability to get full certified funds before the first right of refusal period starts. Current members have 60 days to buy exiting members interest if they so desire.
- (c) Pursuant to the applicable law, current members may unanimously approve the sale of exiting members' interests to grant full membership benefits and functionality to the new member. The current remaining members must unanimously approve the sale, or the purchaser or assignee will have no right to participate in the management of the business, affairs of the Company, or member voting rights. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled. Exiting member must disclose to buyer or assignee if current members will not approve the sale.

- 7.2 **VALUATION OF EXITING MEMBERS INTEREST.** If a member wants to exit the LLC, and does not have a buyer of its membership interest, exiting member will assign its interest to current members according to the following set forth procedures:
- (a) A value must be placed upon this membership interest before assigned.
  - (b) If exiting member and current members do not agree on the value of this membership interest, exiting member must pay for a certified appraiser to appraise the LLC company value, and the exiting members' value will be assigned a value according to the exiting members' interest percentage.
  - (c) The current members must approve the certified appraiser used by exiting member. Current members have 30 days to approve the exiting members certified appraiser. If current members disapprove the certified appraiser, they must show evidence to support their disapproval of the certified appraiser as a vendor qualified to make the LLC business appraisal. Current members may not stall the process by disapproving all certified appraisers.
  - (d) Upon completion of a certified appraiser placing a value on the LLC, a value will be placed on exiting members' interest according to exiting members' percentage of membership interest.
  - (e) If current members disagree with the value placed on exiting members' interest, current members must pay for a certified appraiser to value the LLC and exiting members' interest according to the same terms.
  - (f) Current members' appraiser must be completed within 60 days or right of current members to dispute the value of exiting members interest expires.
  - (g) Upon completion of current members certified appraiser, the exiting member must approve the value placed on exiting members' interest. Exiting member has 30 days to approve this value.
  - (h) If exiting member does not approve current members' appraiser value, the value of the LLC will be determined by adding both parties' values, then dividing that value in half, then creating the value of the exiting members' interest according to the exiting members' percentage of membership interest.

7.3 **DISTRIBUTION OF EXITING MEMBERS INTEREST.** Upon determination of exiting members' interest value, the value will be a debt of the LLC. The exiting member will only be able to demand payment of this debt at dissolution of the LLC or the following method:

- (a) LLC will make timely payments.
- (b) LLC will only be required to make payments towards exiting members' debt if LLC is profitable and passed income to current members.

- (c) LLC must make a debt payment to exiting member if LLC passed income of 50% of the total determined value of the exiting members' interest in one taxable year. (Example: If exiting members' value was \$100,000 and current member(s) received \$50,000 taxable income in the taxable year, the LLC would owe a debt payment to exiting member. If current member(s) only received \$90,000 in passed income, there would be no payment due.)
- (d) Debt payment must be at least 10% of the value of the passed income to current LLC members.
- (e) LLC must make payment to exiting member within 60 days of the end of the taxable year for the LLC.
- (f) Payment schedule will continue until exiting members debt is paid by LLC.
- (g) If LLC dissolves, exiting member will be a regular debtor and payment will follow normal LLC dissolution payment statutes.
- (h) Exiting members' value of membership interest it assigned current members may NOT accrue interest.
- (i) LLC can pay off amount owed to exiting member at any time if it so desires.


## CERTIFICATION OF MEMBERS

The undersigned hereby agree, acknowledge and certify to adopt this Operating Agreement.

Signed this 22nd day of December, 2016



Jennifer Canfield  
Chief Executive Member, 50%  
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Juneau, AK, 99802



Richard Dudas  
Member, 50%  
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