

Alcohol & Marijuana Control Office

Initiating License Application

5/26/2021 11:14:04 AM

License Number: 12176**License Status:** Active-Operating**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** TAKU HORTICULTURE COMPANY, LLC**Business License Number:** 1049184**Designated Licensee:** David Turner JR**Email Address:** dturner907@yahoo.com**Local Government:** Juneau (City and Borough of)**Local Government 2:****Community Council:****Latitude, Longitude:** 58.358595, -134.491165**Physical Address:** 1758 Anka Street
Building B, Suite A1
Juneau, AK 99801
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10050863**Alaska Entity Name:** Taku Horticulture Company, LLC**Phone Number:** 907-723-0106**Email Address:** Dturner907@yahoo.com**Mailing Address:** P.O. Box 32331
Juneau, AK 99803
UNITED STATES**Entity Official #1****Type:** Individual**Name:** David Turner JR**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-723-0106**Email Address:** dturner907@yahoo.com**Mailing Address:** PO Box 32331
Juneau, AK 99803
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

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

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Taku Horticulture Company, LLC	License Number:	12176
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Taku Horticulture Company, LLC		
Premises Address:	1758 Anka Street, Building B Suite A1		
City:	Juneau	State:	AK
		ZIP:	99801

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	David Turner Jr
Title:	Member

Section 3 – Violations & Charges

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

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2020 and June 30, 2021.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

**Form MJ-20: Renewal Application Certifications****Section 4 – Certifications & Waiver**

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

Initials

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

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

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

I, David Turner

, hereby waive my confidentiality rights under AS 43.05.230(a) and authorize the State of Alaska, Department of Revenue to disclose any and all tax information regarding this marijuana license to the Alcohol and Marijuana Control Office (AMCO) upon formal request as part of any official investigation as long as I hold, solely, or together with other parties, this marijuana license.

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee

Notary Public in and for the State of Alaska

David Turner Jr

Printed name of licensee

My commission expires: 05/21/2024Subscribed and sworn to before me this 26 day of May, 2021.

LEASE AGREEMENT

This Lease Agreement ("Agreement") is made and entered by and between DENNIS DIAMOND MAYER, of 1750 Anka Street, Juneau, Alaska 99801 ("Landlord") and TAKU HORTICULTURE COMPANY, LLC, an Alaska limited liability company, of P.O. Box 32331, Juneau, Alaska 99803 ("Tenant").

RECITALS:

A. Landlord owns certain real property commonly described as 1758 Anka Street, Building B, Suite A1, Juneau, Alaska 99801 which is a portion of the real property legally described as follows:

That portion of Lot 5A, Glacier Industrial III Subdivision, a replat of Lots 4 and 5, Glacier Industrial II Subdivision and Tract E, S.S.G. Subdivision Phase IV, according to Plat 95-39, Juneau Recording District, First Judicial District, State of Alaska, described as:

BEGINNING at a point which is the West corner of Tract E and the Northerly right-of-way of Commercial Blvd., of S.S.G. Subdivision IV, within U.S. Survey 2487; thence along a common line between Glacier Industrial Subdivision and S.S.G. Subdivision IV; N 66 degrees 20' 30" East 217.43 feet; thence S 0 degrees 06' 15" West 87.61 feet to the Northerly right-of-way of Commercial Blvd; thence along said right-of-way N 89 degrees 53' 45" West, 199.00 feet.

B. Landlord leases to Tenant the above-described real property on the terms and subject to the covenants and conditions hereinafter provided, which area, including all improvements, are hereinafter more particularly described and referred to as the "premises."

C. Tenant desires to lease from Landlord and Landlord desires to lease to Tenant the above-described property for the purpose of a business operating as an Alaska Standard Marijuana Cultivation Facility. The Landlord understands and grants full approval of Tenant to undertake and conduct all aspects of a business operating as an Alaska Standard Marijuana Cultivation Facility pursuant to Alaska Administrative Code 3 AAC 306 subject to Tenant obtaining all necessary State of Alaska and City and Borough of Juneau permits and licenses for the operation of the Alaska Standard Marijuana Cultivation Facility.

AGREEMENT

In consideration of the mutual promises and agreements as hereafter set forth, the sufficiency of which consideration is hereby acknowledged, the parties agree as follows:

I. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises, for the term, at the rental rate, and subject to all of the conditions, covenants and agreements set forth hereinafter.

II. TERM. The term of this lease shall be from May 1, 2018 until April 30, 2023, consisting of an initial term of five (5) years. Tenant shall have the option to renew the term of this Lease upon written notice to Landlord served at least six (6) months prior to expiration of the then existing term. Renewals and extensions shall be upon mutual agreement of the parties. Notwithstanding said commencement date set forth above, if for any reason Landlord cannot deliver possession of the demised premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this lease or the obligations of Tenant hereunder or extend the term hereof; however, in such case, Tenant shall not be obligated to pay rent until possession of the demised premises is tendered to Tenant. In the event that Landlord fails to deliver possession of the demised premises within sixty (60) days from said commencement date, Tenant may, at its option, cancel this lease by giving to Landlord written notice within ten (10) days after the expiration of such sixty (60) day period, in which event, Landlord and Tenant shall be discharged from all responsibilities hereunder. Failure to deliver such written notice within the prescribed ten (10) day period shall terminate Tenant's right to cancel this lease.

III. RENT. This is a triple net Lease with Tenant responsible for rent as defined herein and for payment of any and all expenses incurred in operating the leased Premises. Beginning May 1, 2018, Tenant agrees to pay Landlord rent at the rate of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00), plus City and Borough of Juneau sales tax, per month.

Rent may be paid by Tenant in the form of cash, check, charge, money order or other form of accepted payment. Rent is late if not paid within five (5) business days from the beginning of the month. If rent is not received on or before the fifth business day of the current month, a late fee of Ten Dollars (\$10.00) per day will be charged for each day that the rent is late. All late fees shall be deemed additional rent for the rental month and shall be paid and collected as such. Payments made by the Tenant shall apply first to the oldest item for which a bill or statement has been presented, or for the earliest month's rent then due.

IV. SECURITY DEPOSIT. The Tenant agrees to pay, within 20 days of the signing of this Agreement a security deposit of \$3,000.00. The Landlord is not required to pay interest on the security deposit. The security deposit is not to be considered last month's rent, nor is it to be used as such by the Tenant.

As to the security deposit, the Landlord may use therefrom such amounts as are reasonably necessary to remedy the Tenant's defaults in the payment of rent, to repair damages to the premises caused by the Tenant(s), their guests and invitees, exclusive of ordinary wear and tear, or to clean such premises, if necessary, upon termination of tenancy. If the security deposit is insufficient to cure all defaults specified above and the Tenant does not otherwise cure such defaults, the Landlord may proceed with collection of such deficiency using any lawful means.

V. UTILITIES. This is a triple net lease, and Tenant shall fully and promptly pay or cause to be paid all charges for water, gas, heat, light, power, telephone service, and other public utilities of every kind used, rendered, supplied, or furnished to, on or in the premises throughout the term hereof, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted thereon, and

Landlord shall have no responsibility of any kind for any thereof. Any charges or expenses in connection with any Landlord approved alterations, additions, installations, or changes required or desired in connection with the supplying or using of such utilities or services or substitutes therefor throughout the lease term shall be paid by Tenant. Tenant agrees to and hereby does indemnify Landlord and saves it harmless against any liability or damages for such utilities.

