



# Public Notice

## Application for Marijuana Establishment License

**License Number:** 20984

**License Status:** Active-Operating

**License Type:** Standard Marijuana Cultivation Facility

**Doing Business As:** Quintessence Farms

**Business License Number:** 2083325

**Email Address:** nicholasgelinas420@gmail.com

**Latitude, Longitude:** 61.144096, -149.878612

**Physical Address:** 8430 Laviento Drive, Suite B  
Anchorage, AK 99515-1914  
UNITED STATES

### Licensee #1

**Type:** Entity

**Alaska Entity Number:** 10100936

**Alaska Entity Name:** Jack Ventures, LLC

**Phone Number:** 907-529-6038

**Email Address:** quintessencefarms@gmail.com

**Mailing Address:** 205 Dimond Blvd  
#369  
Anchorage, AK 99515-1909  
UNITED STATES

### Entity Official #1

**Type:** Individual

**Name:** Luke Stowe

**Phone Number:** 907-444-7434

**Email Address:** sentientstrategies@gmail.com

**Mailing Address:** 205 Dimond Blvd  
#369  
Anchorage, AK 99515-1909  
UNITED STATES

### Entity Official #2

**Type:** Individual

**Name:** Benjamin English

**Phone Number:** 907-278-9740

**Email Address:** b.english.llc@gmail.com

**Mailing Address:** 205 Dimond Blvd  
#369  
Anchorage, AK 99515-1909  
UNITED STATES

### Entity Official #3

**Type:** Individual

**Name:** Nicholas Gelinas

**Phone Number:** 907-529-6038

**Email Address:** nicholasgelinas420@gmail.com

**Mailing Address:** 205 Dimond Blvd  
#369  
Anchorage, AK 99515-1909  
UNITED STATES

### Entity Official #4

**Type:** Individual

**Name:** Amy Mattson

**Phone Number:** 206-890-9874

**Email Address:** mail4mattson@gmail.com

**Mailing Address:** 2315 Long Shadow Drive, Unit A  
North Pole, AK 99705  
UNITED STATES

### Entity Official #5

**Type:** Individual

**Name:** Shawn McDonough

**Phone Number:** 907-299-1829

**Email Address:** alaskaoffgridcannabis@gmail.com

**Mailing Address:** P.O. Box 346  
Anchor Point, AK 99556  
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](mailto:marijuana.licensing@alaska.gov) or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

**POSTING DATE** \_\_\_\_\_

## REAL ESTATE SUBLEASE

This Sublease Agreement (this "Sublease") is dated April 3, 2019 by and between Lifted Industries, LLC ("Sublessor"), and Jack Ventures, LLC ("Subtenant"). The parties agree as follows:

**PREMISES.** Sublessor in consideration of the lease payments provided in this Sublease, leases to Jack Ventures, LLC dba Quintessence Farms (the "Premises") located at 8430 Laviento Dr., Suite B, Anchorage, AK 99515. The area on the Exhibit A attached shows the square footage being leased to Jack Ventures, LLC, for purposes of clarification.

**TERM.** The sublease term will begin 3 April, 2019 and will terminate on 4 April, 2022.

**LEASE PAYMENTS.** Subtenant shall pay to Sublessor monthly installments of \$6,000.00 payable on the first day of each month. Payments shall be abated until Subtenant commences business operations.

**POSSESSION.** Subtenant shall be entitled to possession on the first day of the term of this Sublease and shall yield possession to Sublessor on the last day of the term of this Sublease, unless otherwise agreed by both parties in writing. At the expiration of the term, Subtenant shall remove its goods and effects and peaceably yield up the Premises to Sublessor in as good a condition as when delivered to Subtenant, ordinary wear and tear excepted.

**USE OF PREMISES.** Subtenant may use the Premises for the cultivation of marijuana and related packaging and processing. The Premises may be used for any other purpose only with the prior written consent of Sublessor, which shall not be unreasonably withheld. Subtenant shall notify Sublessor of any anticipated extended absence from the Premises not later than the first day of the extended absence.

**LATE PAYMENTS.** For any payment that is not paid within 15 days after its due date, Subtenant shall pay a late fee of \$250.00.

