Public Notice

Application for Marijuana Establishment License

License Number: 12769
License Status: Active-Operating
License Type: Marijuana Product Manufacturing Facility
Doing Business As: SECRET GARDEN CANNABIS
Business License Number: 1052541
Email Address: james@secretgardenak.com
Latitude, Longitude: 61.122661, -149.529840
Physical Address: 726 E. 15th AVE
Suite 2
Anchorage, AK 99501
UNITED STATES

Licensee #1

Type: Entity
Alaska Entity Number: 10047615
Alaska Entity Name: Axion Enterprises, LLC
Phone Number: 907-952-7070
Email Address: james@secretgardenak.com
Mailing Address: P.O. Box 200011
Anchorage, AK 99520
UNITED STATES

Entity Official #1

Type: Individual
Name: James M.P. Thornton
Phone Number: 907-952-7070
Email Address: james@secretgardenak.com
Mailing Address: PO BOX 1611
Girdwood, AK 99587
UNITED STATES

Entity Official #2

Type: Individual
Name: James R. Thornton
Phone Number: 626-695-9334
Email Address: jrthornton@live.com
Mailing Address: 6020 Maximilian Dr.
Anchorage, AK 99507
UNITED STATES

Note: *No affiliates entered for this license.*

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at https://www.commerce.alaska.gov/web/amco. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

POSTING DATE_____

Alcohol & Marijuana Control Office

License Number: 12769
License Status: Active-Operating
License Type: Marijuana Product Manufacturing Facility
Doing Business As: SECRET GARDEN CANNABIS
Business License Number: 1052541
Designated Licensee: James M.P. Thornton
Email Address: james@secretgardenak.com
Local Government: Anchorage (Municipality of)
Local Government 2:
Community Council: Fairview
Latitude, Longitude: 61.122661, -149.529840
Physical Address: 726 E. 15th AVE
Suite 2
Anchorage, AK 99501
UNITED STATES

Licensee #1

Type: Entity
Alaska Entity Number: 10047615
Alaska Entity Name: Axion Enterprises, LLC
Phone Number: 907-952-7070
Email Address: james@secretgardenak.com
Mailing Address: P.O. Box 200011
Anchorage, AK 99520
UNITED STATES

Entity Official #1

Type: Individual
Name: James M.P. Thornton
SSN: [redacted]
Date of Birth: [redacted]
Phone Number: 907-952-7070
Email Address: james@secretgardenak.com
Mailing Address: PO BOX 1611
Girdwood, AK 99587
UNITED STATES

Entity Official #2

Type: Individual
Name: James R. Thornton
SSN: [redacted]
Date of Birth: [redacted]
Phone Number: 626-695-9334
Email Address: jrthornton@live.com
Mailing Address: 6020 Maximilian Dr.
Anchorage, AK 99507
UNITED STATES

Note: *No affiliates entered for this license.*

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

Alaska Marijuana Control Board

Form MJ-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:	Axion Enterprises, LLC	**License Number:**	12769		
License Type:	Marijuana Product Manufacturing Facility				
Doing Business As:	Secret Garden Cannabis				
Premises Address:	726 E.15th Ave, Suite 2				
City:	Anchorage	**State:**	Alaska	**ZIP:**	99501

Section 2 – Individual Information

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

Name:	James M.P. Thornton
Title:	Manager, 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.	JT
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.	JT
I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.	JT

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).	

AMCO Received 6/15/2020

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

I certify that 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. JT

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. JT

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

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

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

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. JT

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. JT

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

James M.P. Thornton

Printed name of licensee

AIMEE ROCUSH My Commission NOTARY PUBLIC Expires 08-29-2023 STATE OF ALASKA

Aimee Rocush

Notary Public in and for the State of Alaska

My commission expires: 8/29/2023

Subscribed and sworn to before me this 12th day of June, 2020.

AMCO Received 6/15/2020

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

Alaska Marijuana Control Board

Form MJ-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:	Axion Enterprises, LLC	**License Number:**	12769		
License Type:	Marijuana Product Manufacturing Facility				
Doing Business As:	Secret Garden Cannabis				
Premises Address:	726 E.15th Ave, Suite 2				
City:	Anchorage	**State:**	Alaska	**ZIP:**	99501

Section 2 – Individual Information

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

Name:	James R. Thornton
Title:	Manager, 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. JRT

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. JRT

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020. JRT

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).

AMCO Received 6/15/2020

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

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

I certify that 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. JT

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. JT

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

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

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

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. JT

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. JT

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.

James R. Thornton
Signature of licensee

James R. Thornton
Printed name of licensee

AIMEE ROCUSH
My Commission
NOTARY
PUBLIC
Expires 08-29-2023
STATE OF ALASKA

Aimee Rocush
Notary Public in and for the State of Alaska

My commission expires: 8/29/2023

Subscribed and sworn to before me this 12th day of June, 2020.

AMCO Received 6/15/2020

First Amendment to Commercial Lease

This First Amendment to the Commercial Lease dated May 10, 2017, between AK RED, LLC, whose address is 6020 Maximilian Drive, Anchorage AK 99507 (hereinafter referred to as "Landlord"), and Axion Enterprises, LLC, whose address is 726 E. 15th Avenue, Anchorage, Alaska 99501 (hereinafter referred to as "Tenant"), (the "Lease") sets forth a change in the Term of the Lease as provided for in Section 2 of the Lease.

Section 2 of the Lease is deleted in its entirety and replaced with the following:

"2. RENT. Tenant agrees to pay Landlord rent, without deduction or set off, in monthly installments of Thirty Thousand and No/100 Dollars ($30,000.00), plus such add-ons as noted below, commencing on December 1, 2017 and on the first day of each succeeding calendar month through December 1, 2018. Thereafter the Lease shall automatically renew annually for a one-year period beginning on December 2 of each year, and ending on December 1 of the following year, unless either party gives the other party notice of non-renewal at least 90 days prior to the December 2nd renewal date."

All other provisions of the Lease shall remain unchanged.

EXECUTED the 2nd of December, 2018.

LANDLORD:

AK RED, LLC

By: _____

James R. Thornton

TENANT:

Axion Enterprises, LLC

By: _____

James M. Thornton

AMCO Received 6/15/2020

COMMERCIAL LEASE

THIS COMMERCIAL LEASE AGREEMENT ("Lease", or "Agreement") sets forth the current terms and conditions of the Lease as follows:

The parties to this Lease are **AK RED, LLC,** whose address is 6020 Maximilian Drive, Anchorage, AK 99507 (hereinafter referred to as "Landlord"), and **Axion Enterprises, LLC,** whose address is 726 E. 15th Avenue, Suite 2, Anchorage, Alaska 99501 (hereinafter referred to as "Tenant").

WITNESSETH:

1. PREMISES AND TERM. In consideration of the obligation of Tenant to make payment as herein provided, and in consideration of the other terms, provisions and covenants hereof, Landlord hereby demises and leases to Tenant, and Tenant hereby takes from Landlord certain Premises situated at 726 E. 15th Avenue, within Anchorage, Alaska (the "Premises"), with the Premises identified on the attached map. The Premises include appurtenances such as the parking area, roadways, means of ingress and egress and service areas.

TO HAVE AND TO HOLD the same for a term commencing on 10th day of May, 2017 and ending on December 31, 2018.

2. RENT. Tenant agrees to pay Landlord rent, without deduction or set off, in monthly installments of Thirty Thousand and No/100 Dollars ($30,000.00), plus such add-ons as noted below, commencing on December 1, 2017 and on the first day of each succeeding calendar month through December 1, 2018.

AMCO Received 6/15/2020

3. USE. The demised Premises shall be used by Tenant only for the purpose of growing, processing (including what is referred to as “manufacturing”), and selling commercially produced marijuana.

Tenant agrees to maintain the Premises and adjacent parking area and driveways in a clean and orderly condition and to store any garbage or trash in covered metal containers inside the Premises, or, if permitted by Landlord, in metal containers outside the Premises at a location designated by Landlord. At the termination of this Agreement, Tenant shall leave the Premises in a "broom clean" condition and in the same condition as at the commencement of this Lease, reasonable wear and tear excepted. Absent written consent by Landlord, Tenant agrees not to store in or about the Premises any gasoline, distillates, or other petroleum products or any other substance or material of an explosive, inflammable or radiological nature which may endanger any part of the Premises or its occupants, business patrons or invitees, or present any unusual fire, explosion or other damaging or dangerous hazard, nor use acetylene torches on, in or about the Premises. Tenant agrees to refrain from causing any objectionable odors or sounds; from causing any public or private nuisance or act or thing which may disturb the quiet enjoyment of any other tenants or adjacent landowners; from causing any obstructions of any type on the driveway and parking areas other than when in the process of loading or unloading and in the parking of vehicles in the locations designated by Landlord.

Tenant will not at any time, during the term of this Lease, carry any stock of goods or do anything in or about the Premises which will in any way tend to increase the insurance rates upon the building of which the premise are a part nor shall any use be made or permitted of the Premises or any part thereof, nor do any acts which will violate, make inoperative, or increase the existing rate of any insurance policy at any time held by or in any way for the benefit of Landlord pursuant to any provisions of this Lease. Tenant agrees to pay to the Landlord forthwith upon demand the amount of any increase in premiums for insurance that may be charged during the term of this Lease in the amount of insurance to be carried by Landlord on the Premises resulting from the foregoing or from Tenant doing any act in or about said Premises which does so increase the insurance rates, whether or not the Landlord shall have consented to such act on the part of Tenant. If Tenant installs upon the Premises any electrical equipment which constitutes an overload on the electrical lines of the Premises, Tenant shall at its own expense make whatever charges are necessary to comply with the requirements of the insurance underwriters, any governmental authority having jurisdiction thereover and the Landlord, but nothing herein contained shall be deemed to constitute Landlord's consent to such overloading.

Tenant shall at its own cost and expense obtain any and all licenses and permits necessary for any such use. Tenant shall comply with all governmental laws, ordinances

AMCO Received 6/15/2020

and regulations applicable to the Use of the Premises, including, but not limited to, local fire codes, zoning regulations, and occupancy codes; provided, however, that federal laws and regulations prohibiting the production of marijuana and industrial hemp are expressly excluded from the legal requirements with which Tenant is required to comply herein. Tenant will promptly provide to Landlord copies of all communications to or from any government entity that relate to the Use or Tenant's noncompliance or alleged noncompliance with any laws or other government requirements (including federal laws) impacting the Premises. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention, and abatement of nuisances in, upon, or connected with the Premises, all at Tenant's sole expense.

4. TAXES AND ASSESSMENTS.

(A) Landlord agrees to pay before they become delinquent all taxes (both general and special), assessments or governmental charges (hereinafter collectively referred to as "taxes") lawfully levied or assessed against the Premises or any part thereof for the taxable year in which this Lease commences hereinafter referred to as the "commencement year", and a like sum towards the payment of said taxes and assessments levied each and every year thereafter during the term of this Lease; provided, however, Landlord may, at its sole cost and expense (in its own name or in the name of both, as it may deem appropriate) dispute and contest the same, and in such case, such disputed item need not be paid until finally adjudged to be valid. At the conclusion of such contest, Landlord shall pay the items contested to the extent that they are held valid together with all items, court costs, interest and penalties relating thereto. As additional rent, Tenant shall pay to Landlord a sum equal to fifty percent (50%) of the difference in the amount paid by Landlord and the total amount of said taxes thereafter levied against the leased Premises or any part thereof for each and every taxable year during the Term, which payment shall be made by Tenant on the due date of the next rental payment required under the terms hereof following presentation by Landlord to Tenant of an authenticated statement setting forth the computation of said additional payment necessitated by any increase in taxes or assessments for all taxable years after the commencement year of this Lease.

(B) Tenant shall pay all taxes, assessments, license fees and public charges levied upon its business operation, trade fixtures, leasehold improvements, merchandise and other personal property in or about the Premises. In the event any such items of property are assessed with property of the Landlord, such assessment shall be equitably divided between Landlord and Tenant to the end that Tenant shall pay only its equitable proportion of such assessment.

AMCO Received 6/15/2020

(C) If at any time during the term of this Lease, the present method of taxation shall change so that in lieu of the whole or any part of any taxes, assessments, levies or charges levied, assessed or imposed on real estate or the improvements thereon there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based in whole or in part upon such rents for the present or any future building or buildings on the Premises, then all such taxes, assessments, levies or charges, or the part hereof so measured or based, shall be deemed to be included within the term "taxes" for the purposes hereof.

5. LANDLORD'S REPAIRS. Landlord agrees to maintain at its expense only the roof, foundation and exterior walls (to the extent related to foundation and support) of the building in good repair, reasonable wear and tear excepted. Tenant understands that, effective upon execution of this Lease, it will be responsible for maintaining the heating equipment for the Premises, the exterior walls to the extent that the maintenance does not include issues related to the foundation or support of the building, and the portion of the parking lot which serves Tenant's Premises.

For any foundation or exterior work that needs to be addressed by Landlord, and which is not caused by tortuous conduct of Tenant or Tenant's customers, guests or invitees, Tenant shall immediately give Landlord written notice of defect or need for repairs, after which Landlord shall have reasonable opportunity to repair same or cure such defect. Landlord's liability hereunder shall be limited to the cost of such repairs or curing such defects.

(A) Snow Removal. Tenant shall be responsible for parking lot snow removal, sanding and spring lot sweeping.

6. TENANT'S REPAIRS. Tenant shall at its own cost and expense maintain and repair or replace all of the leased Premises, including but not limited to windows, glass and plate glass, all window sash, casement or frames, doors, pedestrian and overhead, door frames, locks and closing devices, any special store front, interior walls, finish work and insulation, floors and floor covering and lighting fixtures. Any exterior or interior graffiti on or to the leased Premises shall be immediately removed, or painted over, by Tenant. In addition, Tenant will be responsible for such other non-foundation related repairs that may be required to the exterior walls of the building to the extent they are encompassed by Tenant's leased Premises.