VI. PAYMENT OF TAXES, ASSESSMENTS, LIENS. Tenant shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments and municipal liens which may be levied, assessed, charged or imposed or which may become a lien or charge on or against the premises and any building or buildings or any other improvements now or hereafter thereon, or on or against Tenant's estate hereby created which may be a subject of taxation, during the entire term hereof, excepting only those taxes which Landlord is obligated to pay by this lease.

VII. PAYMENT OF BOROUGH PROPERTY TAXES TO LANDLORD. Tenant shall be required to pay directly to the Landlord no less than ten (10) days prior to the due date established by the City and Borough of Juneau for payment of assessed property taxes (September 30) assessed upon the premises by the City and Borough of Juneau, both land and improvements. The parties acknowledge that the City and Borough of Juneau requires this procedure. Landlord agrees to provide Tenant with a copy of the check and document submitted to the City and Borough of Juneau for payment of the real property taxes on the premises.

VIII. PROPERTY CONDITION. The Tenant agrees to have examined the premises, including, but not limited to, any and all furniture, furnishings, fixtures, appliances, equipment, ceilings, walls, windows, doors, floors, carpeting, plumbing facilities, electrical facilities, hot and cold water supply, building grounds and appurtenances, and acknowledges that the same are in good, clean and sanitary order, condition and repair, unless noted to the Landlord in a signed writing attached hereto. The Tenant shall return the premises to the Landlord in as good order, condition and repair as when received, ordinary wear and tear excepted, and free of all Tenant's personal property. Trash and debris, burns, stains, marks, holes or tears of any size or kind in the carpeting, draperies or walls, does not constitute reasonable wear and tear.

The Tenant acknowledges that no representations as to the condition or repair of the premises, nor as to the Landlord's intentions with respect to any improvement, alteration, decoration or repair of the premises, have been made to the tenant, unless noted in any signed writing attached hereto.

IX. MAINTENANCE AND REPAIR. The Tenant shall (1) keep the premises in a clean and sanitary condition; (2) dispose of all rubbish, garbage, and waste in a clean and sanitary manner; (3) properly use and operate the premises and keep the same in a clean condition; (4) notify the Landlord of any damage to the premises, or areas requiring maintenance and any potential hazard or danger on the property; (5) occupy and use the premises in the manner in which they were designated and intended to be occupied and used; and (6) comply with the proper disposal of waste. If the system is plugged or backed up because of improper disposal of sewage, the Tenant will be charged accordingly. The Tenant shall not alter, add to the premises, paint or wallpaper without prior written consent of the Landlord. The Tenant shall be liable for the expense caused by the Tenant's failure to comply with these conditions. Upon the Tenant's failure to

comply with these conditions, the Tenant agrees that the Landlord may bring the premises into compliance and charge the Tenant the reasonable cost thereof. Any such expense incurred by the Landlord is payable by the Tenant to the Landlord upon presentment of the charges to the Tenant. When the Tenant vacates the premises at the conclusion of the rental term, the Tenant will be charged rent for each day required by the Landlord to clean or repair the premises in order to bring the premises back to its condition at the time of renting.

X. USE OF THE PREMISES.

(a) Tenant shall utilize the premises for an Alaska Standard Marijuana Cultivation Facility purposes only. No non-prescriptive drugs that are illegal under Alaska law shall be permitted in the premises.

(b) Tenant shall at all times keep the premises in a neat, clean and orderly condition and in a good state of repair.

(c) In accordance with the terms of Alaska law, tenant shall only make lawful use of the premises or any portion thereof.

(d) During the term of occupancy, Tenant shall comply with all applicable State of Alaska laws, ordinances, and regulations regarding the use and physical condition of the premises, including City and Borough of Juneau rules and regulations.

XI. SIGNS & AWNINGS. Any exterior sign, awning, advertising, decoration or lettering of any kind shall conform to all applicable local or state requirements as to design, size, location and safety and shall be maintained by Tenant in good condition and repair at all times.

XII. ALTERATIONS. All additions, alterations and improvements to the premises shall remain the property of Tenant throughout the term of this lease and any extensions or renewals thereof. Upon the expiration of the term of this lease or any renewal thereof, Tenant shall, at Tenant's election, either remove all such additions, alterations and improvements (including fixtures) and restore the premises to their prior condition or shall abandon them, whereupon they shall become Landlord's property.

If Tenant intends to alter the functional floor plan or reduce or expand the area of the premises causing it to differ from the description of the premises as referenced in the diagram of the premises on file with the Alaska Marijuana Control Board, it must first obtain written approval from Landlord and the director of the Alaska Marijuana Control Board.

XIII. INSURANCE. Tenant shall:

(a) During the term of this Lease, Tenant shall carry at all times General Comprehensive Liability Insurance protecting Landlord and Tenant against all claims for bodily injury and death, and property damage occurring in, upon or about the Premises or any improvements thereto, and any common areas, parking areas or appurtenances, which in any manner relate to or arise out of this Lease or Tenant's use and occupancy of the Premises, providing

in the foregoing regard a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00) per Occurrence. Any such insurance shall be endorsed to require at least a thirty (30) day notice to Landlord prior to cancellation.

(b) During the term of this Lease, Tenant shall at all times carry upon any property belonging to Tenant and placed, erected or installed in, on or upon the Premises, replacement value fire and casualty insurance protecting as 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. 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. Tenant shall also be responsible for providing Tenant's own personal property/inventory insurance coverage. Landlord will not be providing any insurance for the protection of Tenant, Tenant's loss of business, personal injury or property damage claims or content coverage. Tenant is responsible for providing any and all of its insurance coverage.

(c) During the term of this Lease, Landlord shall maintain fire and extended coverage insurance on the building structures, solely for Landlord's benefit, with Tenant responsible to immediately upon notice reimburse Landlord for any and all premiums paid out for said insurance. In the event of any occurrences that are or may be covered events under such insurance, Landlord and Tenant shall provide written notification to the other party within ten (10) days of the occurrences and coordinate the submission and processing of such claims.

(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 "AA" by A.M. Best Company, Inc. or "AA" by Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. Tenant shall make its best efforts to obtain marijuana industry-specific insurance coverage. If Tenant is denied coverage by all insurance providers due to the subject of the property to be covered, Tenant must self-insure. 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.

(e) Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby each waive and release the other from any and all claims, liabilities, causes of action, or any loss or damage that may occur to the Premises, or personal property located therein, by reason of fire or other casualty regardless of cause or origin, including the negligence or misconduct of Landlord, Tenant, Landlord's employees or agents or Tenant's employees or agents, but only to the extent of the insurance proceeds paid to such releaser under its policies of insurance or, if it fails to maintain the required policies, the insurance proceeds that would have been paid to such releaser if it had maintained such policies. Each party to this Lease shall promptly give to its insurance company written notice of the mutual waivers contained in this subparagraph, and shall cause its insurance policies to be properly endorsed, if necessary, to prevent the invalidation of any insurance coverages by reason of the mutual waivers contained in this subparagraph.

XIV. DESTRUCTION OF THE PREMISES. If the premises or any part of the property providing access or essential services to the premises ("relevant space") are damaged by fire or other casualty, but are not thereby rendered partially untenable, Landlord shall cause such damage to be repaired, and the rent payable hereunder shall not be abated.