**UTILITIES:** Subtenant will be responsible for the payment of all utilities (ie trash, water, gas, electric).

**HOLDOVER.** If Subtenant maintains possession of the Premises for any period after the termination of this Sublease ("Holdover Period"), Subtenant shall pay to Sublessor lease payment(s) during the Holdover Period at a rate equal to the most recent rate preceding the Holdover Period. Such holdover shall constitute a month-to-month extension of this Sublease.

**CUMULATIVE RIGHTS.** The rights of the parties under this Sublease are cumulative and shall not be construed as exclusive unless otherwise required by law.

NON-SUFFICIENT FUNDS. Subtenant shall be charged \$100.00 for each check that is returned to Sublessor for lack of sufficient funds.

REMODELING OR STRUCTURAL IMPROVEMENTS. Subtenant shall have the obligation to conduct any construction or remodeling (at Subtenant's expense) that may be required to use the Premises as specified above. Subtenant may also construct such fixtures on the Premises (at Subtenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Sublessor which shall not be unreasonably withheld. Subtenant shall not install awnings or advertisements on any part of the Premises without Sublessors prior written consent. At the end of the lease term, Subtenant shall be entitled to remove (or at the request of Sublessor shall remove) such fixtures, and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Sublease.

ACCESS BY SUBLESSOR TO PREMISES. Subject to Subtenant's consent (which shall not be unreasonably withheld), Sublessor shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. However, Sublessor does not assume any liability for the care or supervision of the Premises. As provided by law, in the case of an emergency, Sublessor may enter the Premises without Subtenant's consent. During the last three months of this Sublease, or any extension of this Sublease, Sublessor shall be allowed to display the usual "To Let" signs and show the Premises to prospective tenants. During any entry by Landlord or its agents on the premises, Landlord's agents or employees shall be over the age of 21 and shall comply with Tenant's visitor policy, show government issued ID, wear a visitor badge, remain in eye sight of a designated Tenant agent, comply with and sign into the log in sheet and sign out when leaving the premises, as is required by the Alaska Marijuana Control Board Regulations. At no time shall Landlord have more than five persons enter the premises.

INDEMNITY REGARDING USE OF PREMISES. To the extent permitted by law, Subtenant agrees to indemnify, hold harmless, and defend Sublessor from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Sublessor may suffer or incur in connection with Subtenant's possession, use or misuse of the Premises, except Sublessors act or negligence.

COMPLIANCE WITH REGULATIONS. Subtenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities, and the fire insurance underwriters. However, Subtenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

MECHANICS LIENS. Neither the Subtenant nor anyone claiming through the Subtenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Sublease constitutes notice that such liens are invalid. Further, Subtenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Subtenant.

ARBITRATION. Any controversy or claim relating to this contract, including the construction or



application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

DEFAULT. In the event of a default, Landlord shall not take into its possession any marijuana or marijuana product and shall contact the State of Alaska AMCO prior to any access to the license premises if Tenant cannot be reached, abandons the property, or similar event.

NOTICE. Notices under this Sublease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

SUBLESSOR:

Lifted Industries, LLC  
205 Dimond Blvd. #369 Anchorage, Alaska 99515

SUBTENANT:

Jack Ventures, LLC  
8430 Laviento Dr., Suite B, Anchorage, AK 99515

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

GOVERNING LAW. This Sublease shall be construed in accordance with the laws of the State of Alaska.

ENTIRE AGREEMENT/AMENDMENT. This Sublease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Sublease. This Sublease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Sublease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Sublease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Sublease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Sublease.

BINDING EFFECT. The provisions of this Sublease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

Except to the extent that the terms and conditions of this Lease Amendment are to the contrary, all other terms and conditions of the original Lease Agreement and any amendments thereto remain in full force and effect.

SUBLESSOR:



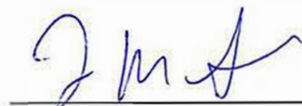
Lifted Industries, LLC

BY:

SUBTENANT:

Jack Ventures, LLC

BY:

  
Nicholas Gelinas

Luke Stowe

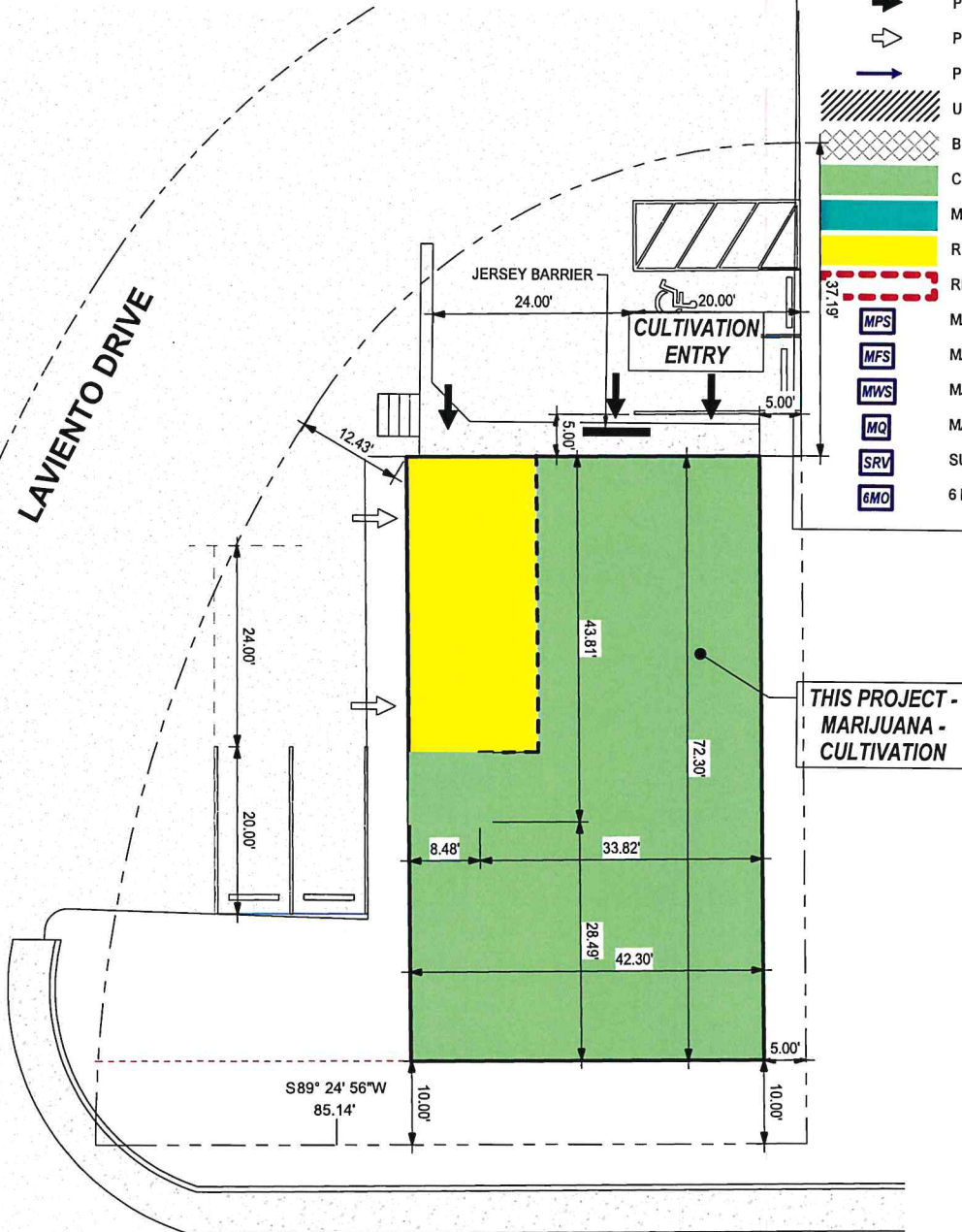
  
Benjamin English

Exhibit A

LAVIENTO DRIVE

## LEGEND

- ➔ PROJECT EXTERIOR DOOR
- ➞ PROJECT EXTERIOR WINDOW
- ➞ PROJECT 2ND FLOOR ACCESS
- UNRESTRICTED ACCESS
- BUILDING AREA NOT IN PROJECT
- CULTIVATION LICENSED PREMISES
- MANUFACTURING LICENSED PREMISES
- RETAIL LICENSED PREMISES
- RESTRICTED ACCESS
- MPS MARIJUANA PRODUCT STORAGE
- MFS MARIJUANA FLOWER/TRIM STORAGE
- MWS MARIJUANA WASTE
- MQ MARIJUANA QUARANTINE
- SRV SURVEILLANCE
- 6MO 6 MONTH RECORD STORAGE