(A) Additional Maintenance. Tenant is responsible for the following additional maintenance during the term of this Lease:

(i) Maintenance of the heating system. The performance of any warranty work on the furnace is assigned to Tenant during the term of this Lease;

AMCO Received 6/15/2020

(ii) All interior and exterior maintenance on the building and Premises covered by this Lease to the extent not covered by Landlord's insurance for claims thereunder.

To the extent that work needs to be done under the foregoing, Tenant will advise Landlord to inquire as to whether the maintenance would be covered by insurance. Landlord agrees to reasonably cooperate with Tenant with respect to tender of any such claim, but ultimate responsibility for insuring that the leased Premises does not suffer any loss shall be the burden of Tenant.

7. ALTERATIONS. Tenant shall not make any alterations, additions, or improvements to the Premises without the prior written consent of Landlord. In no event shall Tenant make or cause to be made any penetration through the roof of the Premises, erect or increase the size of any mezzanine, or make any changes to the water, sewer, electrical, or gas systems without the written consent of the Landlord. At the termination of this Lease, Tenant shall, if Landlord so elects, remove all alterations, additions and partitions erected by Tenant and restore the Premises to their original condition; otherwise such improvements shall be delivered up to the Landlord with the Premises. All shelves, blinds, machinery and trade fixtures installed by Tenant may be removed by Tenant at the termination of this Lease if Tenant so elects, and shall be removed if required by Landlord. All such removals and restoration shall be accomplished in a good and workmanlike manner so as not to damage the primary structure or Premises.

8. SIGNS. Tenant shall have the right to install signs upon the exterior of said building only when first approved in writing by Landlord and subject to any applicable governmental laws, ordinance, regulations and other requirements. Tenant shall not place graphics or paint on the exterior of the building, nor place awnings, marquees, or other structures without the written consent of the Landlord. Tenant shall remove all such signs at the termination of this Lease. Such installations and removals shall be made in such manner as to avoid injury or defacement of the building and other improvements.

9. INSPECTION. Landlord and Landlord's agents and representatives shall have the right to enter and inspect the Premises at any time during reasonable business hours, for the purpose of ascertaining the condition of the Premises or in order to make such repairs as may be required to be made by the building owners under the terms of this Lease. All inspections shall be noticed to Tenant with reasonable notice and all agents, representatives of landlord shall be over the age of 21 and shall strictly adhere with the Tenant's state of Alaska marijuana regulation required visitor policy. During the period that is three (3) months prior to the end of the term hereof, Landlord and Landlord's agents and representative shall have the right to enter the Premises at any time during reasonable business hours for the purpose of showing the Premises and shall have the right to erect on the Premises a suitable sign indicating the Premises are available.

10. UTILITIES. Tenant agrees to pay Landlord all of any sums billed to Landlord for gas heating expenses. Landlord shall make this information available to

AMCO Received 6/15/2020

Tenant on a monthly basis, with payment due within thirty (30) days.

Tenant is responsible for all other utilities including electric, water and wastewater, phone and refuse service.

Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility service being furnished the Premises, unless Landlord fails to pay Landlord's costs for such service which is not separately metered and no such failure or interruption shall entitle Tenant to terminate this Lease. In the event Landlord elects to discontinue furnishing any such utility service to the Premises for reasons other than the nonpayment by Tenant of any utility charge or other rental payment required hereunder, Tenant shall have the right to use all existing conduits and facilities situated in the Premises.

11. ASSIGNMENT AND SUBLETTING. Tenant shall not have the right to assign this Lease or to sublet the whole or any part of the Premises without the prior written consent of Landlord; notwithstanding any permitted assignment or subletting, Tenant shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under the terms, provisions and covenants of this Lease. Upon the occurrence of an "event of default" as hereinafter defined, if the Premises or any part thereof are then assigned or sublet, Landlord, in addition to any other remedies herein provided, or provided by law, may at its option collect directly from such assignee or subtenant all rents becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to it by Tenant hereunder, and so such collection shall not be construed to constitute a novation or a release of Tenant from the further performance of its obligations hereunder. Landlord shall have the right to assign any of its rights under this Lease.

12. FIRE AND CASUALTY DAMAGE.

(A) If the buildings situated on the Premises should be damaged or destroyed by fire or other casualty, Tenant shall give immediate written notice thereof to Landlord.

(B) If the buildings situated on the Premises should be totally destroyed by fire or other casualty, or if they should be so damaged that rebuilding or repairs cannot be completed within thirty (30) days after the date upon which Landlord is notified by Tenant of such damage, this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective upon the date of the occurrence of such damage.

AMCO Received 6/15/2020

(C) If the buildings situated on the Premises should be damaged by fire or other casualty, but only to such extent that rebuilding or repairs can be completed within thirty (30) days after the date upon which Landlord is notified by Tenant of such damage, this Lease shall not terminate, but Landlord shall at its sole cost and expense proceed with reasonable diligence to rebuild and repair such buildings, to substantially the condition in which they existed prior to such damage, except that Landlord shall not be required to rebuild, repair or replace any part of the partitions, fixtures and other improvements which may have been placed on the Premises by Tenant. If the Premises are untenantable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenantable shall be reduced to such extent as may be fair and reasonable under all of the circumstances. In the event that Landlord should fail to complete such repairs and rebuilding within thirty (30) days after the date upon which Landlord is notified by Tenant of such damage, Tenant may at its option terminate this Lease by delivering written notice of termination to Landlord as Tenant's exclusive remedy, whereupon all rights and obligations hereunder shall cease and determine.

(D) Notwithstanding anything herein to the contrary, in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises requires that the insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant, whereupon all rights and obligations hereunder shall cease and determine.

(E) Any insurance which may be carried by Landlord or Tenant against loss or damage to the buildings and other improvements situated on the Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

(F) Landlord and Tenant hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by any of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage casualties covered by the insurance maintained hereunder, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's policies shall contain a clause or endorsement to the effect that any release shall not adversely affect or impair such policies or prejudice the right of the releasor to recover thereunder. Each of Landlord and Tenant agrees that it will request its insurance carriers to include in its policies such a clause or endorsement. If extra cost shall be charged therefore, each party shall advise the other thereof and of the amount of the extra cost, and the other party, at its election, may pay the same, but shall not be obligated to do so.

(G) Landlord covenants and agrees to maintain standard fire and extended coverage insurance covering the building on the Premises in an amount not less than

AMCO Received 6/15/2020

eighty per cent (80%) of the replacement cost thereof. Lessee agrees to pay fifty percent (50%) of any increase in the cost of said insurance after the date this Lease is commenced, within twenty (20) days after demand therefor. Landlord shall furnish Tenant a statement showing the computation of the amount due. The failure to pay such excess shall be treated in the same manner as a default in the payment of rent hereunder when due.

(H) Tenant shall maintain in full force on all of its fixtures and equipment in the leased Premises, a policy or policies of fire and extended coverage insurance to the extent of at least eighty percent (80%) of their insurable value. During the lease term, the proceeds from any such policy or policies of insurance shall be used for the repair and replacement of fixtures and equipment so insured. Landlord shall have no interest in the insurance upon Tenant's equipment and fixture and will sign all documents necessary or proper in connection with the settlement of any claim or loss by Tenant.

(I) Landlord may procure earthquake insurance effective as of the effective date of this Lease. If such insurance is procured, Tenant shall be responsible for one-half of any premium increase for this insurance, in subsequent years, as additional rent. Tenant shall be responsible for payment of this premium increase after Lease inception within thirty (30) days of invoicing. Failure to timely reimburse Landlord shall be considered a breach of this Lease Agreement pursuant to Section 17 below.

13. LIABILITY. Landlord shall not be liable to Tenant or Tenant's employees, agents, patrons, or visitors, or to any other person whomever, for any injury to person or damage to property on or about the Premises, caused by the negligence or misconduct of Tenant, its agents, servants or employees, or of any other person entering upon the Premises under express or implied invitation of Tenant, or caused by the building and improvements located on the Premises becoming out of repair, or due to any cause whatsoever, and Tenant agrees to indemnify Landlord and hold it harmless from any loss, expense or claims, including attorneys' fees, arising out of any such damage or injury, except that any injury to person or damage to property caused by the negligence of Landlord or by the failure of Landlord to repair and maintain that part of the Premises which Landlord is obligated to repair and maintain after the receipt of written notice from Tenant of needed repairs or of defects shall be the liability of Landlord and not of Tenant, and Landlord agrees to indemnify Tenant and hold it harmless from any and all loss, expense or claims, including attorneys' fees, arising out of such damage or injury. Tenant shall procure and maintain throughout the term of this Lease a policy or policies of insurance at its sole cost and expense, insuring both Landlord and Tenant against all claims, demands or actions arising out of or in connection with Tenant's use or occupancy of the Premises, or by the condition of the Premises, the limits of such policy or policies to be in an amount not less than $1,000,000.00 in respect of injuries to or death of any one person, and in an amount not less than $1,000,000.00 in respect of any one accident or disaster, and in an amount not less than $100,000.00 in respect of property damaged or destroyed, and to be written by insurance companies qualified to do business in the state

AMCO Received 6/15/2020

in which the Premises are located. Tenant shall furnish Landlord with a certificate of such policy and whenever required, shall satisfy Landlord that such policy is in full force and effect. Such policy shall name Landlord as an additional insured and shall be primary and non-contributing with and not in excess of any insurance carried by Landlord. The policy shall further provide that it shall not be cancelled or altered without thirty (30) days prior written notice to Landlord and renewals thereof as required shall be delivered to Landlord at least ten (10) days prior to the expiration of the respective policy terms.

14. CONDEMNATION.

(A) If the whole or any substantial part of the Premises should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, this lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of said Premises shall occur.

(B) If less than a substantial part of the Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, this Lease shall not terminate, but the rent payable hereunder during the unexpired portion of this Lease shall be reduced to such extent as may be fair and reasonable under all of the circumstances.

(C) In the event of any such taking or private purchase in lieu thereof, Landlord and Tenant shall each be entitled to receive and retain such separate awards and/or portion of lump sum awards as may be allocated to their respective interests in any condemnation proceedings.

15. HOLDING OVER. Should Tenant, or any of its successors in interest, hold over the Premises or any part thereof, after the expiration of the term of this Lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as tenancy from month to month only, at a rental equal to the rental payable for the last month of the term of this lease plus twenty per cent (20%) of such amount. The inclusion of the preceding sentence shall not be construed as Landlord's permission for Tenant to hold over.

16. QUIET ENJOYMENT. Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, upon paying the rental herein set forth and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Premises for the term hereof without hindrance or molestation from Landlord, subject to terms and provisions of this Lease.

AMCO Received 6/15/2020

17. EVENTS OF DEFAULT. The following events shall be deemed to be events of default by Tenant under this Lease.

(A) Tenant shall fail to pay any installment of the rent or the security deposit (if any) hereby reserved when due, and such failure shall continue for a period of ten (10) days from the date such installment was due.

(B) Tenant shall become insolvent, or shall make a transfer in fraud to creditors, or shall make an assignment for the benefit of creditors.

(C) Tenant shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder.

(D) A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant.

(E) Tenant shall desert or vacate any substantial portion of the Premises.

(F) Tenant shall fail to comply with any term, provision or covenant of this Lease, and shall not cure such failure within twenty (20) days after written notice thereof to Tenant.

18. REMEDIES. Upon the occurrence of any of such events of default described above, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(A) Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying such Premises or any part thereof, by force, if necessary, without being liable for prosecution or any claim of damages therefore and Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

(B) Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying such Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefore and relet the Premises and receive the rent therefore and Tenant agrees to pay to the Landlord on demand any deficiency that may arise by reason of such reletting.

AMCO Received 6/15/2020

(C) Enter upon the Premises by force if necessary without being liable for prosecution of any claim for damages therefore and do whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to the Tenant from such action, whether caused by negligence of Landlord or otherwise.

In the event of any entry in, or taking possession of, the leased Premises as aforesaid, the Landlord shall have the right, but not the obligation, to remove from the leased Premises all personal property located therein, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the owners thereof, and with the right to sell such stored property, without notice to Tenant. After it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, the balance, if any, to be paid to Tenant. Tenant hereby expresses consent for Landlord to re-enter in the event of default without resorting to the remedies provided in the unlawful detainer statutes.

In the event Tenant fails to pay any installment of rent hereunder as and when such installment is due, Tenant shall pay to Landlord on demand a late charge in an amount of Thirty and No/100 Dollars ($30.00) per day; and the failure to pay such amount within ten (10) days after demand therefore shall be an event of default hereunder. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at Law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

Pursuit to any of the foregoing remedies shall not preclude pursuit of any other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages occurring to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. No waiver by Landlord or any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Landlord so notified Tenant in writing. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. If, on account of any breach or default by Tenant in Tenant's obligation

AMCO Received 6/15/2020

under the terms and conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay any reasonable attorney's fees. No act or thing done by the Landlord or its agents during the term hereby granted shall be deemed an acceptance of the surrender of the Premises, and no agreement to accept a surrender of said Premises shall be valid unless in writing signed by Landlord. The receipt by Landlord of rent with knowledge of the breach of any covenant or other provision contained in this Lease shall not be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained herein.

Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access into or around the license premises if Tenant cannot be reached, abandons the property, or similar type of event. Additionally, Landlord will ensure that it and any of its employees or agents, will respect and adhere to the Tenant's visitor policy, provide government issued ID ensuring that any agent or employee of Landlord is over the age of 21, sign in and out of the visitor log provided by Tenant, wear the Tenant's visitor badge, and remain in direct eye sight of designated Tenant agent.

19. LANDLORD'S LIEN. In addition to any statutory lien for rent in Landlord's favor, Landlord shall have and Tenant hereby grants to Landlord a continuing security interest for all rentals and other sums of money becoming due hereunder from Tenant upon all goods, wares, equipment, fixtures, furniture, inventory, accounts, contract right, chattel paper and other personal property of Tenant situated on the Premises, and such property shall not be removed therefrom without the consent of Landlord until arrearages in rent as well as any and all other sums of money then due to Landlord hereunder shall first have been paid and discharged. In the event of a default under this Lease, Landlord shall have, in addition to any other remedies herein or by law, all rights and remedies under the Uniform Commercial Code, including without limitation the right to sell the property described in this paragraph 19 at public or private sale without notice to Tenant. Tenant hereby agrees to execute such financing statements and other instruments necessary or desirable in Landlord's discretion to perfect the security interest hereby created. Any statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto. Landlord understands that the lien provided by this paragraph may be subordinate to Tenant's business inventory and/or fixture financing.