If the relevant space is damaged in whole or in part, rendering it untenable and the relevant space can be substantially repaired within sixty (60) days, Landlord shall, at its own expense, cause the damage to be repaired. Rent shall abate in proportion to that part of the premises that is unfit for use in Tenant's business. The abatement shall consider the nature and extent of interference to Tenant's ability to conduct business in the relevant space and the need for access and essential services. In the event that such damage results from the negligence or willful misconduct of Tenant or its employees, there shall be no abatement of rent.

In the event that fifty percent (50%) or more of the entire property shall be damaged or destroyed by a fire or other casualty regardless of the extent of damage, if any, to the premises, Landlord shall have the right to elect to cancel and terminate this lease, which option shall be exercised by written notice delivered to Tenant within sixty (60) days from occurrence of the casualty. Upon the giving of such notice, the terms of this lease shall expire by lapse of time upon the third (3rd) day after such notice is given, after which Tenant shall promptly vacate and surrender the premises to Landlord.

XV. EMINENT DOMAIN. In the event that the entire premises are condemned by a public authority, or acquired pursuant to a threat of condemnation, or the extent of the taking is such that the demised premises are no longer suitable for the conduct of Tenant's business, this lease shall terminate as of the date title to the subject property is vested in the acquiring party. All compensation for such taking, whether fixed by agreement or judicial award, shall belong to Landlord except those portions of the award that are specifically allocated as compensation for actual expenses incurred by Tenant for moving Tenant's fixtures, stock in trade and inventory and as compensation for the taking of Tenant's fixtures and leasehold improvements, which shall belong to Tenant.

In the event that a portion of the premises is condemned or acquired under threat of condemnation but the remaining portion of the demised premises is suitable for the conduct of Tenant's business, this Agreement shall not terminate and Landlord shall promptly repair the premises at its own expense in accordance with plans and specifications approved by Tenant. Following such taking, rent shall be abated proportionately according to the square footage of the premises that were taken and Tenant's ability to continue its business operations in the same manner. In no event shall Landlord be obligated to expend for such repairs any amount in excess of the compensation received from the taking authority. All compensation paid by the condemning authority, whether fixed by agreement or judicial award, shall belong to Landlord except any portions thereof specifically allocated to Tenant as compensation for the taking of Tenant's fixtures or leasehold improvements.

XVI. INDEMNIFICATION. Tenant's Indemnity. Tenant indemnifies, defends, and holds Landlord harmless from claims: (i) for personal injury, death, or property damage; (ii) for

incidents occurring in or about the premises or building; and (iii) caused by the negligence or willful misconduct of Tenant, its agents, employees, or invitees. When the claim is caused by the joint negligence or willful misconduct of Tenant and Landlord or Tenant and a third party unrelated to Tenant, except Tenant's agents, employees, or invitees, Tenant's duty to defend, indemnify, and hold Landlord harmless shall be in proportion to Tenant's allocable share of the joint negligence or willful misconduct.

Landlord's Indemnity. Landlord indemnifies, defends, and holds Tenant harmless from claims: (i) for personal injury, death, or property damage; (ii) for incidents occurring in or about the premises or building; and (iii) caused by the negligence or willful misconduct of Landlord, his agents, employees, or invitees. When the claim is caused by the joint negligence or willful misconduct of Landlord and Tenant or Landlord and a third party unrelated to Landlord, except Landlord's agents, employees, or invitees, Landlord's duty to defend, indemnify, and hold Tenant harmless shall be in proportion to Landlord's allocable share of the joint negligence or willful misconduct.

XVII. SALE OR TRANSFER OF PREMISES DURING LEASE TERM. If the property is sold or transferred, voluntarily or involuntarily, Landlord's lease obligations and liabilities accruing after the transfer shall be the sole responsibility of the new owner if: (a) the new owner expressly agrees in writing to assume Landlord's obligations; and (b) the Tenant's funds that Landlord is holding, such as the last month's rent, are given to the new owner.

XVIII. ASSIGNMENT AND SUBLETTING. Tenant shall not assign its rights under this Agreement in whole by operation of law or otherwise and may not sublease any portion of the premises to any other party.

XIX. RIGHT OF ENTRY. Landlord or his agents may upon reasonable advance notice to Tenant (except in emergencies, in which case no advance notice is required) enter the premises during normal business hours to examine the same to show them to prospective purchasers or tenants, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable. Such actions by Landlord shall not constitute an eviction of Tenant in whole or in part, and there shall be no abatement of rent while any such repairs, alterations, improvements or additions are being made unless such activities render it impractical for Tenant to operate its business while work is going on. Entrance onto the premises by Landlord, his agents or invitees shall at all times comply with the requirements of 3 AAC 306.710.

XX. SURRENDER. At the expiration of the term of this Agreement, Tenant shall surrender the premises in the same condition as they were in upon delivery of possession thereof, reasonable wear and tear excepted. Tenant shall surrender all keys for the premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the premises. Tenant shall remove all its furniture, equipment, trade fixtures and any alterations or improvements and all marijuana and marijuana products belonging to tenant before surrendering the premises and shall repair any damage to the premises occasioned thereby. Upon the surrender of the premises by Tenant, if the Tenant fails to remove all marijuana and marijuana products from the premises, Landlord shall under no circumstances take possession of or remove marijuana or marijuana products from the premises. Landlord will

contact the Alaska Marijuana Control Board enforcement to notify it of the termination of Tenant's tenancy.

XXI. TERMINATION/DEFAULT. The tenancy created herein terminates upon the expiration of the lease set forth in the first paragraph of this Agreement. Additionally, this tenancy may be terminated upon written notice of either party's violation of the terms of this Agreement and such party's failure to cure any such non-compliance.

Default of this Agreement includes, but is not limited to, the following:

Noncompliance with any provision of this Agreement;
Federal intervention;
Changes in federal enforcement policy pertaining to the proposed use of the premises;
Forfeiture threats; and
Federal enforcement actions.

Upon termination of Tenant's tenancy under this Agreement, if the Tenant fails to remove all marijuana and marijuana products from the premises, Landlord shall under no circumstances take possession of or remove marijuana or marijuana products from the premises. Landlord will contact Alaska Marijuana Control Board enforcement to notify it of the termination of Tenant's tenancy.

XXII. HOLDING OVER. Any holding over after the expiration of the term of this Agreement, with or without the consent of Landlord, shall constitute a tenancy from month to month for one hundred percent (100%) of the rents herein specified and on the other terms and conditions contained herein.

XXIII. WAIVER. The waiver by Landlord or any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any past, present or future breach of the same or any other term, covenant or condition of this lease. The acceptance of rent by Landlord hereunder shall never be construed to be a waiver of any term of this Agreement. No payment by Tenant or receipt by Landlord of a lesser amount than shall be due according to the terms of this Agreement shall be deemed or construed to be other than on account of the earliest rent due nor shall any endorsement or statement on any check or letter accompanying any payment be deemed to create an accord and satisfaction.

XXIV. AMENDMENTS IN WRITING. This Agreement 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 Agreement shall be binding upon the parties unless reduced to writing and signed by them.

XXV. ATTORNEYS' FEES. If an action or proceeding is brought in connection with this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorney's fees, court costs, and other reasonable fees and costs incurred in that action or proceeding (whether at trial, on appeal, and/or in a bankruptcy or similar proceeding) and in enforcing any judgment rendered thereon, in addition to any other relief to which it may otherwise be entitled. For purposes

of this agreement, the prevailing party means the party who succeeds either affirmatively or defensively under claims having the greater value or importance, as decided by the court.