### 1 MJ Premises - Site

3/32" = 1'-0"

KING STREET

LICENSEE: BEN ENGLISH/NICHOLAS GELINAS/LUKE STOWE  
DOING BUSINESS AS: KING STREET CANNABIS CO  
PREMISES ADDRESS: 8430 LAVIENTO DRIVE  
CITY: ANCHORAGE  
STATE: ALASKA  
ZIP: 99515

	1ST FLR	2ND FLR	TOTAL
LICENSE NUMBER/TYPE: 20984 - MARIJUANA CULTIVATION	2,511 SF	N/A	2,511 SF
LICENSE NUMBER/TYPE: XXXX - MARIJUANA MANUFACTURING	0 SF	N/A	N/A
LICENSE NUMBER/TYPE: 20983 - MARIJUANA RETAIL STORE	620 SF	N/A	620 SF
	TOTAL: 3,131 SF		

DRAWINGS AT 8.5x11 ARE 1/2 SCALE INDICATED

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ARCHITECTS

P.O. Box 230083 - Anchorage, Alaska 99523-0083 - (907)522-9193

**King Street Cannabis Co/Jack Ventures LLC**  
Quintessence Farms Marijuana Cultivation  
Change of Use

Lot 33 Block 6  
Crestview Village Subdivision  
8430 Laviento Drive  
Anchorage, AK 99515

Sheet name  
Marijuana Premises  
Plan - Site

Release Date: 04-02-19  
Sheet number

AP2

Received by AMCO 6.15.21



EXECUTED  
ORIGINAL - KEEP FOR FILES.

## INITIAL OPTION TO MASTER REAL ESTATE LEASE

**3YR PERIOD NOV 1, 2019 THRU OCT 31, 2022**

This Real Estate Lease Agreement ("Lease") is dated November 1, by and between Chris Rosauer and Jeanne Rosauer ("Landlord"), and Lifted Industries, LLC, owned in equal parts by Nicholas Gelinas, Benjamin English, and Luke Stowe ("Tenant"). The parties agree as follows:

**PREMISES.** Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant (the "Premises") the warehouse located at 8430 Laviento Dr., Anchorage, AK 99515.

**TERM.** The Lease begins November 1, 2019 and shall be three (3) year term. Either party may terminate the Lease upon substantial breach of this Agreement and prior to written notice to the other party giving a thirty (30) day notice to cure the defect to avoid the termination.

**LEASE PAYMENTS** Tenant shall pay to Landlord monthly installments of \$4,500.00 upon exercising of initial option and starting November 1, 2019.

Payments to Landlord are to be mailed to in the amount of two checks in the amount of \$2,250 mailed to Chris Rosauer 3527 E. 88th Drive Anchorage, Alaska 99507 and Jeanne Rosauer P.O. Box #78 Girdwood, Alaska 99587 or any other location provided by Landlord. If payment is not received by the 7th day of the month Tenant will pay an additional amount of 15.00% of the rent upon each occurrence. Landlord shall give Tenant written notice of the past due lease payment. On the 15th the Landlord may give notice of breach, as stated above and Tenant shall agree to vacate the premise if the breach is not remedied within ten (10) days.

**USE OF PREMISES.** Tenant may use the Premises only for the retail and cultivation of commercial marijuana and marijuana product and all legal endeavors as prescribed in state and local law. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld. Landlord agrees to Tenant subleasing Premises to all other entities formed by members of Lifted Industries, LLC in conjunction with commercial marijuana licenses for the same use of Premises as stated herein.

Tenant shall notify Landlord of any anticipated extended absence of 5 days or more from the Premises not later than the first day of the extended absence.



## UTILITIES AND SERVICES

Tenant shall be responsible for the all utilities and services in connection with the Premises.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows.

PERSONAL TAXES. Tenant shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises, along with all sales and/or use taxes (if any) that may be due in connection with lease payments.