20. MORTGAGES. Tenant accepts this Lease subject and subordinate to any mortgage(s) and/or deed(s) of trust now or at any time hereafter constituting a lien or charge upon the Premises or the improvements situated thereon. Tenant shall at any time hereafter on demand execute any instruments releases or other documents which may be

AMCO Received 6/15/2020

required by any mortgagee for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage. With respect to any mortgage(s) and/or deed(s) of trust at any time hereafter created which constitute a lien or charge upon the leased Premises or the improvements situated thereon, Landlord at its sole option shall have the right to waive the applicability of this paragraph so that this Lease would not be subject and subordinate to such mortgage(s) or the deed(s) of trust.

21. LANDLORD'S DEFAULT. In the event Landlord should become in default in any payments due on any such mortgage described in Paragraph 20 hereof or in the payment of taxes or any other items which might become a lien upon the Premises. and which Tenant is not obligated to pay under the term and provisions of this Lease, Tenant is authorized and empowered after giving Landlord five (5) days' prior written notice of such default and Landlord fails to cure such default, to pay any such items for and on behalf of Landlord, and the amount of any item so paid by Tenant for or on behalf of Landlord, together with any interest on penalty required to be paid in connection therewith, shall be payable on demand by Landlord to Tenant; provided, however that Tenant shall not be authorized and empowered to make any payment under the terms of this Paragraph 21, unless the item paid shall be superior to Tenant's interest hereunder. In the event Tenant pays any mortgage debt in full, in accordance with this paragraph, it shall, at its election, be entitled to the mortgage security by assignment or subrogation.

AMCO Received 6/15/2020

22. MECHANIC'S LIENS. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant by this instrument. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises on which any lien is or can be validly and legally asserted against its leasehold interest in the Premises or the improvements thereon and that it will save and hold Landlord harmless from any and all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the rights, titles and interest of the Landlord in the Premises or under the terms of this Lease.

23. NOTICES. Each provision of this instrument or of any applicable governmental laws, ordinances, regulations and other requirements with reference to the sending, mailing or delivery of any notice or the making of any payment by Landlord to Tenant or with reference to the sending, mailing or delivery of any notice or the making of any payment by Tenant to Landlord shall be deemed to be complied with when and if the following steps are taken:

(A) All rents and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord at the address hereinbelow set forth or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith.

(B) All payments required to be made by Landlord to Tenant hereunder shall be payable to Tenant at the address hereinbelow set forth or at such other address as Tenant may specify from time to time by written notice delivered in accordance herewith.

AMCO Received 6/15/2020

(C) Any notice or document required or permitted to be delivered hereunder may be hand delivered, which will be effective upon receipt or shall be deemed to be delivered whether actually received or not, 72 hours after deposited in the United States Mail, postage prepaid, Certified or Registered Mail, addressed to the parties hereto at the respective addressee set forth below, or at such other address as they have theretofore specified by written notice delivered in accordance herewith:

LANDLORD:
AK RED, LLC
6020 Maximilian Drive
Anchorage, AK 99507
E-Mail: jrthornton@live.com

TENANT:
Axion Enterprises, LLC
726 E. 15th Avenue
Anchorage, Alaska 99501
E-Mail: james@secretgardenak.com

As a matter of convenience, the parties may also communicate by e-mail, at the addresses set forth herein, however, hard copies of any formal notice are still required as set forth herein.

If and when included within the term "Landlord", as used in this instrument, there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to Landlord; if and when included within the term "Tenant", as used in this instrument, there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address within the continental United States for the receipt of notices and payments to Tenant. All parties included within the terms "Landlord" and "Tenant", respectively, shall be bound by notices given in accordance with the provisions of this paragraph to the same effect as if each had received such notice.

24. CONSTRUCTION. Tenant accepts the Premises in an "AS IS" condition.

25. MISCELLANEOUS.

(A) Time is of the essence of this Lease and all of the terms, provisions, covenants and conditions hereof.

(B) It is understood that there are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease.

AMCO Received 6/15/2020

(C) Words of any gender used in this Lease shall be held and construe to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

(D) The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon, the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provide

(E) The captions are inserted in this Lease for convenience only and in no way define, limit or describe the scope or intent of this Lease, or any provisions thereof, nor in any way affect the interpretation of this Lease.

(F) Tenant agrees within ten (10) days after request by Landlord to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this Lease is in full force and effect, the date to which rent has been paid, the unexpired term of this Lease and such other matters pertaining to this Lease as may be reasonably requested by Landlord.

(G) This Lease may not be altered, changed or amended except by an instrument in writing signed by Landlord and Tenant.

(H) Tenant and Landlord agree that during the term of this lease they shall have the heat in the leased Premises turned on and set at a minimum temperature of 55° during any cold weather where temperatures may drop below freezing.

If Tenant or Landlord fail to have the heat turned on in the leased Premises, and because of this failure there is any damage whatsoever caused by the freezing of water pipes and/or equipment, then Tenant or Landlord shall be responsible to the other for any damage done.

26. RENEWAL OPTION. No less than ninety (90) days before the expiration of the rental term, Tenant may give Landlord notice of its desire to extend the lease. Extension of the lease will be subject to the same terms and conditions set forth herein except that the term, rent and insurance requirements may be renegotiated and are subject to mutual approval. If agreement cannot be reached, this lease will terminate according to its existing terms.

AMCO Received 6/15/2020

EXECUTED the 10th of May 2017.

LANDLORD:

AK RED, LLC

By:

James R. Thornton

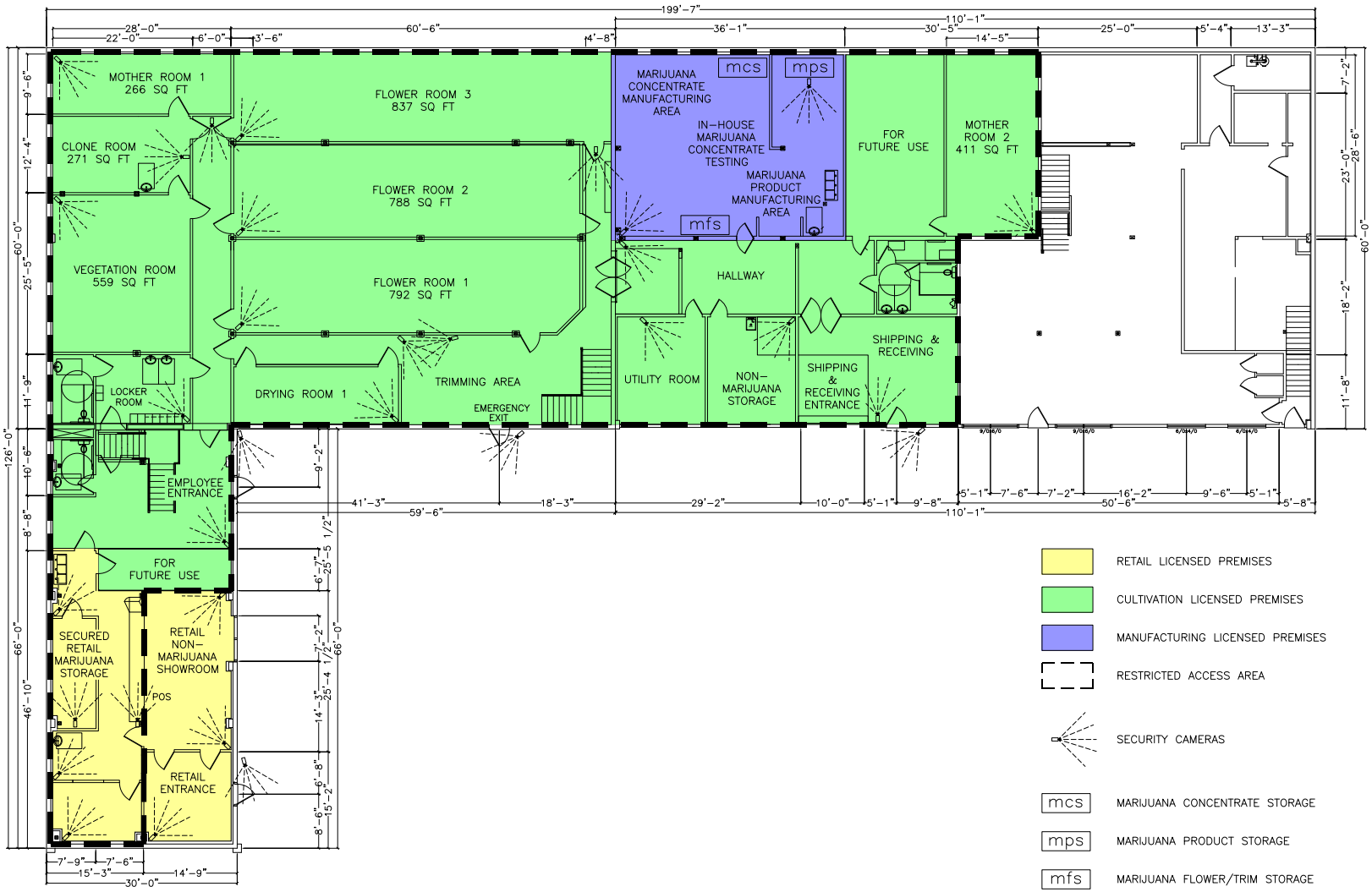
TENANT:

Axion Enterprises, LLC

By:

James M. Thornton

AMCO Received 6/15/2020



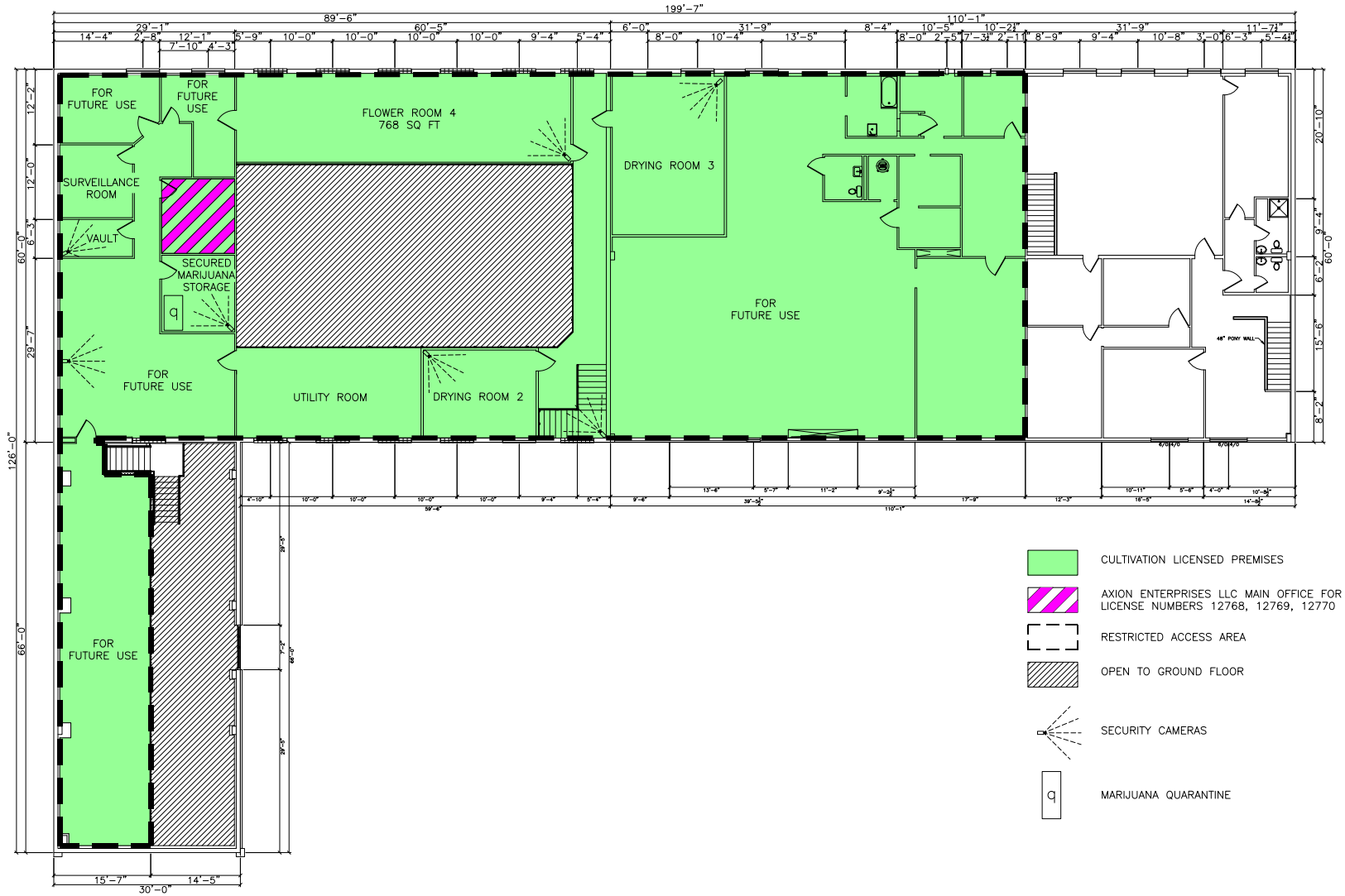
SECRET GARDEN CANNABIS
726 EAST 15TH AVENUE
MCB GROUND FLOOR LAYOUT

NO.	REVISION	DATE
	REVISION 4	170511

726 E. 15TH AVENUE
ANCHORAGE, AK 99501
61°12'26.9"N
149°52'09.9"W

DRAWN BY: ALF THORNTON
DATE: 170509
FILE NAME:
SCALE: NOT TO SCALE
SHEET: 1/3

AMCO Received 6/15/2020



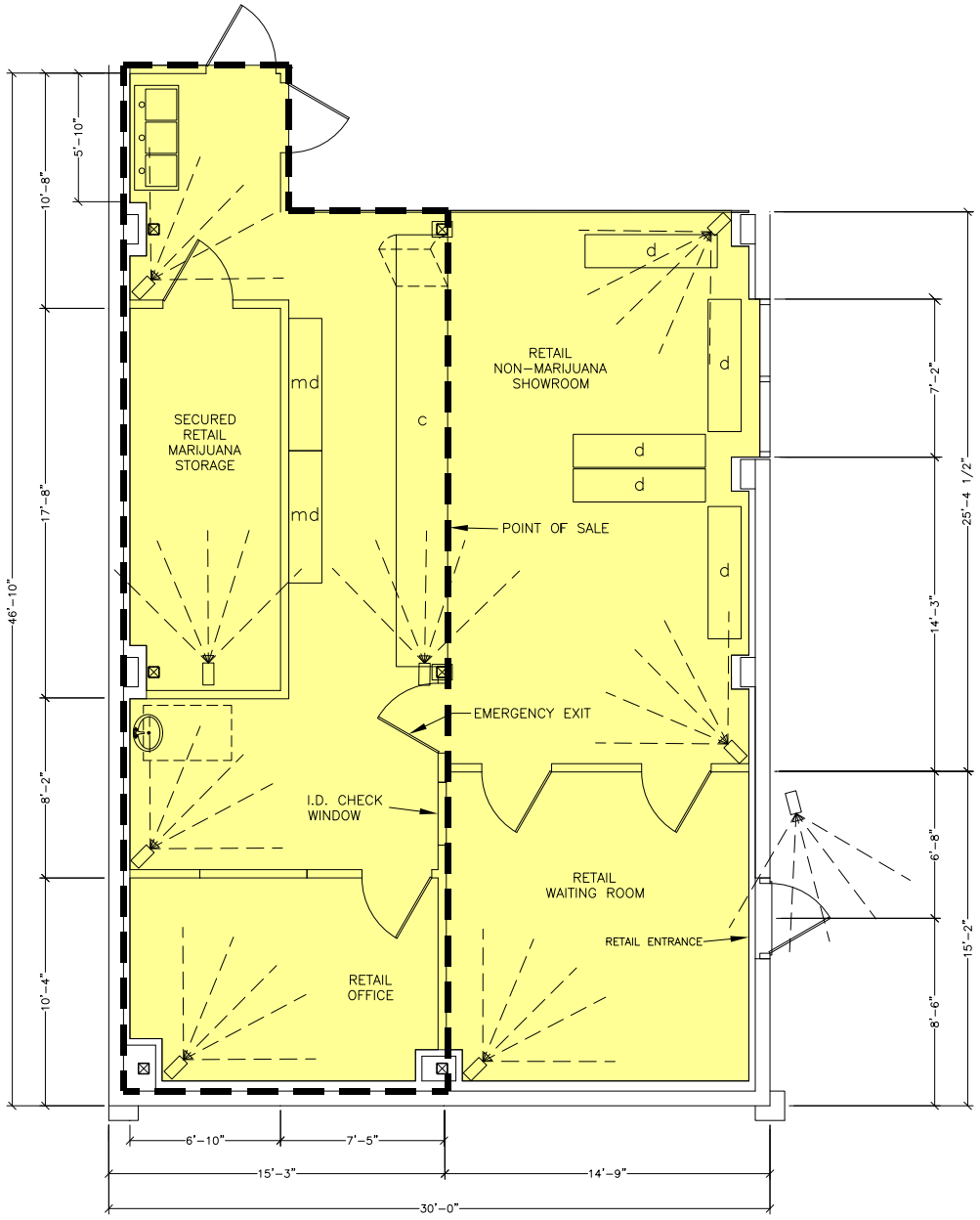
SECRET GARDEN CANNABIS
726 EAST 15TH AVENUE
MCB FLOOR 2 LAYOUT

NO.	REVISION	DATE
	REVISION 4	170511

726 E. 15TH AVENUE
ANCHORAGE, AK 99501
61°12'26.9"N
149°52'09.9"W

DRAWN BY: ALF THORNTON
DATE: 170509
FILE NAME:
SCALE: NOT TO SCALE
SHEET: 2/3

AMCO Received 6/15/2020



RETAIL LICENSED PREMISES

RESTRICTED ACCESS AREA

SECURITY CAMERAS

c RETAIL COUNTER

d NON-MARIJUANA DISPLAY CASE

md MARIJUANA DISPLAY CASE

SECRET GARDEN CANNABIS
726 EAST 15TH AVENUE
MCB RETAIL LAYOUT

NO.	REVISION	DATE
	REVISION 4	170511

726 E 15TH AVENUE
ANCHORAGE, AK 99501
61°12'26.9"N
149°52'09.9"W

DRAWN BY: ALF THORNTON
DATE: 170509
FILE NAME:
SCALE: NOT TO SCALE
SHEET: 3/3

AMCO Received 6/15/2020

Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Axion Enterprises, LLC

Entity Type: Limited Liability Company

Entity #: 10047615

Status: Good Standing

AK Formed Date: 12/27/2016

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022

Entity Mailing Address: BOX 1611, GIRDWOOD, AK 99587

Entity Physical Address: 726 E 15TH AVE, ANCHORAGE, AK 99501

Registered Agent

Agent Name: Jana Weltzin

Registered Mailing Address: 901 PHOTO AVE, ANCHORAGE, AK 99503

Registered Physical Address: 901 PHOTO AVE, ANCHORAGE, AK 99503

Officials

☐Show Former

AK Entity #	Name	Titles	Owned
	James M.P. Thornton	Manager, Member	99.00
	James R. Thornton	Manager, Member	1.00

Filed Documents

Date Filed	Type	Filing	Certificate
12/27/2016	Creation Filing	Click to View	Click to View
12/27/2016	Initial Report	Click to View	
4/24/2017	Change of Officials	Click to View	
12/13/2017	Biennial Report	Click to View	
12/20/2017	Entity Address Change	Click to View	
12/31/2018	Change of Officials	Click to View	
6/04/2019	Agent Change	Click to View	
12/19/2019	Biennial Report	Click to View	

COPYRIGHT © STATE OF ALASKA · DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT ·

Alaska Entity #10047615

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

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Axion Enterprises, LLC

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **December 27, 2016**.

Chris Hladick
Commissioner

AMCO Received 6/15/2020

AK Entity #: 10047615
Date Filed: 12/19/2019
State of Alaska, DCCED

FOR DIVISION USE ONLY

THE STATE of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: corporations.alaska.gov

Domestic Limited Liability Company

2020 Biennial Report

For the period ending December 31, 2019

Web-12/19/2019 12:07:44 PM

Due Date: This report along with its fees are due by January 2, 2020

Fees: If postmarked before February 2, 2020, the fee is $100.00.
If postmarked on or after February 2, 2020 then this report is delinquent and the fee is $137.50.

Entity Name: Axion Enterprises, LLC
Entity Number: 10047615
Home Country: UNITED STATES
Home State/Prov.: ALASKA
Physical Address: 726 E 15TH AVE, ANCHORAGE, AK 99501
Mailing Address: BOX 1611, GIRDWOOD, AK 99587

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: Jana Weltzin
Physical Address: 901 PHOTO AVE, ANCHORAGE, AK 99503
Mailing Address: 901 PHOTO AVE, ANCHORAGE, AK 99503

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- **Provide all officials and required information. Use only the titles provided.**
- **Mandatory Members:** this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- **Manager:** If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Manager	Member
James M.P. Thornton	BOX 1611, GIRDWOOD, AK 99587	99.00	X	X
James R. Thornton	6020 MAXIMILIAN DR, ANCHORAGE, AK 99507	1.00	X	X

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

Purpose: Purpose is to be licensed cultivator and processor of crops and any other lawful purpose.

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you

AMCO Received 6/15/2020

AMENDED AND RESTATED OPERATING AGREEMENT
OF
AXION ENTERPRISES, LLC

This Amended and Restated Operating Agreement ("**Agreement**") is dated effective August 1, 2018 and replaces in its entirety any previous Operating Agreement(s), among Axion Enterprises, LLC, an Alaska limited liability company (the "**Company**"), and the interest holders of the Company set forth on Schedule 2.1.

SECTION 1 DEFINITIONS

Unless defined elsewhere in this Agreement, capitalized terms used in this Agreement will have the meanings ascribed to them in the attached Appendix A.

SECTION 2 COMPANY

2.1 Company Information. Schedule 2.1 sets forth the following Company information:

(a) the name of each Interest Holder, and whether the Interest Holder is a Member or an Assignee;

(b) the number of Units owned by each Interest Holder;

(c) each Interest Holder's contribution to the Company, together with the date and value of the contribution;

(d) the value of each Interest Holder's Capital Account;

(e) the name of each Manager;

(f) the tax matters member of the Company; and

(g) the address of the Company and each Interest Holder.

2.2 Amendment. The Company will promptly amend and restate Schedule 2.1 to account for any changes in the information set forth on Schedule 2.1 resulting from matters that occur in accordance with the Act, the Articles of Organization, and this Agreement. Upon an amendment, the Company will promptly deliver to each Member a copy of the amended and restated Schedule 2.1.

2.3 Approval of Acts of Organizer. The Company and the Members approve, ratify, and confirm all acts previously taken by the organizer of the Company in connection with filing the Articles of Organization.

SECTION 3 PURPOSES AND POWERS

3.1 Purposes. The Company may operate retail, cultivation and manufacturing horticultural businesses, and other related businesses, all in accordance with the laws of the State of Alaska and Municipality of Anchorage. The Company will not conduct or promote any other business.

Received by AMCO 9/15/2020

3.2 **General Powers.** Subject to the Act, the Company may have and exercise all powers and do every act not inconsistent with law which is necessary or convenient to promote and effect any and all of the purposes for which the Company is organized.

SECTION 4 MANAGEMENT AND MANAGEMENT RIGHTS OF MEMBERS

4.1 **Management.** The Company is a manager-managed limited liability company.

4.2 **Rights of Managers.** Except as otherwise provided in this Agreement, any matter relating to the business of the Company will be exclusively decided by a Majority of Managers.

4.3 **Designation and Removal.** A Manager:

(a) must be designated, appointed, elected, removed, or replaced by a vote, approval, or consent of a Majority of Units; and

(b) holds office until a successor has been elected and qualified, unless the Manager sooner resigns or is removed.

4.4 **Matters Requiring Consent of All Members.** The following matters of the Company require the consent of all of the Members:

(a) the amendment of the Articles of Organization, except that the Company may file articles of merger or articles of conversion to effectuate a merger or conversion of the Company approved by the Members;

(b) the amendment of this Agreement, except that the Company may amend Schedule 2.1 in accordance with Section 2.2 without the consent of the Members; and

(c) the compromise, as among the Interest Holders, of an obligation to make a contribution under Section 5.2(b) or to return money or other property paid or Distributed in violation of any provision of the Act.

4.5 **Matters Requiring Consent of a Majority of Units.** The following matters of the Company require the consent of a Majority of Units:

(a) the sale, lease, exchange, mortgage, pledge, or transfer or disposition of any real property, or of all, or substantially all, of the Company's property;

(b) the merger of the Company with any other entity;

(c) subject to Section 4.17(g), a transaction involving an actual or a potential conflict of interest between a Member or Manager and the Company;

(d) a change in the nature of the Company's business;

(e) the admission of an Assignee as a Member under Section 11.1;

(f) the consent to dissolve the Company under Section 13.1(b); and

(g) any other matter specified in the Articles of Organization or this Agreement as requiring Member approval if no number or percentage of Members is otherwise stated.

Received by AMCO 9/15/2020

4.6 Meeting of Members.

(a) The Company will hold a meeting of Members:

(1) on call of the Managers; or

(2) if the holders of at least 10% of the Units sign, date, and deliver to the Company one or more written demands for the meeting.

(b) A Members' meeting may be held in or out of the State of Alaska at the Company's principal office or at any other place fixed by the Managers. The Managers may determine that a Members' meeting will occur solely by means of remote communication.

4.7 Action by Members Without a Meeting.

(a) Action required or permitted to be taken by the Members may be taken without a meeting if the action is taken by all the Members.

(b) The action taken under this Section 4.7 must be evidenced by one or more written consents describing the action taken, signed by all the Members, and delivered to the Company for inclusion in the minutes or filing with the Company records.

(c) Action taken under Section 4.7(a) is effective when the last Member signs the consent, unless the consent specifies an earlier or later effective date.

(d) A consent signed under this Section 4.7 has the effect of a meeting vote and may be described as such in any document.

4.8 Notice of Members' Meeting.

(a) The Company must notify Members of the date, time and place of each Members' meeting not earlier than 60 days nor less than 10 days before the meeting date.

(b) Notice of a meeting need not include a description of the purpose or purposes for which the meeting is called.

(c) If a Members' meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment.

4.9 Waiver of Notice of Members' Meeting.

(a) A Member may at any time waive any notice required by this Agreement. The waiver must be in writing, be signed by the Member entitled to the notice and be delivered to the Company for inclusion in the minutes for filing with the Company records.

(b) A Member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

Received by AMCO 9/15/2020

4.10 Participation at Members' Meeting.

(a) Members and proxy holders that are not physically present for a Members' meeting may participate in the meeting, be deemed present in person and vote if the Managers authorize participation by remote communication. Participation by remote communication is subject to guidelines and procedures that the Managers adopt. The Company must maintain a record of the vote or other action of a Member or proxy holder that participates in a Members' meeting by remote communication.

(b) The notice of each meeting of Members at which the Managers authorize participation in the manner described in Section 4.10(a) must state that the Managers authorize participation by remote communication and must describe how a Member may notify the Company of the Member's desire to participate in the meeting by remote communication.

4.11 Meeting of Managers. The Managers may hold regular or special meetings in or out of the State of Alaska. The Managers may permit any or all Managers to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which all Managers participating may simultaneously hear each other during the meeting. A Manager participating in a meeting by this means is deemed to be present in person at the meeting.