XXVI. GOVERNING LAW. This Agreement shall be governed by law and interpreted in accordance with the laws of the State of Alaska. If any provisions of this Agreement should be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

XXVII. SUCCESSORS AND ASSIGNS. All rights, remedies, liability and obligations herein given to or imposed upon either of the parties hereto shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors in interest and permitted assigns of the respective parties.

XXVIII. NOTICES. Any notice or demand which either party hereto is required or desires to give to or make upon the other shall be in writing and shall be given or made by certified mail of the United States Postal Service, return receipt requested, addressed in the case of Landlord to:

Dennis Diamond Mayer
1750 Anka Street
Juneau, Alaska 99801

and addressed in the case of Tenant to:

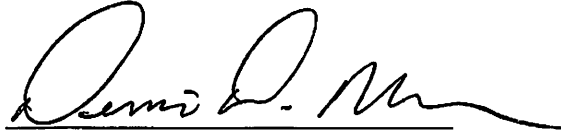
Taku Horticulture Company, LLC
P.O. Box 32331
Juneau, Alaska 99803

subject to the right of either party to designate a different address by notice similarly given. Any notice or demand so sent shall be deemed to have been given or made on the date the same was deposited with the United States Postal Service as certified matter with postage thereon fully prepaid.

All payments by Tenant to Landlord pursuant to any provision of this Agreement shall be paid to Landlord at the above-referenced address or at such place or places as Landlord may from time to time designate by notice to Tenant.

(remainder of page intentionally left blank)

LANDLORD:



Dennis Diamond Mayer

Date: 5-10-18

TENANT:

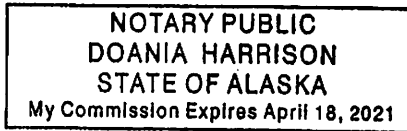
Taku Horticulture Company, LLC

By: 
David L. Turner, Managing Member

Date: 5/10/18

This 10th of May 2018 @ Hoonah, AK





**LIMITED LIABILITY
OPERATING AGREEMENT
OF
TAKU HORTICULTURE COMPANY, LLC**
a Alaska limited liability company

This is a general Operating Agreement that has been personalized for your company. Before signing this agreement, it should be reviewed and edited by the company's Members and/or attorney to meet your company's specific needs and to conform to any statutory changes.

**OPERATING AGREEMENT
OF
TAKU HORTICULTURE COMPANY, LLC**
a Alaska limited liability company

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Exhibits

Exhibit A – Members

**OPERATING AGREEMENT
OF
TAKU HORTICULTURE COMPANY, LLC**
a Alaska limited liability company

This Limited Liability Operating Agreement of Taku Horticulture Company, LLC, effective as of February 3, 2017, is executed and agreed to, for good and valuable consideration, by the Members.

Article 1
FORMATION OF THE COMPANY

1.1 **FORMATION.** The Company was formed as a limited liability company by the filing of its Certificate with the state of Alaska.

1.2 **NAME.** The name of the Company is Taku Horticulture Company, LLC and all Company business must be conducted in that name or such other names that may be selected by the Members and that comply with applicable law.

1.3 **REGISTERED OFFICE; REGISTERED AGENT; OFFICES.** The registered office and registered agent of the Company in the State of Alaska shall be as specified in the Certificate or as designated by the Members in the manner provided by applicable law. The offices of the Company shall be at such places as the Members may designate, which need not be in the State of Alaska.

1.4 **PURPOSES.** The purpose of the Company is to engage in the transaction of any and all lawful business, to promote any lawful purpose and to engage in any lawful act or activity for which limited liability companies may be organized and all activities related or incidental thereto.

1.5 **FOREIGN QUALIFICATION.** Prior to the Company's conducting business in any jurisdiction other than Alaska, the Members shall cause the Company to comply with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction.

1.6 **TERM.** The term of existence of the Company is perpetual from the date the Certificate became effective and shall continue in existence until earlier wound up and terminated in accordance with either this Agreement.

1.7 **NO STATE-LAW PARTNERSHIP.** The Members intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes other than applicable federal tax laws, and this Agreement may not be construed to suggest otherwise.

Article 2
UNITS / MEMBERS

2.1 UNITS. As of the Effective Date, the Members of the Company, and their respective Units and Membership Interests in the Company, are set forth on the annexed Exhibit A.

2.2 CERTIFICATE OF UNITS; SECURITIES.

(a) Certificate. The Units may be represented by a certificate of membership as determined by the Members. The exact contents of a certificate of membership may be determined by action of the Members but certificates shall be issued substantially in conformity with the following requirements. The certificates of membership shall be respectively numbered serially, as they are issued and shall be signed by the officers of the Company designated by the Members. Each certificate of membership shall state the name of the Company, the fact that the Company is organized under the laws of the State of Alaska as a limited liability company, the name of the Person to whom the certificate is issued, the date of issuance, and the number, class and, if applicable, series of Units represented thereby. Each certificate of membership shall be otherwise in such form as may be determined by the Members. Such certificates shall bear the following restrictive legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE OF MEMBERSHIP HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT COVERING THE TRANSFER OF SUCH SECURITIES UNDER THE SECURITIES ACT, OR PURSUANT TO A TRANSACTION EXEMPT FROM SUCH REGISTRATION REQUIREMENTS (ACCOMPANIED BY AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH SECURITIES ACT).

THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN AGREEMENT BY AND AMONG THE COMPANY AND THE HOLDERS OF CERTIFICATES OF MEMBERSHIP OF THE LIMITED LIABILITY COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY.

(b) Cancellation of Certificate. Except as herein provided with respect to lost, stolen, or destroyed certificates, no new certificates of membership shall be issued in lieu of previously issued certificates of membership until former certificates for a like number of Units shall have been surrendered and cancelled. All certificates of membership surrendered to the Company for transfer shall be cancelled.

(c) Replacement of Lost, Stolen or Destroyed Certificate. Any Member claiming that its certificate of membership is lost, stolen, or destroyed may make an affidavit or affirmation of that fact and request a new certificate. Upon the giving of a satisfactory indemnity to the Company as reasonably required by the Members, a new certificate may be issued of the same tenor and representing the same number of Units as was represented by the certificate alleged to be lost, stolen, or destroyed.

(d) Registration of Transfer. To the extent permitted by this Agreement, Units shall be transferable upon the books of the Company by the holders thereof, in person or by their duly authorized attorneys or legal representatives, upon surrender to the Company by delivery thereof to the person in charge of the Unit transfer book and ledger. Such certificates shall be cancelled and new certificates shall thereupon be issued. A record shall be made of each transfer. Whenever any transfer of Units shall be made for collateral security, and not absolutely (to the extent permitted under this Agreement), it shall be so expressed in the entry of the transfer if, when the certificates are presented, both the transferor and transferee request the Company to do so. The Members shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates for Units of the Company.