DEFAULTS. Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 15 days (or any other obligation within 30 days) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice (to the extent permitted by law), and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) suffered by Landlord by reason of Tenant's defaults. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent". The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law. In the event of a default by Tenant, *landlord shall not take into its possession any marijuana product and shall contact the State of Alaska AMCO prior to any access to the licensed premises if Tenant cannot be reached. abandons the property, or similar event.*

HOLDOVER. If Tenant maintains possession of the Premises for any period after the termination of this Lease ("Holdover Period"), Tenant shall pay to Landlord lease payment(s) during the Holdover Period at a rate equal to the most recent rate preceding the Holdover Period. Such holdover shall constitute a month-to-month extension of this Lease.



**CUMULATIVE RIGHTS.** The rights of the parties under this Lease are cumulative and shall not be construed as exclusive unless otherwise required by law.

**NON-SUFFICIENT FUNDS.** Tenant shall be charged \$25.00 for each check that is returned to Landlord for lack of sufficient funds.

**REMODELING OR STRUCTURAL IMPROVEMENTS.** Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected only with the prior written consent of the Landlord, which shall not be unreasonably withheld. At the end of the lease, Tenant shall be entitled to remove (or at the request of Landlord shall remove) such fixtures and shall restore the Premises to substantially the same condition of the Premises at the commencement of this Lease.

**ACCESS BY LANDLORD TO PREMISES.** Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, tenants or workers. However, Landlord does not assume any liability for the care or supervision of the Premises. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent. Landlord must abide by Tenant's visitor policy and ensure that no agent or prospective tenant of Landlord attempts to enter the property that is under the age of 21, presents a valid state or federal identification card, and remains in eyesight of a designated agent of Tenant's at all times.

**INDEMNITY REGARDING USE OF PREMISES.** To the extent permitted by law, Tenant agrees to indemnify, hold harmless, and defend Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which Landlord may suffer or incur in connection with Tenant's possession, use or misuse of the Premises, except Landlord's act or negligence.



**FIRST RIGHT OF REFUSAL.** Tenant shall have an ongoing, and exclusive right of first refusal (herein after referred to as "Right of First Refusal") to lease or purchase the area comprising of the entire useable space of 8430 Laviento Dr., Anchorage, AK 99515. If Landlord shall desire to sell the Premises (subject to the terms of this Lease), and receives a bona fide offer to purchase, Landlord shall give Tenant written notice of Landlord's intention to sell Landlord's interest in the Premises as contained in said offer to purchase. Such notice (Landlord's Notice) shall state the terms and conditions under which Landlord intends to sell its interest. For fifteen (15) business days following the giving of such notice, Tenant shall have the option to purchase the Landlord's interest at the same price and under the same terms as stated in the Landlord's Notice.

**LANDLORD'S OBLIGATIONS.** Landlord, at Landlord's expense, shall keep in good order, condition and repair the foundation and structural portions of the exterior walls and exterior roof of the building. Landlord shall also be responsible for replacement of mechanical, electrical and HVAC systems, except where failure is resulting from damage, negligence or lack of proper maintenance by tenant, its employee's, invitees, contractors or customers.

**PARKING.** Tenant shall have sole and exclusive use of all parking spaces/ parking lot on the parcel lot where the Premises sits. Tenant shall be solely responsible for the snow removal and/or provide for required snow storage for the parking lot. Tenant shall be responsible for general up keep of sidewalk, parking lot and entrance and shall keep the areas clean, tidy and free of dirt, ice, snow buildup, and debris. Tenant shall also be responsible for the general upkeep of any existing landscaping on the parcel lot.

**TENANT'S OBLIGATIONS.** Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises and every part thereof, including but not limited to the light bulb replacement, plumbing, any mechanical or electrical apparatus, doors, window frames, hardware, glass and nonstructural ceilings and walls. Tenant shall, at the expiration or termination of this Lease, surrender and deliver up the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use, wear and tear excepted. Tenant shall repair any damage to the Premises, or the Building occasioned by its use thereof or by the removal of Tenant's trade



fixtures, furnishings and equipment, which repair shall include the patching and filling of holes and repair of structural damage.

**NO LANDLORD SUBORDINATION.** Given the type of business Tenant will be Subleasing this Premises to, it is vital to the continuing of said business that this Premises not be encumbered by any financial institution. Therefore, the Parties agree that this lease is not subject to and is not subordinate to any deed of trust, mortgage, lien, encumbrance, lease, financing, loans, other arrangements by a financial institution.