4.12 Action by Managers Without a Meeting. Action required or permitted to be taken by the Managers may be taken without a meeting if the action is taken by all Managers.

4.13 Notice of Managers' Meeting. Regular meetings of the Managers may be held without notice of the date, time, place or purpose of the meeting. Special meetings of the Managers must be preceded by at least two days' notice of the date, time and place of the meeting. The notice need not describe the purpose of the special meeting.

4.14 Waiver of Notice of Managers' Meeting. A Manager may at any time waive any notice required by this Agreement. A Manager's attendance at or participation in a meeting waives any required notice to the Manager of the meeting unless the Manager at the beginning of the meeting, or promptly upon the Manager's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

4.15 Proxy. A Member or Manager may appoint a proxy to vote or otherwise act for the Member or Manager by signing an appointment instrument, either personally or by the Member's or Manager's attorney-in-fact.

4.16 Agency Power. Each Manager is an agent of the Company for the purpose of its business. Subject to Section 4.4 and Section 4.5, any Manager may sign and deliver any instrument in the Company's name, including but not limited to any instrument transferring or affecting the Company's interest in real property.

4.17 Duties and Standard of Conduct.

(a) The only fiduciary duties a Manager owes to the Company and the Members are the duty of loyalty and the duty of care set forth in Section 4.17(b) and Section 4.17(d).

(b) A Manager's duty of loyalty to the Company and the Members includes the following:

Received by AMCO 9/15/2020

(1) to account to the Company and hold for it any property, profit or benefit derived by the Manager in the conduct and winding up of the Company's business or derived from a use by the Manager of Company property; and

(2) except as provided in Section 4.17(f) and Section 4.17(g), to refrain from dealing with the Company in a manner adverse to the Company and to refrain from representing a person with an interest adverse to the Company, in the conduct or winding up of the Company's business.

(c) A Manager will not violate the Manager's duty of loyalty to the Company and the Members by:

(1) competing with the Company in the conduct of the business of the Company before the dissolution of the Company; or

(2) entering into or engaging in, for the Manager's own account, an investment, business, transaction or activity that is similar to the investments, businesses, transactions or activities of the Company.

(d) A Manager's duty of care to the Company and the Members in the conduct and winding up of the business of the Company is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct or a knowing violation of law.

(e) A Manager will discharge the duties to the Company and the Members under the Act or under this Agreement and exercise any rights consistent with the obligation of good faith and fair dealing.

(f) A Manager does not violate a duty or obligation under the Act or under this Agreement merely because the Manager's conduct furthers the Manager's own interest.

(g) A Manager may lend money to or transact other business with the Company, provided that any loan or transaction between the Manager and the Company must be authorized or ratified by a Majority of Units after full disclosure of all material facts.

(h) Loans and other transactions between the Company and a Manager are binding on the parties in the same manner as transactions between the Company and persons who are not Managers, subject to other applicable law.

(i) A Member who is not also a Manager owes no duties to the Company or the other Members solely by reason of being a Member.

4.18 Limitation of Liability and Indemnification.

(a) Except as otherwise provided in Section 4.18(b), the Company will:

(1) indemnify any person for acts or omissions as a Member or Manager; and

(2) eliminate the liability of a Member or Manager to the Company or the Members for damages from such acts or omissions.

Received by AMCO 9/15/2020

(b) The Company may not indemnify a person for acts or omissions as a Member or Manager or eliminate the liability of a Member or Manager for:

(1) any breach of this Agreement;

(2) any breach of the Manager's duty of loyalty to the Company or the Members;

(3) acts or omissions not in good faith which involve intentional misconduct or a knowing violation of law;

(4) any unlawful Distribution under AS 10.50.320; or

(5) any transaction from which the Member or Manager derives an improper personal benefit.

4.19 **Liability of Members and Managers.** The debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, are solely the debts, obligations, and liabilities of the Company. A Member or Manager is not personally liable for a debt, obligation, or liability of the Company solely by reason of being or acting as a Member or Manager.

SECTION 5 CONTRIBUTIONS

5.1 **Contributions.** The contributions of a Member to the Company may consist of cash, property, services rendered, or a promissory note or other obligation to contribute cash or to perform services.

5.2 **Liability for Contributions.**

(a) A promise by a Member to contribute to the Company is not enforceable unless it is set out in writing and signed by the Member.

(b) The obligation of an Interest Holder to make a contribution may be compromised only by consent of all Members.

5.3 **Initial Contributions.** Each Member will, on or before the date of the Member's contribution set forth on Schedule 2.1:

(a) contribute to the Company the contribution of the Member set forth on Schedule 2.1; and

(b) deliver to the Company such deeds, bills of sale, certificates of title, assignments, and other documents that the Company may reasonably request for the contribution, in form and substance reasonably satisfactory to the Company.

5.4 **Additional Contributions.** No Interest Holder is required to make any additional contributions to the Company.

5.5 **No Interest on Contributions.** Except as otherwise provided in this Agreement, no Interest Holder will be paid any interest on any contribution.

Received by AMCO 9/15/2020

5.6 **Return of Contributions**. Except as otherwise provided in this Agreement, no Interest Holder will have the right to receive any return of any contribution.

SECTION 6 CAPITAL ACCOUNTS

6.1 **Maintenance of Capital Accounts**. The Capital Accounts of the Interest Holders will be determined and maintained throughout the full term of the Company in accordance with the capital accounting rules of Treas Reg § 1.704-1(b)(2)(iv).

6.2 **Basic Rules**. Except as otherwise provided in Treas Reg § 1.704-1(b)(2)(iv), each Interest Holder's Capital Account will be:

(a) increased by:

(1) the amount of money contributed by the Interest Holder to the Company;

(2) the fair market value of property contributed by the Interest Holder to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under IRC § 752); and

(3) allocations to the Interest Holder of Profit, including income and gain exempt from tax and income and gain described in Treas Reg § 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas Reg § 1.704-1(b)(4)(i);

(b) decreased by:

(1) the amount of money Distributed to the Interest Holder by the Company;

(2) the fair market value of property Distributed to the Interest Holder by the Company (net of liabilities secured by such Distributed property that such Interest Holder is considered to assume or take subject to under IRC § 752);

(3) allocations to the Interest Holder of expenditures of the Company described in IRC § 705(a)(2)(B); and

(4) allocations of Loss, including loss and deduction described in Treas Reg § 1.704-1(b)(2)(iv)(g), but excluding items described in Section 6.2(b)(3) and loss or deduction described in Treas Reg § 1.704-1(b)(4)(i) or Treas Reg § 1.704-1(b)(4)(iii); and

(c) otherwise adjusted in accordance with the additional rules set forth in Treas Reg § 1.704-1(b)(2)(iv).

6.3 **Section 704(c) Considerations**. In cases where IRC § 704(c) and Treas Reg § 1.704-3 apply to Company property, the Interest Holders' Capital Accounts will be adjusted in accordance with Treas Reg § 1.704-1(b)(2)(iv)(g) for allocations to them of income, gain, loss, and deduction – including depreciation, depletion, amortization, or other cost recovery – as computed for book purposes, with respect to the property.

Received by AMCO 9/15/2020

6.4 Revaluations of Property.

(a) Subject to Section 6.4(b), the Capital Accounts of the Interest Holders will be increased or decreased to reflect a revaluation of Company property on the Company's books upon the occurrence of any of the following events:

(1) a contribution of money or other property – other than a de minimis amount – to the Company by a new or existing Member as consideration for Units;

(2) a Distribution of Company property – other than a de minimis amount – by the Company to an Interest Holder as consideration for Units; or

(3) the liquidation of the Company.

(b) Adjustments to Capital Accounts under this Section 6.4 may be made only if:

(1) the adjustments are based on the fair market value of Company property – taking IRC § 7701(g) into account – on the date of adjustment;

(2) the adjustments reflect the manner in which the unrealized income, gain, loss, or deduction inherent in such property – that has not been reflected in the Capital Accounts previously – would be allocated among the Interest Holders if there were a taxable disposition of such property for such fair market value on that date;

(3) the Interest Holders' Capital Accounts are adjusted in accordance with Treas Reg § 1.704-1(b)(2)(iv)(g) for allocations to them of depreciation, depletion, amortization, and gain or loss, as computed for book purposes, with respect to such property; and

(4) the Interest Holders' distributive shares of depreciation, depletion, amortization, and gain or loss, as computed for tax purposes, with respect to such property will be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under IRC § 704(c) and Treas Reg § 1.704-1(b)(4)(i).

6.5 Transfers of Units. Upon a sale, exchange, gift, or other transfer of Units by an Interest Holder, the Capital Account of the Interest Holder that is attributable to the Units will carry over to the transferee.

6.6 Section 754 Elections. Upon adjustment to the adjusted tax basis of Company property under IRC § 732, IRC § 734, or IRC § 743, the Capital Accounts of the Interest Holders will be adjusted as provided in Treas Reg § 1.704-1(b)(2)(iv)(m).

6.7 Negative Capital Account Balances. No Interest Holder will be obligated to restore a negative Capital Account balance.

SECTION 7 ALLOCATION OF PROFITS AND LOSSES

7.1 Allocation of Profits and Losses.

Received by AMCO 9/15/2020

(a) After giving effect to the allocation provisions set forth on Schedule 7.1, Profits and Losses will be allocated among the Interest Holders in proportion to their Units.

7.2 **Transfer of Units**. If an Interest Holder sells, exchanges, or liquidates some or all of the Interest Holder's Units, then to the extent permitted by IRC § 706, Profits and Losses will be allocated between the former Interest Holder and the Interest Holder's successor-in-interest as follows:

(a) the Company taxable year with respect to the Units will close on the date of such sale, exchange, or liquidation;

(b) the former Interest Holder will be allocated the amount of the Profits and Losses attributable to the Units for the Company taxable year ending with the date of such sale, exchange, or liquidation; and

(c) the Interest Holder's successor-in-interest will be allocated the amount of the Profits and Losses attributable to the Units after the date of such sale, exchange, or liquidation.

7.3 **Distributions In Kind**. The Profits or Losses attributable to any asset in kind that is Distributed to one or more Interest Holders:

(a) will be determined as if the asset had been sold at its fair market value before the dissolution and winding up of the Company; and

(b) will be allocated as provided in Section 7.1.

SECTION 8 DISTRIBUTIONS

8.1 **Allocation of Interim Distributions**. Distributions of cash or other assets of the Company before the dissolution and winding up of the Company will be allocated among the Interest Holders as follows:

(a) first, in proportion to their Units, until each Interest Holder has received the amount due and owing to the Interest Holder under Section 8.2(a);

(b) next, in proportion to their Unreturned Capital Contributions, until each Interest Holder has received Distributions in an amount equal to the Interest Holder's Unreturned Capital Contribution; and

(c) next, in proportion to their Units.

8.2 **Right to Interim Distributions**. Except as provided in AS 10.50.185 or AS 10.50.320, and subject to Section 8.1, an Interest Holder is entitled to receive Distributions from the Company before the dissolution and winding up of the Company as follows:

(a) on or before March 31 of each calendar year, the Income Tax Distributions for the previous calendar year; and

(b) to the extent and at such other times as a Majority of Managers may determine.

Received by AMCO 9/15/2020

8.3 Distribution In Kind.

(a) No Interest Holder, regardless of the nature of the Interest Holder's contribution, has any right to demand and receive any Distribution from the Company in any form other than cash.

(b) No Interest Holder may be compelled to accept a Distribution of any asset in kind from the Company to the extent that the percentage of the asset Distributed to the Interest Holder exceeds a percentage of that asset that is equal to the percentage in which the Interest Holder shares in operating or liquidating Distributions, as the case may be, from the Company.

(c) The value of any asset in kind that is Distributed will be the fair market value of the asset as of the date of Distribution.

(d) If an asset in kind is Distributed to more than one Interest Holder, the Interest Holders will own the asset as tenants in common.

8.4 Limitations on Distribution.

(a) A Distribution may be made by the Company to any Interest Holder only if, after giving effect to the Distribution, in the judgment of the Managers:

(1) the Company would be able to pay its debts as they become due in the ordinary course of business; and

(2) the fair value of the total assets of the Company would at least equal the sum of:

(A) its total liabilities; plus

(B) the amount that would be needed, if the Company were to be dissolved at the time of the Distribution, to satisfy the preferential rights upon dissolution, if any, of other Interest Holders that are superior to the rights of the Interest Holders receiving the Distribution.

(b) The Managers may base a determination that a Distribution is not prohibited under Section 8.4(a) either on:

(1) financial statements that the Managers reasonably believe have been prepared on the basis of accounting practices and principles that are reasonable in the circumstances; or

(2) a fair valuation or other method that the Managers reasonably believe is reasonable in the circumstances.

(c) For purposes of this Section 8.4, the amount, if any, by which a liability as to which the recourse of creditors is limited to specific property of the Company exceeds the fair value of the specific property will be disregarded as a liability of the Company.

(d) The effect of a Distribution under Section 8.4(a) is measured for purposes of this Section 8.4:

Received by AMCO 9/15/2020

(1) in the case of a Distribution by purchase, retirement, or other acquisition of all or a portion of an Interest Holder's Units, as of the earlier of the date the money or other property is transferred or debt incurred by the Company or the date the Interest Holder ceases to be an Interest Holder with respect to the Units purchased, retired, or otherwise acquired;

(2) in the case of any other Distribution of indebtedness, as of the date the indebtedness is Distributed; and

(3) in all other cases, as of the date a Distribution is authorized if the payment occurs within 120 days after the date of authorization or the date the payment is made if it occurs more than 120 days after the date of authorization.

SECTION 9 WITHDRAWAL

9.1 Withdrawal. A Member has no power to withdraw voluntarily from the Company.

9.2 Expulsion. A Member may not be expelled from the Company.

SECTION 10 CESSATION OF MEMBERSHIP

10.1 Cessation of Membership. A Member will cease to be a Member in the Company only upon the occurrence of a Call Option Triggering Event with respect to the Member.