2.3 REPRESENTATIONS AND WARRANTIES. Each Member hereby represents and warrants to the Company and each other Members as follows:

(a) the Member has duly executed and delivered this Agreement, and it constitutes the legal, valid and binding obligation of that Member enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity regardless of whether considered at law or in equity);

(b) the Member's authorization, execution, delivery, and performance of this Agreement does not and will not (i) conflict with, or result in a breach, default, or violation of, (y) any contract or agreement to which that Member is a party or is otherwise subject, or (z) any law, order, judgment, decree, writ, injunction, or arbitral award to which that Member is subject; or (ii) require any consent, approval, or authorization from, filing or registration with, or notice, any Governmental Authority or other Person, unless such requirement has already been satisfied;

(c) the Member is familiar with the existing or proposed business, financial condition, properties, operations, and prospects of the Company; he has asked such questions, and conducted such due diligence, concerning such matters and concerning its acquisition of the Units as he has desired to ask and conduct, and all such questions have been answered to his full satisfaction; he has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Company; he understands that owning the Units involves various risks, including the restrictions on Transfer set forth in Article 8, the lack of any public market for the Units, the risk of owning his Units for an indefinite period of time and the risk of losing his entire investment in the Company; he is able to bear the economic risk of such investment; he is

acquiring his Units for investment, solely for his own beneficial account and not with a view to or any present intention of directly or indirectly selling, offering, offering to sell or transfer, participating in any distribution, or otherwise Transferring all or a portion of his Units; and he acknowledges that the Units have not been registered under the Securities Act or any other applicable federal or state securities laws, and that the Company has no intention, and shall not have any obligation, to register or to obtain exemption from registration for the Units or to take action so as to permit sales pursuant to the Securities Act.

2.4 WITHDRAWAL. A Member may not withdraw from the Company.

2.5 INFORMATION.

(a) In addition to the other rights specifically set forth in this Agreement, each Member is entitled to all information to which that Member is entitled to have access. The Members agree, however, that a Majority of the Members may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business, affairs, properties, and financial condition of the Company should be kept confidential and not provided to some or all other Members, and that it is not just or reasonable for those Members to examine or copy that information.

(b) Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

2.6 LIABILITY TO THIRD PARTIES. No Member shall be liable for the debts, obligations, or liabilities of the Company, including under a judgment decree or order of a court.

2.7 EXPULSION. A Member may not be expelled from the Company.

Article 3

CAPITAL CONTRIBUTIONS AND LIABILITY OF MEMBERS

3.1 CAPITAL CONTRIBUTIONS. The Initial Capital Contributions of each of the Members as of the date hereof are set forth on the annexed Exhibit A.

3.2 RETURN OF CONTRIBUTIONS. Except as otherwise provided in this Agreement, no Member shall demand or receive a return of its Capital Contribution or withdraw from the Company without the consent of all Members. Under circumstances requiring a return of any Capital Contribution, no Member shall have the right to receive property other than cash except as may be specifically provided herein. No Member shall receive any interest, salary, or drawing with respect to its Capital Contribution or for services rendered on behalf of the Company or otherwise in its capacity as a Member, except as otherwise provided in this Agreement.

3.3 ADVANCES BY MEMBERS. If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so with the consent of the Company may advance

all or part of the needed funds to or on behalf of the Company, at such interest rate and on such other terms as such Member and the Company may agree. An advance described in this Section 3.3 constitutes a loan from the Member to the Company and is not a Capital Contribution.

Article 4 **DISTRIBUTIONS AND ALLOCATIONS**

4.1 DISTRIBUTIONS IN GENERAL. At such time as determined by a Majority of the Members, but in no event no less often than annually on or before the sixtieth (60th) day after the end of each Fiscal Year, a Majority of the Members shall determine the extent, if any, of Distributable Cash. If a Majority of the Members determine that Distributable Cash exists for each Fiscal Year (or such shorter period for which the distribution is made), the Company may distribute to the Members, pro rata, in proportion to their respective Units, all or a portion of the Distributable Cash.

4.2 ALLOCATIONS OF PROFITS AND LOSSES. Profits and Losses of the Company shall be allocated among the Members pro rata, in proportion to their respective Units.

4.3 DISTINGUISHING BETWEEN CAPITAL GAINS AND ORDINARY INCOME. The definition of Profits includes any type of income, whether ordinary or capital, and Losses includes both ordinary and capital losses.

4.4 RELIANCE ON ADVICE OF ACCOUNTANTS AND ATTORNEYS. The Members will have no liability to the Company if the Member rely upon the opinion of tax counsel or accountants retained by the Company with respect to all matters (including disputes) relating to computations and determinations required to be made under this Article 4 or other provisions of this Agreement.

4.5 MEMBER ACKNOWLEDGMENT. The Members agree to be bound by the provisions of this Article 4 in reporting their shares of Company income and loss for income-tax purposes.

Article 5 **MANAGEMENT / GOVERNANCE / MEETINGS**

5.1 MANAGEMENT BY MEMBERS. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of the Members. Each Member shall devote such time to the affairs of the Company as is reasonably necessary for performance by the Member of his duties.

(b) In managing the business and affairs of the Company and exercising its powers, the Members shall act (i) collectively through resolutions adopted at meetings and in written consents pursuant to Section 5.2 and Section 5.3; and (ii) through committees and individual Members to which authorities and duties have been delegated pursuant to Section 5.2. Decisions or actions taken by the Members in accordance with this Agreement (including this Section 5.1 and Section 5.2 shall constitute decisions or actions by the Company and shall be binding on each Member, Officer (as defined in Section 5.4), and employee of the Company.

5.2 MEETINGS OF MEMBERS. Special meetings of the Members may be called by Members having among them at least ten percent (10%) of the Units of all Members. Any such meeting shall be held on such date and at such time as the Person calling such meeting shall specify in the notice of the meeting, which shall be delivered to each Member at least ten (10) days, but not more than thirty (30) days prior to such meeting. Only business within the purpose or purposes described in the notice (or waiver thereof) for such meeting may be conducted at such meeting. Unless otherwise expressly provided in this Agreement, at any meeting of the Members, a Majority of the Members, represented either in person or by proxy, shall constitute a quorum for the transaction of business, and an act of a Majority of the Members shall be the act of the Members.

5.3 PROVISIONS APPLICABLE TO ALL MEETINGS. In connection with any meeting of the Members, the following provisions shall apply:

(a) Any such meeting shall be held at the principal place of business of the Company, unless the notice of such meeting specifies a different place.

(b) Attendance of a Person at such meeting (including pursuant to Section 5.3(e)) shall constitute a waiver of notice of such meeting, except where such Person attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(c) A Person may vote at such meeting by a written proxy executed by that Person and delivered to another Member, as applicable. A proxy shall be revocable unless it is stated to be irrevocable.

(d) Any action required or permitted to be taken at such a meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the Members, or having not fewer than the minimum number of Units or votes that would be necessary to take the action at a meeting at which all Members entitled to vote on the action were present and voted.

(e) Members may participate in and hold such meeting by means of conference telephone, video conference, or similar communications equipment by means of which all Persons participating in the meeting can hear each other.

5.4 OFFICERS. The Members may designate one or more Persons to be officers of the Company), and any Officers so designated shall have such title, authorities, duties, and salaries as the Members may delegate to them. Any Officer may be removed as such, either with or without cause, by the Members.

5.5 LIMITATIONS ON LIABILITY The liability of the Members shall be limited to the greatest extent allowed by law.

5.6 CONFLICTS OF INTEREST / DEALINGS WITH MEMBERS AND AFFILIATES. Unless otherwise bound, the Members, and any of their Affiliates may engage in and possess interests in other ventures of any and every type and description, independently or with others, excluding ones

in competition with the Company, with no obligation to offer to the Company or any other Member or Officer the right to participate therein. The Company may transact business with any Member, Officer, or Affiliate thereof, provided the terms of those transactions are no less favorable than those the Company could obtain from unrelated third parties.