**COMPLIANCE WITH REGULATIONS.** Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the state, county, municipal and other authorities. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

**ALTERATIONS/IMPROVEMENTS BY TENANT.** Tenant may make commercially reasonable improvements to the Premises and shall request approval from Landlord for material improvements to Premises. Landlord shall not unreasonably withhold improvements, and shall be deemed to have approved the improvements if no response to the contrary is noticed to Tenant after five (5) business days of Tenant's request for approval to Landlord.

**INSPECTION REPORT.** The parties shall complete, sign and date an inspection report at the beginning and at the end of Tenant's occupancy of the Premises.

**INSURANCE.** Tenant acknowledges that the Tenant's personal property is not insured by Landlord with any insurance and that Landlord has no liability in regards to Tenant's personal Property. Tenant shall insure the Tenant's personal property for the Tenant's own benefit. Tenant shall also insure the Property for damage for the benefit of the Parties and the Property with liability insurance for the benefit of the Parties. Upon issuance or renewal of any insurance that Tenant is required to obtain under this Lease, Tenant shall provide proof of insurance to Landlord.

**ACKNOWLEDGEMENT OF USE FOR MARIJUANA COMMERCIAL ACTIVITIES:** Landlord is aware of and agrees this premise shall be used for marijuana state and local licensed commercial activities.



**MECHANICS LIENS.** Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

**ARBITRATION.** Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

**ATTORNEY FEES.** In the event of any legal proceeding that commences due to a dispute under this lease, the unsuccessful party shall be responsible for paying the successful parties' attorney fees and expenses.

**NOTICE.** Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

**LANDLORD:** Chris Rosauer

3527 E. 88th Drive Anchorage, Alaska 99507

Jeanne Rosauer

PO Box #78 Girdwood, AK 99587

**TENANT:**

Lifted Industries, LLC 205 Dimond Blvd. #369 Anchorage, Alaska 99515

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third day after posting.

**GOVERNING LAW.** This Lease shall be construed in accordance with the laws of the State of Alaska.

**ENTIRE AGREEMENT/AMENDMENT.** This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this



Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

**SEVERABILITY.** If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**WAIVER.** The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

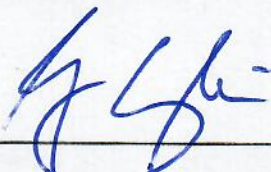
**BINDING EFFECT .** The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.




Tenant- Lifted Industries, LLC

By  Date 11/20/2019

Luke Stowe-Member


By  Date 11/20/2019

Ben English- Member

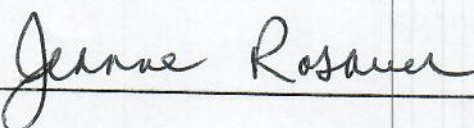
By  Date 11/20/19

Nicholas Gelinas-Member

Landlord- Chris and Jeanne Rosauer

By  Date 11/25/19

Chris Rosauer

By  Date 11-20-19

Jeanne Rosauer



## Lease Amendment

This Lease Amendment is hereby made and entered into by and between Chris Rosauer & Jeanne Rosauer ("Landlord") and the following tenants (the "Tenant") (collectively the "Parties") on November 01, 2019:

Lifted Industries, LLC

### BACKGROUND:

Landlord and Tenant have previously entered into a Lease Agreement ("the Lease") dated November 01, 2019 whereby Lifted Industries, LLC leased from Chris Rosauer & Jeanne Rosauer a house located in 8430 Laviento Dr, Anchorage, Anchorage County, Alaska 99515, more specifically described in the Lease; and Landlord and Tenant desire to amend the Lease as described in this agreement.

### AGREED TERMS:

For and in consideration of the mutual covenants and promises in this agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Landlord and Tenant both acknowledge and agree that the Lease is currently in effect and that neither party is in breach or default of the Lease.
2. Landlord and Tenant amend the Lease as follows:

Lifted Industries will pay for commercial property and General liability insurance on an annual basis and will have a bound policy in affect while renting the building, starting on the binding date of the policy. CCR Alaska will be named as primary insured and agrees to pay \$2,000 per year towards the policy, which will be deducted from rents due in the month after the policy is bound each year. Lifted industries will pay the remainder of the policy in full on an annual basis. King Street Cannabis Co. will be named as additionally insured. The minimum amount of coverage will be as follows; Building Commercial Property - \$450,000; General Aggregate - \$2,000,000; Personal and Advertising Injury Limit - \$1,000,000; Each occurrence limit - \$1,000,000