10.2 Effect of Cessation.

(a) Except as otherwise provided in Section 10.2(b), following the cessation of membership:

(1) the holder of the former Member's Units will be an Assignee with respect to the Units;

(2) except as otherwise provided in AS 10.50.305 or AS 10.50.320, until the Assignee becomes a Member, the Assignee has no liability, duty, or obligation as a Member solely as a result of the cessation; and

(3) the former Member is not released from liability as a Member accruing or arising prior to the cessation solely as a result of the cessation, and is not relieved of any fiduciary duties the former Member otherwise may continue to owe the Company or the other Members.

(b) If the Member who ceases to be a Member is the only Member of the Company, the holder of the former Member's Units will become a Member simultaneously with and upon the cessation of membership.

SECTION 11 ASSIGNEES

11.1 Admission of Assignee as Member. An Assignee may become a Member upon the consent of a Majority of Units.

11.2 Rights of Assignee Who Becomes Member.

Received by AMCO 9/15/2020

(a) An Assignee who becomes a Member has the rights and powers, and is subject to the restrictions and liabilities, of a Member under the Act, the Articles of Organization, and this Agreement. An Assignee who becomes a Member also is liable for any obligations of the former holder of the Assignee's Units to make contributions under AS 10.50.280.

(b) Whether or not an Assignee becomes a Member, the former holder of the Assignee's Units is not released from the former holder's liability to the Company to make contributions under AS 10.50.280.

SECTION 12 ISSUANCE OF UNITS

12.1 Issuance of Units. The Company may issue Units, options, or other rights to acquire Units to a person after the date of this Agreement, and admit the person as a Member with respect to issued Units, upon the consent of Majority of Managers:

(a) if the person is a party to this Agreement;

(b) if the person becomes a party to this Agreement by signing a Joinder Agreement; or

(c) with respect to options or other rights to acquire Units, if the exercise of the option or other right is contingent upon the person becoming a party to this Agreement by signing a Joinder Agreement.

12.2 Consent. Each party to this Agreement consents to a person that is issued Units, options, or other rights to acquire Units by the Company becoming a party to this Agreement if the person signs a Joinder Agreement.

SECTION 13 DISSOLUTION

13.1 Dissolution. The Company will be dissolved and its affairs will be wound up upon the first to occur of the following:

(a) upon reaching the time for dissolution, if any, specified in the Articles of Organization;

(b) by the consent of a Majority of Units;

(c) intentionally left blank;

(d) at such time as the Company has no Members;

(e) upon administrative dissolution by the Secretary of State under AS 10.50.408, but only after the two-year period for reinstatement in AS 10.50.408 expires; and

(f) upon entry of a judgment of judicial dissolution under AS 10.50.405 or AS 10.50.408.

13.2 Distribution of Assets Upon Dissolution. Upon the winding up of the Company, the assets of the Company will be Distributed and applied in the following priority:

(a) to the extent permitted by law, to creditors, including Interest Holders and former Interest Holders who are creditors, in satisfaction of liabilities of the Company other than liabilities for Distributions to Interest Holders under Section 8.2;

Received by AMCO 9/15/2020

(b) to Interest Holders and former Interest Holders in satisfaction of the Company's obligations for Distributions due and owing under Section 8.2; and

(c) after giving effect to the allocation provisions under Section 7.1, to each Interest Holder in an amount equal to the Interest Holder's positive Capital Account balance.

13.3 Effect of Dissolution; Winding Up.

(a) Upon dissolution, the Company continues its existence, but may not carry on any business except that which is appropriate to wind up and liquidate its business and affairs, including:

(1) collecting the Company's assets;

(2) disposing of the Company's properties that will not be Distributed in kind to the Interest Holders;

(3) discharging or making provision for discharging the Company's liabilities;

(4) Distributing the Company's remaining property among the Interest Holders in accordance with Section 13.2;

(5) adopting a plan of merger; and

(6) doing other acts necessary to wind up and liquidate the Company's business and affairs.

(b) The Managers may wind up the Company's affairs.

SECTION 14 ACCOUNTING, TAXES, REGULATION AND BANKING

14.1 Books of Account. The Company will keep complete and accurate books of account and records in a manner sufficient to effect and carry out this Agreement. The books of account and records will be kept in accordance with sound accounting practices consistently applied.

14.2 Taxable Year. The Company will have a taxable year ending on December 31.

14.3 Bank Accounts. All Company funds will be deposited in one or more bank accounts in the Company's name. The Managers will determine the banks, the types of accounts, and the individuals who have authority with respect to the accounts. Company funds will not be commingled with the funds of any Member(s) or Manager(s). Notwithstanding the above, if Managers are not able to obtain bank accounts for deposit of Company funds, Managers will hold Company funds in a secure vault, safe or other method of safe keeping.

14.4 Tax and Regulatory Returns and Reports. The Company will cause to be prepared and submitted in a timely fashion all federal, state, and local income and other tax returns and regulatory reports for the Company. Within 90 days after the end of a taxable year, the Company will deliver to each Interest Holder:

(a) any financial statements of the Company for the taxable year;

Received by AMCO 9/15/2020

(b) a statement showing the share of Company income, gain, loss, credit, and deduction for income tax purposes allocated to each Interest Holder for the taxable year; and

(c) any other information concerning the Company that the Interest Holder may require to complete the Interest Holder's federal, state, and local income tax returns.

14.5 Reporting. Each Interest Holder will report the Interest Holder's share of Company income, gain, loss, credit, and deduction for income tax purposes in a manner consistent with this Agreement.

14.6 Tax Matters Member. The Company will have a tax matters member who will have all of the powers and obligations of a "tax matters partner" under IRC § 6231(a)(7). The tax matters member must be a Member, and must be designated or replaced by the Managers.

14.7 Tax Elections. The Managers may make all of the Company's tax elections permitted under the Internal Revenue Code, including but not limited to elections under IRC § 754.

SECTION 15 RECORDS AND REPORTS

15.1 Company Records.

(a) The Company will keep at its principal office or registered office the following:

(1) a current list of the full name and last-known business, residence, or mailing address of each Interest Holder and Manager, both past and present;

(2) a copy of the Articles of Organization and all amendments to the Articles of Organization, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(3) copies of the Company's federal, state and local income and other tax returns and regulatory reports, if any, for the three most recent years, or as otherwise required by law or regulation; and

(4) a copy of this Agreement and all amendments to this Agreement, copies of any writings permitted or required under the Act, and copies of any financial statements of the Company for the three most recent years.

(b) Any Company records are subject to inspection and copying at the reasonable request, and at the expense, of any Interest Holder during ordinary business hours.

15.2 Scope of Inspection Right.

(a) An Interest Holder's agent or attorney has the same inspection and copying rights as the Interest Holder.

(b) The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means.

(c) The Company may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the Interest Holder. The charge may not exceed the estimated cost of production or reproduction of the records.

Received by AMCO 9/15/2020

(d) The Company may comply with an Interest Holder's demand to inspect the record of Interest Holders by providing the Interest Holder with a list of Interest Holders that was compiled no earlier than the date of the Interest Holder's demand.

15.3 **Certain Expense Reports to Interest Holders.** If the Company indemnifies or advances expenses to a Member or Manager in connection with a proceeding by or in the right of the Company, the Company will report the indemnification or advance in writing to the Interest Holders.

SECTION 16 RESTRICTIONS ON TRANSFER

16.1 **Restriction.** No Transfer of Units may be made unless the Transfer is expressly permitted or required by this Agreement.

16.2 **Securities Laws.** No offer or Transfer of Units may be made unless pursuant to an effective registration statement filed under the Securities Act of 1933 and applicable state securities laws, or unless the Company receives an opinion of counsel, in form and from counsel satisfactory to the Company, that the offer or Transfer is exempt from the registration requirements of the Securities Act of 1933 and applicable state securities laws.

16.3 **Transferees.**

(a) No Transfer of Units may be made unless the transferee is a party to this Agreement, or becomes a party to this Agreement by signing a Joinder Agreement.

(b) If a Transfer of Units expressly permitted or required by this Agreement is made to a person other than the Company:

(1) the transferee will be an Assignee with respect to the Units if:

(A) neither the transferee nor the transferor was a Member immediately before the Transfer occurred; or

(B) the Transfer causes a cessation of membership under Section 10.1, and Section 10.2(b) does not apply; and

(2) the transferee will be a Member with respect to the Units in all other cases.

16.4 **Consent.** Each party to this Agreement consents to a permitted transferee becoming a party to this Agreement if the permitted transferee signs a Joinder Agreement.

16.5 **Prohibited Transfers.** Any Transfer of Units that is not expressly permitted or required by this Agreement will be null and void and have no force or effect unless the Company is required by applicable law to recognize the Transfer or unless the Company and all of the Members elect to recognize the Transfer.

16.6 **Indemnification.** Each Interest Holder will defend and indemnify the Company and each present and future member, assignee, manager, officer, employee, and representative of the Company for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney's fees, resulting from or arising out of any Transfer of Units by the Interest Holder that is not expressly permitted or required by this Agreement.

Received by AMCO 9/15/2020

SECTION 17 PERMITTED TRANSFERS

An Interest Holder may Transfer Units as follows, subject to the terms and conditions set forth in Section 16:

17.1 **Prior Consent.** An Interest Holder may Transfer Units with the prior written consent of all of the other Members, which the Members may withhold in their sole discretion.

17.2 **Merger or Conversion.** An Interest Holder may Transfer Units in accordance with a plan of merger or plan of conversion approved by the Company.

17.3 **Death.** Subject to Section 18, an Interest Holder may Transfer Units by devise, intestate succession, or operation of law upon the Interest Holder's death.

SECTION 18 CALL OPTION TRIGGERING EVENTS

18.1 **Call Option Triggering Events.** Each of the following is a Call Option Triggering Event:

(a) the death of an Interest Holder;

(b) the incompetency of an Interest Holder, if an entry of a judgment by a court of competent jurisdiction adjudicates the Interest Holder incompetent to manage the Interest Holder's person or estate;

(c) the Bankruptcy of an Interest Holder;

(d) an Interest Holder materially breaches this Agreement and fails to cure the breach within 30 days after the Company or any other Interest Holder notifies the Interest Holder of the breach; and

(e) an Interest Holder's Transfer of Units, unless the Transfer is expressly permitted or required by this Agreement.

(f) An Interest Holder becomes ineligible to be a marijuana establishment licensee, or becomes ineligible to hold a valid and current marijuana handler permit under the laws and regulations of the State of Alaska or under the Code of the Municipality of Anchorage.

18.2 **Notice.**

(a) If the Company obtains actual knowledge that a Call Option Triggering Event has occurred with respect to an Interest Holder, the Company will promptly give each Interest Holder a notice stating that the Call Option Triggering Event has occurred.

(b) If an Interest Holder obtains actual knowledge that a Call Option Triggering Event has occurred with respect to any Interest Holder, and if the Interest Holder knows or should know that the Company has not obtained such knowledge, the Interest Holder will promptly give the Company a notice stating that the Call Option Triggering Event has occurred.

18.3 **Company's Option to Buy.**

Received by AMCO 9/15/2020

(a) For 120 days after the delivery of the notice specified in Section 18.2(a), and subject to Section 18.3(b) and Section 18.3(c), the Company will have the option to buy some or all of the Call Option Units owned by the Interest Holder to whom the Call Option Triggering Event occurred, at the price determined in accordance with Section 19 and on the terms and conditions set forth in Section 20.

(b) If a Call Option Event occurs to James M. Thornton, and if James R. Thornton is a Member, then James R. Thornton may cause the Company to assign the option in Section 18.3(a) to James R. Thornton, with respect to some or all of the Call Option Units.

(c) If a Call Option Event occurs to James R. Thornton, and if James M. Thornton is a Member, then James M. Thornton may cause the Company to assign some or all of the option in Section 18.3(a) to James M. Thornton, with respect to some or all of the Call Option Units.

(d) The Company (or a permitted assignee under this Section 18.3) may exercise the option by delivering to the Interest Holder a notice stating that the option is exercised and specifying the number of Call Option Units for which the option is exercised.

(e) If the Company (or a permitted assignee under this Section 18.3) does not exercise the option with respect to all of the Call Option Units owned by the Interest Holder within the 120-day period after the delivery of the notice specified in Section 18.2(a), the Company will promptly give the other Members a notice stating that fact and the number of Call Option Units for which the option was and was not exercised.

18.4 Other Members' Option to Buy.

(a) For 60 days after the delivery of the notice specified in Section 18.3(e), each other Member will have the option to buy some or all of the Call Option Units owned by the Interest Holder for which the option was not exercised by the Company (or a permitted assignee under this Section 18.3), at the price determined in accordance with Section 19 and on the terms and conditions set forth in Section 20.

(b) An other Member may exercise the option by delivering to the Company and the Interest Holder to whom the Call Option Triggering Event occurred a notice stating that the option is exercised and specifying the number of Call Option Units for which the option is exercised.

18.5 Sale to the Company and the other Members. If one or more of the options under Section 18.3 or Section 18.4 are exercised with respect to some or all of the Call Option Units owned by the Interest Holder:

(a) the Company (or a permitted assignee under this Section 18.3) will buy from the Interest Holder – and the Interest Holder will sell to the Company (or the permitted assignee) – the number of Call Option Units for which the option was exercised by the Company (or the permitted assignee), subject to the terms and conditions of this Agreement;

(b) each other Member who exercised an option will buy from the Interest Holder – and the Interest Holder will sell to each other Member who exercised an option – the

Received by AMCO 9/15/2020

number of Call Option Units for which the option was exercised by the other Member, subject to the terms and conditions of this Agreement;

(c) if more than one other Member exercised an option under Section 18.4, and if the aggregate number of Call Option Units specified in the other Members' notices in Section 18.4(b) exceeds the aggregate number of Call Option Units available to be bought by the other Members, then:

(1) each other Member who exercised an option will have the right to buy the number of Call Option Units equal to the lesser of:

(A) the number of Call Option Units specified in the other Member's notice in Section 18.4(b); and

(B) such proportion of the aggregate number of Call Option Units available to be bought by the other Members as the number of Units owned by the other Member bears to the number of Units owned by all other Members who exercised the option; and

(2) if the aggregate number of Call Option Units specified in the other Members' notices in Section 18.4(b) exceeds the aggregate number of Call Option Units that the other Members have a right to buy under Section 18.5(c)(1), then each other Member who exercised an option to buy more Call Option Units than the other Member's proportion under Section 18.5(c)(1)(B) will have the right to buy such proportion of such excess as:

(A) the number of Call Option Units specified in the other Member's notice in Section 18.4(b) *minus* the number of Call Option Units that the other Member has a right to buy under Section 18.5(c)(1);

bears to

(B) the aggregate number of Call Option Units specified in the other Members' notices in Section 18.4(b) *minus* the number of Call Option Units that the other Members have a right to buy under Section 18.5(c)(1); and

(d) the sale will occur in accordance with Section 21.