5.7 INDEMNIFICATION. THE COMPANY SHALL INDEMNIFY, DEFEND, PROTECT AND HOLD HARMLESS EACH MEMBER AND OFFICER FROM AND AGAINST ALL ACTIONS, SUITS OR PROCEEDINGS, AND ALL OTHER CLAIMS, DEMANDS, LOSSES, DAMAGES, LIABILITIES, JUDGMENTS, AWARDS, PENALTIES, FINES, SETTLEMENTS, COSTS AND EXPENSES (INCLUDING COURT COSTS AND REASONABLE ATTORNEYS' FEES), ARISING OUT OF THE MANAGEMENT OF THE COMPANY OR SUCH MEMBERS SERVICE OR STATUS AS A MEMBER OR SUCH OFFICER'S SERVICE OR STATUS AS AN OFFICER. THIS INDEMNITY SHALL APPLY TO MATTERS THAT ARISE OUT OF THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY BY SUCH MEMBER OR OFFICER; PROVIDED, HOWEVER, THAT THIS INDEMNITY SHALL NOT APPLY TO MATTERS ARISING OUT OF THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF THIS AGREEMENT BY SUCH MEMBER OR OFFICER.

Article 6

TAXES

6.1 TAX RETURNS. The Company shall prepare and timely file all federal, state, and local tax returns required to be filed by the Company. Each Member shall furnish to the Company all pertinent information in its possession relating to the Company's operations that is necessary to enable the Company's tax returns to be timely prepared and filed. The Company shall deliver a copy of each such return to the Members on or before ten (10) days prior to the due date of any such return, together with such additional information as may be required by the Members in order for the Members to file their individual returns reflecting the Company's operations. The Company shall bear the costs of the preparation and filing of its returns.

6.2 TAX ELECTIONS. The Company shall make the following elections on the appropriate tax returns:

- (a) to adopt the calendar year as the Company's fiscal year;
- (b) to adopt the method of accounting recommended by the Company's accountant
- (c) any other election the Members may deem appropriate and in the best interests of the Members.

Article 7

BOOKS, RECORDS, AND BANK ACCOUNTS

7.1 BOOKS AND RECORDS. The Members shall keep or cause to be kept at the principal office of the Company complete and accurate books and records of the Company, supporting documentation of the transactions with respect to the conduct of the Company's business, and

minutes of the proceedings of its Members. The books and records shall be maintained with respect to accounting matters in accordance with sound accounting practices, and the books and records shall be available at the Company's principal office for examination, subject to Section 2.5, for any purpose reasonably related to a Member's Interest in the Company, by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

7.2 REPORTS. Within one hundred twenty (120) days after the end of each taxable year, the Members shall cause to be sent to each Member at the end of the taxable year a complete accounting of the financial affairs of the Company for the taxable year then ended.

7.3 ACCOUNTS. The Members shall establish one or more separate bank and investment accounts and arrangements for the Company, which shall be maintained in the Company's name with financial institutions and firms that the Members determine. The Members may not commingle the Company's funds with the funds of any Manager or Member.

Article 8

RESTRICTIONS ON TRANSFER / PREFERENTIAL PURCHASE RIGHT / PURCHASE OPTION

8.1 RESTRICTION ON TRANSFERS. No Member may Transfer all or any portion of his Units except in strict accordance with this Article 8. Any Units transferred in contravention of this Article shall be void of all voting, inspection and other rights with respect to the pledgee/transferee and any such Transfer shall be null and void *ab initio* and shall be subject to purchase by the Company. Any transferor must sign a counterpart to this Agreement agreeing to be bound by all terms hereof prior to such transfer being deemed effective. Each Member specifically acknowledges that a breach of this Article 8 would cause the Company and the Members to suffer immediate and irreparable harm, which could not be remedied by the payment of money. In the event of a breach or threatened breach by a Member of the provisions of this Article 8, the Company or other Members shall be entitled to injunctive relief to prevent or end such breach, without the requirement to post bond. Nothing herein shall be construed to prevent the Company or other Members from pursuing any other remedies available to it for such breach or such threatened breach, including the recovery of damages, reasonable attorneys' fees and expenses.

8.2 PREFERENTIAL PURCHASE RIGHT.

(a) If a Member desires to Transfer all or any portion of its Membership Interest, it must first offer the Company and the other Members the right to purchase such Membership Interest (or portion thereof, as applicable), in accordance with Section 8.2(b); provided, however, that compliance with Section 8.2(b) shall not be required in the case of the following dispositions:

(i) Transfers arising as a result of the Bankruptcy or death of a Member, both of which are governed by Section 8.4; and

(ii) Transfers arising as a result of the occurrence of a divorce of a Member or the death of the spouse of a Member, which are governed by Section 8.5.

(b) Should any Member at any time desire to Transfer all or a portion of its Membership Interest pursuant to a bona fide offer from another Person, such Member shall promptly give notice thereof to the Company and the other Members. The Transfer Notice shall set forth all relevant information with respect to the proposed Transfer, including but not limited to the name and address of the prospective acquirer, the consideration to be received for the proposed Transfer, the precise Membership Interest that is the subject of the Transfer, the proposed closing date for the Transfer, and any other terms and conditions of the proposed Transfer. The Company first, and then the other Members, second, shall have the preferential right to acquire all or a portion of such Membership Interest for the same purchase price, and on the same terms and conditions, as are set forth in the Transfer Notice, except as provided otherwise in this Section 8.2(b). The Company shall have thirty (30) days following its receipt of the Transfer Notice in which to notify the Transferring Member and the other Members whether the Company desires to exercise its preferential right, and if so, with respect to what portion of the offered Interest. If the Company does not exercise its right to purchase all or a portion of the offered Membership Interest, then the Members (other than the Transferring Member) shall have sixty (60) days following its receipt of the Transfer Notice in which to notify the Transferring Member and the Company whether such Member desires to exercise its preferential right, and if so, with respect to what portion of the offered Interest. If the Company or any Member does not respond during the applicable period, then the Company or the Member that failed to respond shall be deemed to have waived such right. If there is more than one Purchasing Member, each Purchasing Member shall participate in the purchase in the same proportion that its Membership Interest bears to the aggregate Membership Interests of all Purchasing Members (or on such other basis as the Purchasing Members may mutually agree).

8.3 OBLIGATIONS OF PERMITTED TRANSFEREES. In the case of any Transfer of Units made in accordance with Section 8.2, the transferee shall execute and deliver an appropriate instrument agreeing to be bound by this Agreement as a Member and such additional agreements or instruments as the Company may require. Any permitted transferee of Units shall receive and hold such Units subject to this Agreement and all of the restrictions, obligations and rights created hereunder, and the Members and each transferee shall be bound by their obligations under this Agreement with respect to each subsequent transferee.