18.6 Continued Ownership. If the options under Section 18.3 or Section 18.4 are not exercised with respect to all of the Call Option Units owned by the Interest Holder, the Interest Holder will continue to own the number of the Interest Holder's Call Option Units for which no option was exercised, subject to the terms and conditions of this Agreement.

SECTION 19 PRICE

If the price of any Units is to be determined in accordance with this Section 19, the price will be determined as follows:

19.1 Agreed Value. If the seller and the buyers agree on a price of the Units within 30 days after the determination of the parties buying the Units and the number of Units being bought by each party, the price of the Units will be as agreed.

Received by AMCO 9/15/2020

19.2 **Price Per Unit.** If the seller and the buyers cannot agree on the price of the Units within 30 days after the determination of the parties buying the Units and the number of Units being bought by each party, then the price of the Units will be determined as follows:

(a) the fair market value of the net assets of the Company as of the last day of the calendar month in which the event giving rise to the sale occurred will be determined by appraisal;

(b) the Company, after consulting with its accountant and legal counsel, will determine the amount that the seller would have received if, on the last day of the calendar month in which the event giving rise to the sale occurred:

(1) the liabilities of the Company had been satisfied, and the assets of the Company had been sold for the appraised fair market value of the net assets;

(2) the Capital Accounts of the Interest Holders had been adjusted to reflect the Profits or Losses that would have been allocated to the Interest Holders after satisfying such liabilities and selling such assets; and

(3) the appraised fair market value of the net assets had been distributed to the Interest Holders in accordance with Section 13.2(c);

(c) the price of the Units will be the amount that the seller would have received under Section 19.2(b)(3);

(d) no minority discount or lack of marketability discount will be applied.

19.3 **Appraisal.** If the fair market value of the net assets of the Company is to be determined by appraisal, the fair market value of the net assets of the Company will be determined in accordance with the following provisions:

(a) if the seller and the buyers agree on and retain an appraiser within 30 days after the expiration of the period specified in Section 19.2, the fair market value of the net assets of the Company will be determined by the appraiser;

(b) if the seller and the buyers cannot agree on and retain an appraiser within 30 days after the expiration of the period specified in Section 19.2:

(1) each of the seller and the buyers will retain an appraiser within an additional 30 days;

(2) within an additional 30 days the appraisers will designate a third appraiser and the seller and the buyers will retain the third appraiser; and

(3) the fair market value of the net assets of the Company will be determined by the third appraiser;

(c) within 60 days after the appraiser who is to determine the fair market value of the net assets of the Company is retained, the appraiser will deliver to the seller and the buyers a written and signed document which sets forth the appraiser's determination of the fair market value of the net assets of the Company, together with a discussion of the facts, considerations, and opinions on which the determination is based;

Received by AMCO 9/15/2020

(d) the appraiser's determination of the fair market value of the net assets of the Company will be binding on the seller and the buyers;

(e) each appraiser will be a practicing real estate appraiser;

(f) each of the seller and the buyers may present facts and opinions to the appraisers, and the appraisers will consider all relevant facts and opinions presented by the seller and the buyers;

(g) each of the seller and the buyers will pay all of the fees, costs, and expenses of any appraiser retained solely by them; and

(h) each of the seller and the buyers will pay 50% of the fees, costs, and expenses of any appraiser retained by both of them.

SECTION 20 PAYMENT TERMS

If the terms and conditions of a sale of any Units are to be determined in accordance with this Section 20, the terms and conditions will be determined as follows:

20.1 Agreed Terms. If the seller and the buyers agree on the terms and conditions of the sale of the Units within 30 days after the determination of the parties buying the Units and the number of Units being bought by each party, the terms and conditions of the sale of the Units will be as agreed.

20.2 Payment Terms. If the seller and the buyers cannot agree on the terms and conditions of the sale of the Units within 30 days after the determination of the parties buying the Units and the number of Units being bought by each party, the terms and conditions will be as follows:

(a) 10% of the price of the Units will be paid on the date that the sale occurs;

(b) the balance of the price of the Units, together with interest on the unpaid balance from the date of the sale of the Units, will be paid in 60 equal monthly installments of principal and interest;

(c) the first installment will be due on the first day of the first calendar month after the date of the sale of the Units, and subsequent installments will be due on the same day of each following month;

(d) the buyers will pay interest on the unpaid balance at the greater of:

(1) an annual rate of 2.0%; or

(2) the "applicable Federal rate" under IRC § 1274(d) as of the date of the sale of the Units;

(e) if an Interest Holder is a buyer, the Interest Holder's obligation to pay the balance of the price of the Units will be evidenced by a nonnegotiable promissory note, in form and substance reasonably satisfactory to the seller; and

Received by AMCO 9/15/2020

(f) if the Company is a buyer, the Company's obligation to pay the balance of the price of the Units will be evidenced by a nonnegotiable promissory note, in form and substance reasonably satisfactory to the seller.

SECTION 21 SALE OF UNITS

If the sale of any Units is to occur in accordance with this Section 21, the sale will occur as follows:

21.1 Sale.

(a) The sale will occur at a time and date fixed by the seller and the buyers within 30 days after the final determination of the price of the Units, if the price of the Units is determined in accordance with Section 19.

(b) The sale will take place at the Company's principal office, or at a place fixed by the seller and the buyers.

(c) All sales to all buyers will occur – and will be deemed to have occurred – simultaneously.

21.2 Deliveries.

(a) Each buyer will sign and deliver to the seller:

(1) a certified check in the amount of the portion of the price of the Units that will be paid on the date that the sale occurs;

(2) if the buyer is the Company, a redemption agreement that contains:

(A) a representation and warranty by the Company that the Company can lawfully buy the Units under the Act; and

(B) such other terms and conditions that are customarily included in a redemption agreement, in form and substance reasonably satisfactory to the Company and the seller;

(3) if the buyer is an Interest Holder, a unit purchase agreement that contains:

(A) investment representations and warranties by the buyer to ensure compliance with all applicable securities laws, in form and substance reasonably satisfactory to the seller; and

(B) such other terms and conditions that are customarily included in a unit purchase agreement, in form and substance reasonably satisfactory to the buyer and the seller; and

(4) any promissory note required by Section 20.2(e) or Section 20.2(f).

(b) The seller will deliver to the buyers any certificates representing the Units, together with assignments endorsed to the appropriate buyers, in form and substance reasonably satisfactory to the buyers.

Received by AMCO 9/15/2020

(c) The seller will sign and deliver to each buyer:

(1) if the buyer is the Company, a redemption agreement that contains:

(A) representations and warranties by the seller that the seller is the sole owner of the Units and that the Units are free from any encumbrance, including but not limited to any security interest or lien;

(B) investment representations and warranties by the seller to ensure compliance with all applicable securities laws, in form and substance reasonably satisfactory to the Company; and

(C) such other terms and conditions that are customarily included in a redemption agreement, in form and substance reasonably satisfactory to the Company and the seller; and

(2) if the buyer is an Interest Holder, a unit purchase agreement that contains:

(A) representations and warranties by the seller that the seller is the sole owner of the Units and that the Units are free from any encumbrance, including but not limited to any security interest or lien;

(B) investment representations and warranties by the seller to ensure compliance with all applicable securities laws, in form and substance reasonably satisfactory to the buyer; and

(C) such other terms and conditions that are customarily included in a unit purchase agreement, in form and substance reasonably satisfactory to the buyer and the seller.

(d) The seller, the buyers, and the Company will sign and deliver all other documents and take or cause to be taken all other acts that they deem necessary or appropriate to effect and carry out the sale of the Units.

SECTION 22 Intentionally left blank.

SECTION 23 Intentionally left blank.

SECTION 24 NONDISCLOSURE

24.1 Use Restrictions and Nondisclosure Obligations. During an Interest Holder's Nondisclosure Period:

(a) the Interest Holder will not use Confidential Information for any purpose without the Company's specific prior written authorization, except the Interest Holder may use Confidential Information to promote and effect the purposes of the Company; and

(b) the Interest Holder will not disclose Confidential Information to any person without the Company's specific prior written authorization, except the Interest Holder may disclose Confidential Information:

Received by AMCO 9/15/2020

(1) to the extent necessary to promote and effect the purposes of the Company, on a need-to-know basis, to persons who are informed by the Interest Holder of the confidential nature of the Confidential Information and the obligations of the Interest Holder under this Section 24;

(2) on a need-to-know basis, to Representatives of the Company or the Interest Holder who are informed by the Interest Holder of the confidential nature of the Confidential Information and the obligations of the Interest Holder under this Section 24; or

(3) in accordance with a judicial or other governmental order, but only if the Interest Holder promptly notifies the Company of the order and complies with any applicable protective or similar order.

24.2 Notification and Assistance Obligations. During an Interest Holder's Nondisclosure Period, the Interest Holder will:

(a) promptly notify the Company of any unauthorized use or disclosure of Confidential Information, or any other breach of this Section 24; and

(b) assist the Company to retrieve any Confidential Information that was used or disclosed by the Interest Holder or the Interest Holder's Representatives without the Company's specific prior written authorization and to mitigate the harm caused by the unauthorized use or disclosure.

24.3 Exceptions. An Interest Holder will not breach Section 24.1 or Section 24.2 by using or disclosing Confidential Information if the Interest Holder demonstrates that the information used or disclosed:

(a) is generally available to the public other than as a result of a disclosure by the Interest Holder or a Representative of the Interest Holder; or

(b) was received by the Interest Holder from another person without any limitations on use or disclosure, but only if the Interest Holder had no reason to believe that the other person was prohibited from using or disclosing the information by a contractual or fiduciary obligation.

24.4 Return of Confidential Information. Upon the Company's request, each Interest Holder will promptly return to the Company all materials containing Confidential Information, together with all copies and summaries of Confidential Information in the possession or under the control of the Interest Holder.

SECTION 25 TERMINATION

25.1 Agreement. This Agreement will terminate with respect to all parties upon the earliest to occur of the following:

(a) upon the written agreement of the parties;

(b) upon the merger of the Company with another business entity, if the Company is not the surviving business entity; and

Received by AMCO 9/15/2020

(c) upon the conversion of the Company into another business entity.

25.2 Interest Holder.

(a) This Agreement will terminate with respect to an Interest Holder if the Interest Holder sells, exchanges, gifts, or otherwise liquidates all of the Interest Holder's Units in accordance with this Agreement, other than by operation of law as a result of the Interest Holder's death, incompetency, or Bankruptcy.

(b) Each Interest Holder will sign a Joinder Agreement if the Interest Holder sells all of the Interest Holder's Units in accordance with this Agreement, is granted a security interest in some or all of such Units, and subsequently forecloses the security interest and reacquires some or all of such Units.

25.3 Effect of Termination. The termination of this Agreement, regardless of how it occurs, will not relieve a party of obligations that have accrued before the termination. All provisions of this Agreement that would reasonably be expected to survive the termination of this Agreement will do so.

SECTION 26 EQUITABLE RELIEF

The parties acknowledge that the remedies available at law for any breach of this Agreement may, by their nature, be inadequate. Accordingly, and in addition to any other remedies available to the parties at law or in equity, each party may obtain injunctive relief or other equitable relief to restrain a breach or threatened breach of this Agreement or to specifically enforce this Agreement, without proving that any monetary damages have been sustained.

SECTION 27 GENERAL

27.1 No Assignment. No party may assign or delegate any of the party's rights or obligations under this Agreement to any person unless the assignment or delegation is expressly permitted by this Agreement.

27.2 Binding Effect. This Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

27.3 Notices. All notices or other communications required or permitted by this Agreement:

(a) must be in writing;

(b) must be delivered to the parties at the addresses set forth on Schedule 2.1, or any other address that a party may designate by notice to the other parties; and

(c) are considered delivered:

(1) upon actual receipt if delivered personally or by a nationally recognized overnight delivery service; or

(2) at the end of the third business day after the date of deposit, if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

Received by AMCO 9/15/2020

27.4 **Waiver**. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

27.5 **Severability**. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

27.6 **Further Assurances**. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement.

27.7 **No Third-Party Beneficiaries**. Except for third parties entitled to indemnity under an indemnification provision in this Agreement, the parties do not intend to confer any right or remedy on any third party.

27.8 **Attachments**. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement.

27.9 **Remedies**. The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

27.10 **Governing Law**. This Agreement is governed by the laws of the State of Alaska, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement.

27.11 **Arbitration**.

(a) Except as otherwise provided in Section 27.11(e), any dispute, controversy, or claim arising out of the subject matter of this Agreement will be settled by arbitration before a single arbitrator in Anchorage, Alaska.

(b) If the parties agree on an arbitrator, the arbitration will be held before the arbitrator selected by the parties. If the parties do not agree on an arbitrator, each party will designate an arbitrator and the arbitration will be held before a third arbitrator selected by the designated arbitrators. Each arbitrator will be an attorney knowledgeable in the area of business law.

(c) The arbitration will be conducted in accordance with the procedures set forth in AS 09.43.300 through 09.43.595.

(d) The resolution of any dispute, controversy, or claim as determined by the arbitrator will be binding on the parties. Judgment on the award of the arbitrator may be entered by any party in any court having jurisdiction.

(e) A party may seek from a court an order to compel arbitration, or any other interim relief or provisional remedies pending an arbitrator's resolution of any dispute, controversy, or claim. Any such action, suit, or proceeding – or any action, suit, or proceeding to confirm, vacate, modify, or correct the award of the arbitrator – will be litigated in courts located in Anchorage, Alaska.