8.4 DEATH OR BANKRUPTCY. If a Member dies or suffers a Bankruptcy, the Company shall have the option to acquire the Units of the Deceased Member or the Bankrupt Member, by notifying the estate of the Deceased Member or the Bankrupt Member in writing of such exercise. The Company may exercise the purchase option at any time following the death or Bankruptcy of the Member. The purchase price for the Units being purchased pursuant to this Section 8.4 shall be the Fair Market Value of the Units owned by the Deceased Member or the Bankrupt Member. Such amount shall be payable in the form of a lump sum payment of cash due and payable within thirty (30) days of the later to occur of the qualification of a Member's personal representative or

the payment to the Company of the Insurance Benefit. If an option to purchase is exercised in accordance with the other provisions of this Section 8.4, the closing of such purchase shall occur at the principal place of business of the Company on the thirtieth (30th) day after the determination of the Purchase Price, unless the parties to such closing agree upon a different place or date. At the closing, (a) the estate of the Deceased Member or the Bankrupt Member shall execute and deliver to the Company (i) an assignment of the Units, in form and substance reasonably acceptable to the Company, containing a general warranty of title as to such Units (including that such Units are free and clear of any encumbrances), and (ii) any other instruments reasonably requested by the Company to give effect to the purchase; and (b) the Company shall deliver to the estate of the Deceased Member or the Bankrupt Member (i) the portion of the Purchase Price required to be paid at the closing, in immediately available funds, and (ii) one or more unsecured promissory notes reflecting the payment terms established in this Section. The Units of the Members shall be deemed adjusted to reflect the effect of the purchase. If a Member dies or suffers a Bankruptcy, the Units held by the estate of the Deceased Member or the Bankrupt Member shall immediately be converted to a non-voting Units. Until such time as the Company exercises its purchases option under this Section, the estate of the Deceased Member may Transfer the Units held by the Deceased Member.

8.5 PROCEDURE FOR SPOUSE-RELATED BUYOUT EVENTS. If a divorce of a Member or the death of a Member's spouse shall occur and the Member does not retain the entirety of his Membership Interest, the Member affected by such divorce or death shall promptly give notice thereof to the Company and the other Members. The Affected Member shall have the option to acquire such Spouse's Fraction, by notifying the Affected Member's spouse or former spouse (or his or her representative) of such exercise within sixty (60) days following the occurrence of the entry of a final decree of divorce or the death of a Member's spouse. If the Affected Member does not exercise his or her right, then the Company first and then the other Members, second, shall have the option to acquire such Spouse's Fraction. The Company shall have thirty (30) days following its receipt of the notice in which to notify the Affected Member's spouse or former spouse (or his or her representative) and the other Members whether the Company desires to exercise its option and if so, with respect to what portion of the Spouse's Fraction. If the Company does not exercise its right to purchase all or a portion of the Spouse's Fraction, then the Members (other than the Affected Members) shall have sixty (60) days following receipt of the notice in which to notify the former spouse (or his or her representative) and the Company whether such Member desires to exercise its option, and if so with respect to what portion of the Spouse's Fraction. Any Member that does not respond during the applicable period shall be deemed to have waived his right. If more than one Member exercises his right, each exercising Member shall participate in the purchase in the same proportion that his Units bear to the aggregate Units of all exercising Members (or on such other basis as the exercising Members may mutually agree). For purposes of this Agreement, a Spouse's Fraction means that portion (if any) of a Member's Units that such Member's spouse, such Member's former spouse, such Member's spouse's estate, or such Member's former spouse's estate is determined to own by a court of competent jurisdiction or, in the absence of a judicial determination, by a written agreement between the Member and such spouse, such spouse's estate, such former spouse, or such former spouse's estate. The Person that is required to sell his or her Spouse's Fraction pursuant to this Section 8.5 is referred to herein as the "Seller," and the Person(s) that exercise a right to purchase the Spouse's Fraction pursuant

to this Section 8.5 are referred to herein as the "Buyer(s)." The purchase price for the Units or a Spouse's Fraction being purchased pursuant to this Section 8.5 shall be the Fair Market Value of the Spouse's Fraction. Such amount shall be payable in three (3) equal annual installments, the first of such installment being due and payable within thirty (30) days of the determination of the Purchase Price. If an option to purchase is exercised in accordance with the other provisions of this Section 8.5, the closing of such purchase shall occur at the principal place of business of the Company on the thirtieth (30th) day after the determination of the Purchase Price, unless the parties to such closing agree upon a different place or date. At the closing, (a) the Seller shall execute and deliver to the Buyer(s) (i) an assignment of the Spouse's Fraction, in form and substance reasonably acceptable to the Buyer(s), containing a general warranty of title as to such Spouse's Fraction (including that such Unit or Spouse's Fraction is free and clear of any encumbrances), and (ii) any other instruments reasonably requested by the Buyer(s) to give effect to the purchase; and (b) the Buyer(s) shall deliver to the Seller (i) the portion of the Purchase Price required to be paid at the Closing, in immediately available funds, and (ii) one or more unsecured promissory notes reflecting the payment terms established in this Section. The Membership Interests of the Members shall be deemed adjusted to reflect the effect of the purchase.

8.6 DISTRIBUTIONS AND APPLICATIONS IN RESPECT TO TRANSFERRED UNITS. If any Unit is Transferred during any Fiscal Year in compliance with the provisions of this Article 8, Profits, Losses, each item thereof, and all other items attributable to the Interest for such Fiscal Year shall be divided and allocated between the transferor and the transferee by taking into account their varying Interests during such Fiscal Year in accordance with the CODE, using any conventions permitted by law and selected by the Company. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer; provided, however, if the Company is given notice of a Transfer at least ten (10) Business Days prior to the Transfer, the Company shall recognize such Transfer as the date of such Transfer and provided further that if the Company does not receive a notice stating the date such Interest was Transferred and such other information as the Managers may reasonably require within thirty (30) days after the end of the Fiscal Year during which the Transfer occurs, then all such items shall be allocated and all distributions shall be made to the Person who, according to the books and records of the Company, was the owner of the Interest on the last day of the Fiscal Year during which the Transfer occurs. Neither the Company nor the Members shall incur any liability for making allocations and distributions in accordance with the provisions of this Section, whether or not the Members or the Company has knowledge of any Transfer of ownership of any Interest.

8.7 FAILURE TO COMPLY. Any purported Transfer consummated without first complying with this Article 8 shall be null and void and of no effect whatsoever.

Article 9

WINDING UP AND TERMINATION

9.1 WINDING UP.

(a) Winding up of the Company is required upon the first of the following to occur:

(i) The expiration of the Company's period of duration if not perpetual;

(ii) Upon the affirmative vote of a Majority of the Members to wind up the Company;

(iii) the consummation of an Fundamental Business Transaction; provided, however, that the consummation of the Fundamental Business Transaction shall not be deemed to be a liquidation, dissolution, or winding up of the Company for purposes of this Section 9.1 if within thirty (30) days after delivery of written notice of such Fundamental Business Transaction by the Company to the holders of voting Units, a Majority of the Members provide written notice to the Company that such Fundamental Business Transaction shall not be deemed a liquidation, dissolution, or winding up of the Company for purposes of this Section 9.1, or

(iv) The entry of a decree by a court of competent jurisdiction requiring the winding up of the Company.

(b) If an event described in subparagraph (i) of Section 9.1(a) shall occur and there shall be at least one Member remaining, the Company shall not be wound up, and the business of the Company shall be continued, if a Majority of the Members so agree within ninety (90) days of the occurrence of such event.

(c) Upon the occurrence of an event requiring the winding up of the Company, the business and affairs of the Company shall cease except to the extent necessary to wind up the Company's business, and the assets of the Company shall be liquidated under this Article 9.

(d) Winding up of the Company shall be effective as of the day on which the event occurs giving rise to the winding up, but the Company shall not terminate until the winding up process has been completed.