(f) For the purposes set forth in Section 27.11(e), each party consents and submits to the jurisdiction of any local, state, or federal court located in Anchorage, Alaska.

Received by AMCO 9/15/2020

27.12 **Attorney's Fees**. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

27.13 **Entire Agreement**. Except for the Articles of Organization, this Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.

27.14 **Signatures**. This Agreement may be signed in counterparts. An electronic transmission of a signature page will be considered an original signature page. At the request of a party, each other party will confirm an electronically-transmitted signature page by delivering an original signature page to the requesting party.

27.15 **Attorneys. Each of the other parties to this Agreement acknowledges that the party has consulted with the party's own legal counsel or has knowingly waived the party's right to do so.**

[signature page to follow]

Received by AMCO 9/15/2020

Dated effective as of the date set forth in the preamble.

Company:

AXION ENTERPRISES, LLC

By: James M. Thornton
Its: Manager

By: James R. Thornton
Its: Manager

Interest Holders:

James M. Thornton

James R. Thornton

Received by AMCO 9/15/2020

APPENDIX A

Definitions

"**Act**" means the Alaska Revised Limited Liability Company Act, as amended from time to time.

"**Articles of Organization**" means the Articles of Organization of the Company filed with the State of Alaska on December 27, 2016, as amended or restated from time to time, and including articles of conversion and articles of merger filed after the date of this Agreement.

"**Assignee**" means a person with an ownership interest in the Company who is not a Member and who does not have any of the rights and obligations of a Member specified in the Act, the Articles of Organization, or this Agreement, except: (a) the right to receive and retain Distributions, as and when made; (b) the right to allocations of Profits and Losses; and (c) the rights under Section 15.

"**Bankruptcy**" means, with respect to a person: (a) assignment by the person for the benefit of creditors; (b) commencement of a voluntary bankruptcy case by the person; (c) adjudication of the person as bankrupt or insolvent; (d) filing by the person of a petition or answer seeking for the person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or rule; (e) filing by the person of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the person in any proceeding of this nature; (f) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or liquidator of the person or of all or any substantial part of the person's properties; (g) commencement of an involuntary bankruptcy case against the person that has not been dismissed on or before the 120th day after the commencement of the case; or (h) appointment, without the person's consent, of a trustee, receiver, or liquidator either of the person or of all or any substantial part of the person's properties that is not: (1) vacated or stayed on or before the 90th day after appointment; or (2) vacated on or before the 90th day after expiration of a stay.

"**Capital Account**" means a capital account of an Interest Holder determined and maintained in accordance with Section 6.

"**Confidential Information**" means information related to the Company or its business that is disclosed to or accessed by an Interest Holder if: (a) the information is marked or designated – whether orally or in writing – by the Company or the disclosing person as confidential before, at, or promptly after the time of disclosure; or (b) the information is known or should have been known by the Interest Holder as being treated by the Company or the disclosing person as confidential.

"**Distribution**" means: (a) for purposes of Section 4.4(c), Section 4.18(b)(4), Section 6, and Section 8.4, a direct or indirect transfer of money or other property other than Units, or an incurrence of indebtedness by the Company, to or for the benefit of the Interest Holders in respect of an Interest Holder's Units, including but not limited to a purchase, redemption, or other acquisition of Units; and (b) for all other purposes, a direct or indirect transfer of money or other property other than Units, or an incurrence of indebtedness by the Company, to or for the benefit of the Interest Holders in respect of an Interest Holder's Units, but not including a purchase, redemption, or other acquisition of Units.

"**Income Tax Distributions**" means, for any calendar year: (a) an amount sufficient to allow any federal and state taxes attributable to the income passed through the Company to the Interest Holders during the calendar year to be paid by the Interest Holders, assuming that all Interest Holders are taxed at the sum of the maximum federal and state income rates applicable to any Interest Holder, after taking into account the deductibility of state taxes for federal income tax purposes; *minus* (b) all

Received by AMCO 9/15/2020

cash Distributions made to the Interest Holders during the calendar year, other than Income Tax Distributions made to the Interest Holders during the calendar year for the previous calendar year; *minus* (c) the amount of any reserves which a Majority of Managers deems appropriate for any liabilities of the Company.

"**Interest Holder**" means a person who is a Member or an Assignee.

"**Joinder Agreement**" means a Joinder Agreement substantially in the form attached as Exhibit A.

"**Majority of Managers**" means: (a) the Manager, if the Company has one Manager; or (b) a majority of the Managers, if the Company has more than one Manager.

"**Majority of Units**" means Members whose Units exceed 50% of the Units of all Members.

"**Manager**" means a person, who need not be a Member, designated by the Members to manage the Company's business and affairs.

"**Member**" means a person with an ownership interest in the Company and all of the rights and obligations of a member specified in the Act, the Articles of Organization, and this Agreement.

"**Nondisclosure Period**" means, with respect to an Interest Holder, the period beginning on the date of this Agreement and ending upon the earliest to occur of the following: (a) two years after this Agreement terminates with respect to the Interest Holder; (b) the dissolution of the Company; and (c) the termination of this Agreement under Section 25.1.

"**Profit**" and "**Loss**" means for each taxable year of the Company – or other period for which profits and losses must be computed – the Company's taxable income or loss determined in accordance with IRC § 703(a), with the following adjustments: (a) all items of income, gain, loss, deduction, or credit required to be stated separately under IRC § 703(a)(1) will be included; (b) any tax-exempt income of the Company not otherwise taken into account in this definition will be included; (c) any expenditures of the Company under IRC § 705(a)(2)(B) – or treated as such under Treas Reg § 1.704-1(b)(2)(iv)(i) – not otherwise taken into account in this definition will be excluded; (d) gain or loss resulting from any taxable disposition of property will be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value of the property differs from the adjusted basis of the property for federal income tax purposes; (e) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there will be taken into account the depreciation or amortization computed for book purposes; and (f) any items which are allocated under Schedule 7.1 will not be taken into account.

"**Representatives**" means directors, officers, managers, members, employees, independent contractors, agents, consultants, advisors, and other representatives.

"**Transfer**" means any transfer, including but not limited to any sale, exchange, gift, foreclosure of an encumbrance, or seizure to secure a judgment, regardless of whether the transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence, but not including an encumbrance.

"**Units**" means units that evidence an ownership interest in the Company.

"**Unreturned Capital Contribution**" means, as of any day, the amount, if any, by which: (a) the value of an Interest Holder's aggregate contributions to the Company; *exceeds* (b) the value of all Distributions made to the Interest Holder under Section 8.1(b).

Received by AMCO 9/15/2020

SCHEDULE 2.1

Company Information as of August 1, 2018

Interest Holders:

Interest Holder	Status	Units	Contribution	Date of Contribution	Capital Account
James M Thornton	Member	990	$990	Upon the call of the Company	$990
James R Thornton	Member	10	$10	Upon the call of the Company	$10

Managers:

James M. Thornton
James R. Thornton

Tax Matters Member:

James R. Thornton

Addresses:

Company:

Axion Enterprises, LLC
Attn: Managers
726 E. 15th Ave.
Anchorage, AK 99501

Interest Holders:

James M. Thornton
1122 la touche St. Unit B
Anchorage, AK 99501

James R. Thornton
6020 Maximilian Drive
Anchorage, AK 99507

Received by AMCO 9/15/2020

SCHEDULE 7.1

Allocation of Profits and Losses

SECTION 1 DEFINITIONS

"**Adjusted Capital Account Deficit**" means, with respect to an Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of any taxable year, after giving effect to the following adjustments: (a) the Capital Account will be credited with: (1) the amount which the Interest Holder is obligated by this Agreement to restore to the Interest Holder's Capital Account, if any; and (2) the amount which the Interest Holder is deemed obligated to restore under Treas Reg § 1.704-2(g)(1) and Treas Reg § 1.704-2(i)(5); and (b) the Capital Account will be debited with the amounts described in Treas Reg § 1.704-1(b)(2)(ii)(d)(4), Treas Reg § 1.704-1(b)(2)(ii)(d)(5), and Treas Reg § 1.704-1(b)(2)(ii)(d)(6).

"**Company Minimum Gain**" has the meaning ascribed to "partnership minimum gain" in Treas Reg § 1.704-2(b)(2).

"**Member Nonrecourse Debt Minimum Gain**" has the meaning ascribed to "partner nonrecourse debt minimum gain" in Treas Reg § 1.704-2(i)(2).

"**Member Nonrecourse Deductions**" has the meaning ascribed to "partner nonrecourse deductions" in Treas Reg § 1.704-2(i)(1).

"**Nonrecourse Deductions**" has the meaning ascribed to it in Treas Reg § 1.704-2(b)(1).

"**Nonrecourse Liability**" has the meaning ascribed to it in Treas Reg § 1.704-2(b)(3).

SECTION 2 ALLOCATION OF PROFITS AND LOSSES

2.1 Limitation on Allocation of Losses.

(a) No Interest Holder will be allocated Losses if the allocation will cause the Interest Holder to have an Adjusted Capital Account Deficit.

(b) Losses that are not allocated to an Interest Holder as a consequence of Section 2.1(a) of this Schedule 7.1 will be allocated among the other Interest Holders in proportion to their positive Capital Account balances, subject to Section 2.1(a) of this Schedule 7.1.

2.2 Allocation of Profits to Offset Unrecovered Losses.

(a) Before Profits are allocated among the Interests Holders under Section 7.1, Profits will be allocated among those Interest Holders who have been allocated Losses under Section 2.1(b) of this Schedule 7.1 that have not been fully offset by allocations of Profits under this Section 2.2.

(b) An Interest Holder will be allocated Profits under this Section 2.2 only to the extent necessary to fully offset Losses that have been allocated to the Interest Holder under Section 2.1(b) of this Schedule 7.1.

Received by AMCO 9/15/2020

(c) Profits allocated under this Section 2.2 will be allocated among the appropriate Interest Holders in proportion to their Losses that have not been fully offset by allocations of Profits under this Section 2.2, subject to Section 2.2(b) of this Schedule 7.1.

SECTION 3 QUALIFIED INCOME OFFSET

An Interest Holder who unexpectedly receives an adjustment, allocation, or Distribution described in Treas Reg § 1.704-1(b)(2)(ii)(d)(4), Treas Reg § 1.704-1(b)(2)(ii)(d)(5), or Treas Reg § 1.704-1(b)(2)(ii)(d)(6) which causes or increases an Adjusted Capital Account Deficit for the Interest Holder as of the end of the taxable year to which the allocation relates will be allocated items of income and gain – consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year – in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit as quickly as possible.

SECTION 4 ALLOCATIONS ATTRIBUTABLE TO NONRECOURSE LIABILITIES

4.1 **Nonrecourse Deductions**. Nonrecourse Deductions will be allocated among the Interest Holders in proportion to their Units.

4.2 **Minimum Gain Chargeback Requirement**. Except as otherwise provided in Treas Reg § 1.704-2(f), if there is a net decrease in Company Minimum Gain for a Company taxable year, each Interest Holder will be allocated items of Company income and gain for that year equal to that Interest Holder's share of the net decrease in Company Minimum Gain – within the meaning of Treas Reg § 1.704-2(g)(2).

4.3 **Member Nonrecourse Deductions**. Member Nonrecourse Deductions will be allocated to the Interest Holder that bears the economic risk of loss for the liability in accordance with Treas Reg § 1.704-2(i).

4.4 **Chargeback of Member Nonrecourse Debt Minimum Gain**. Except as otherwise provided in Treas Reg § 1.704-2(i)(4), if during a Company taxable year there is a net decrease in Member Nonrecourse Debt Minimum Gain, any Interest Holder with a share of that Member Nonrecourse Debt Minimum Gain – determined under Treas Reg § 1.704-2(i)(5) – as of the beginning of the year will be allocated items of income and gain for the year – and, if necessary, for succeeding years – equal to that Interest Holder's share of the net decrease in the Member Nonrecourse Debt Minimum Gain. An Interest Holder's share of the net decrease in Member Nonrecourse Debt Minimum Gain will be determined in a manner consistent with the provisions of Treas Reg § 1.704-2(g).

SECTION 5 CONTRIBUTED PROPERTY

In accordance with IRC § 704(c), income, gain, loss, and deduction with respect to property contributed to the Company by an Interest Holder will be allocated among the Interest Holders so as to take account of the variation between the basis of the property to the Company and its fair market value at the time of contribution. Such allocations will be made in accordance with the traditional method under Treas Reg § 1.704-3(b). Allocations made under this Section 5 are solely for tax purposes and will not affect any Interest Holder's Capital Account, share of Profits and Losses, or the right to receive Distributions of the Company's assets.

Received by AMCO 9/15/2020

SECTION 6 GUARANTEED PAYMENTS

To the extent that any compensation paid to an Interest Holder by the Company is determined by the Internal Revenue Service not to be a guaranteed payment under IRC § 707(c) or not to be a transaction between the Interest Holder and the Company under IRC § 707(a), the Interest Holder will be allocated income in an amount equal to the compensation payment and the Interest Holder's Capital Account will be adjusted to treat the compensation payment as a Distribution.

SECTION 7 RECAPTURE

Upon a sale or other disposition of a Company asset, any ordinary income portion of any income or gain resulting from the recapture of cost recovery or other deductions will be allocated among those Interest Holders who were previously allocated – or whose predecessors-in-interest were previously allocated – the cost recovery or other deductions resulting in the recapture items, in proportion to the amount of the cost recovery or other deductions previously allocated to them.

SECTION 8 WITHHOLDING

All amounts required to be withheld under IRC § 1446 or any other provision of applicable federal, state, or local tax law will be treated as amounts actually Distributed to the affected Interest Holders.

SECTION 9 OTHER ALLOCATIONS

If this Agreement does not provide for the allocation of any items of Company income, gain, loss, credit, and deduction among the Interest Holders, the items will be allocated among the Interest Holders in the same proportions as they share Profits and Losses.

Received by AMCO 9/15/2020