(e) During the winding up of the Company, the Members may cause any part or all of the assets of the Company to be sold in such manner as the Members shall determine in an effort to obtain the best prices for such assets; provided, however, that the Members may distribute assets of the Company in kind to the Members to the extent practicable.

9.2 WINDING UP AND LIQUIDATION. On the occurrence of an event described in Section 9.1(a), unless an election is made to continue the business of the Company pursuant to Section 9.1(b), the Members shall act as liquidator or may appoint one Member as liquidator. Until

final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Members. The costs of winding up shall be borne as a Company expense.

9.3 DISTRIBUTION OF ASSETS. In settling accounts during winding up, the assets of the Company shall be paid in the following order:

(a) First, to creditors, in the order of priority as provided by law, except those to Members of the Company on account of their Capital Contributions;

(b) Second, to fund reserves for liability not then due and owing and for contingent liabilities to the extent they were determined reasonable by the Members, provided that, upon the expiration of such period of time as the Members deem advisable, the balance of such reserves remaining after payment of such contingencies shall be distributed in the manner below;

(c) Third, any remainder shall be distributed to the Members of the Company, pro rata, in accordance with their respective Units.

9.4 DISTRIBUTIONS IN KIND. If any assets of the Company are distributed in kind, such assets shall be distributed to the Members entitled thereto as tenants-in-common in the same proportions as the Members would have been entitled to cash distributions if such property had been sold for cash and the net proceeds thereof distributed to the Members.

9.5 TERMINATION. When the winding up process has been completed, a Certificate of Termination shall be executed on behalf of the Company by a Member and shall be filed with the Secretary of State of Alaska, and the Members shall execute, acknowledge and file any and all other instruments necessary or appropriate to reflect the termination of the Company.

Article 10 **AMENDMENT**

10.1 AMENDMENTS TO THIS AGREEMENT. Except as provided in Section 10.2, no alterations, modifications, amendments or changes herein shall be effective or binding upon the parties hereto unless the same shall have been agreed to by a vote of a Majority of the Members. Any amendments to this Agreement that would have the effect, directly or indirectly, separately or cumulatively, of reducing the benefits to, or increasing the obligations or liabilities of the Members and any amendment to this Article 10 shall require additionally the express written consent of the Company and the affected Member. A Member who fails to respond within fifteen (15) days of a notice of a proposed amendment shall be deemed to have voted in favor of it.

10.2 OTHER AMENDMENTS TO THIS AGREEMENT. In addition to any amendments otherwise authorized herein, this Agreement may be amended from time to time by the Members to (i) cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement which will not be inconsistent with the provisions of this

Agreement; (ii) admit any additional Members or reflect any change in address or Membership Interest of a Member; and (iii) modify the provisions of this Agreement, if in the opinion of counsel to the Company and the Members such modification is necessary to cause the allocations contained therein to have substantial economic effect.

Article 11

GENERAL PROVISIONS

11.1 **OFFSET.** Whenever the Company is to pay any sum to a Member, any amounts that the Member owes the Company may be deducted from that sum before payment.

11.2 **NOTICES.** Except as expressly set forth to the contrary in this Agreement, all notices, requests, approvals or consents provided for or permitted to be given under this Agreement must be in writing and must be given either by depositing that writing in the United States mail, addressed to the recipient, postage paid, or by delivering that writing to the recipient in person, by courier or by facsimile transmission or by email; and a notice request or consent given under this Agreement is effective on receipt by the Person to receive it. All notices, requests and consents to be sent to a Member must be sent to or made at the addresses given for that Member on Exhibit A or such other address as that Member may specify by notice to the other Members. Whenever any notice is required to be given by law or by this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of that notice.

11.3 **ENTIRE AGREEMENT; SUPERSEDEDURE.** This Agreement constitutes the entire agreement of the Members relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

11.4 **EFFECT OF WAIVER OR CONSENT.** A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of his or its rights with respect to that default until the applicable statute of limitations period has run.

11.5 **BINDING EFFECT.** Subject to the restrictions on Transfer set forth in this Agreement, this Agreement is binding on and shall inure to the benefit of the Members and their respective legal representatives, successors and permitted assigns.

11.6 **GOVERNING LAW; SEVERABILITY.** This Agreement is governed by and shall be construed in accordance with the law of the State of Alaska, excluding any conflict of laws rule or principle that might refer the governance or the construction of this Agreement to the law of another jurisdiction. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that

provision shall be enforced to the greatest extent permitted by law. Venue for any action arising under or in connection with this agreement shall lie exclusively in Alaska.

11.7 FURTHER ASSURANCES. Each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effect and perform the provisions of this Agreement and those transactions.

11.8 WAIVER OF CERTAIN RIGHTS. Each Member irrevocably waives any right it may have to maintain any action for the winding up and termination of the Company or for partition of the property of the Company.

11.9 NOTICE TO MEMBERS OF PROVISIONS OF THIS AGREEMENT. By executing this Agreement, each Member acknowledges that he has actual notice of all of the provisions of this Agreement, including, without limitation, the restrictions on the transfer of Units set forth in Article 8. Each Member hereby agrees that this Agreement constitutes adequate notice of all these provisions.

11.10 NUMBERS AND GENDER. Where the context so indicates, the masculine shall include feminine and neuter, and the neuter shall include the masculine and feminine, the singular shall include the plural.

11.11 COUNTERPARTS. This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

11.12 CONFIDENTIALITY. Except with the prior written consent of the Company and except as otherwise required by law, each Member shall, and shall cause each of its representatives to (a) hold in strict confidence all confidential, proprietary or other non-public information or trade secrets relating to the Company or its assets or operations (the "Confidential Information"), and (b) not release or disclose in any manner whatsoever to any other person any such Confidential Information; provided that (i) the foregoing provisions shall not apply to any disclosure, to the extent reasonably required, to those of such Member's auditors, attorneys and other representatives who agree to be bound by the provisions of this Section 11.12 (ii) the foregoing provisions shall not apply where such Member or any of its representatives is compelled to disclose such Confidential Information, by judicial or administrative process or, in the reasonable opinion of its counsel, by other requirements of law (provided that prior written notice of such disclosure is given to the Company and any such disclosure is limited to only that portion of the Confidential Information which such person is compelled to disclose), (iii) the term "Confidential Information" shall not include information (A) which is or becomes generally available to the public other than as a result of disclosure of such information by such Member or any of its representatives, (B) becomes available to the recipient of such information on a non-confidential basis from a source which is not, to the recipient's knowledge, bound by a confidentiality or other similar agreement, or by any other legal, contractual or fiduciary obligation which prohibits disclosure of such information to the other parties hereto, or (C) which can be demonstrated to have been developed independently by the representatives of such recipient which representatives have not had any access to any information which would otherwise be deemed to be "Confidential Information"

pursuant to the provisions of this Section 11.12, and (iv) each of the Members acknowledges and agrees that any information the Members may receive from the Company in its reports to Members is confidential, proprietary and non-public in nature.

IN WITNESS WHEREOF, the Members have executed this Agreement as of the Effective Date, although not necessarily executed on such date.

MEMBERS:

David L Turner JR

A handwritten signature in blue ink, appearing to read 'DLT JR', is written over a horizontal line. The signature is stylized and cursive.

EXHIBIT A

MEMBERS
(as of the Effective Date)

<u>Name and Address</u>	<u>Number of Units</u>	<u>Interest</u>
David L Turner, 9026 Gee Street, Juneau AK 99801	1,000	100.00%
Total	1,000	100.%