3. Except as specifically amended above, the original terms and provisions of the Lease remain in full force and effect, and both Landlord and Tenant affirm and consent to the Lease, as amended in this agreement, and agree to be bound accordingly.
4. This Lease Amendment can be recorded at the discretion of the Parties, or the Parties can prepare a short form memorandum of this Lease Amendment which can be properly executed

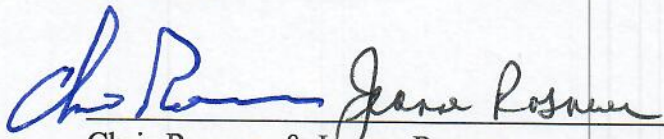


and recorded in the Register's Office for Anchorage, Alaska.

5. All of the terms, covenants and conditions of the Lease as amended to date shall continue in full force and effect, and the same are reaffirmed, remade and rewritten, except to the extent that any such terms, covenants or conditions have been nullified or conflict or are inconsistent with the terms of this Amendment to Lease, in which event the terms of this Amendment to Lease shall, in all respects, govern and prevail.
6. This Amendment to Lease shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. No reference in the preceding sentence to assigns shall be deemed to authorize any assignment or other transfer, in whole or in part, of the interest of Tenant in violation of any of the provisions of the Lease.

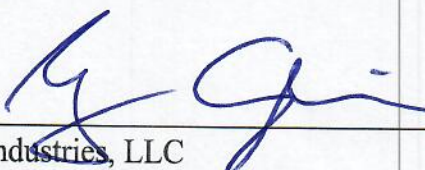
IN WITNESS WHEREOF, this Lease Amendment has been executed on the day and date first above written.

**Landlord:**

  
Chris Rosauer & Jeanne Rosauer

11-20-19  
Date

**Tenant:**

  
Lifted Industries, LLC

11-1-19  
Date

Department of Commerce, Community, and Economic Development

# CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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## ENTITY DETAILS

### Name(s)

Type	Name
Legal Name	Jack Ventures, LLC

**Entity Type:** Limited Liability Company

**Entity #:** 10100936

**Status:** Good Standing

**AK Formed Date:** 2/26/2019

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2023

**Entity Mailing Address:** 205 DIMOND BLVD, #369, ANCHORAGE, AK 99515

**Entity Physical Address:** 8430 LAVIENTO DR, ANCHORAGE, AK 99515

### Registered Agent

**Agent Name:** Jana Weltzin

**Registered Mailing Address:** 901 PHOTO AVE 2ND FL, ANCHORAGE, AK 99503

**Registered Physical Address:** 901 PHOTO AVE 2ND FL, ANCHORAGE, AK 99503

### Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	AMY MATTSON	Member	7.50
	Benjamin English	Member	28.33
	Luke Stowe	Member	28.33

AK Entity #	Name	Titles	Owned
	Nicholas Gelinas	Member	28.33
	SHAWN MCDONOUGH	Member	7.50

## Filed Documents

Date Filed	Type	Filing	Certificate
2/26/2019	Creation Filing	<a href="#">Click to View</a>	<a href="#">Click to View</a>
3/04/2019	Initial Report	<a href="#">Click to View</a>	
10/15/2020	Biennial Report	<a href="#">Click to View</a>	
12/21/2020	Agent Change	<a href="#">Click to View</a>	
6/01/2021	Change of Officials	<a href="#">Click to View</a>	

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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

**Jack Ventures, LLC**



IN TESTIMONY WHEREOF, I execute the certificate  
and affix the Great Seal of the State of Alaska  
effective **February 26, 2019**.

A handwritten signature in cursive script, appearing to read "Julie Anderson".

Julie Anderson  
Commissioner



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](mailto:corporations@alaska.gov)  
Website: [Corporations.Alaska.gov](http://Corporations.Alaska.gov)

AK Entity #: 10100936  
Date Filed: 02/26/2019  
State of Alaska, DCCED

FOR DIVISION USE ONLY

## Articles of Organization

Domestic Limited Liability Company

Web-2/26/2019 7:12:09 PM

### 1 - Entity Name

**Legal Name:** Jack Ventures, LLC

### 2 - Purpose

Any lawful purpose

### 3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

### 4 - Registered Agent

**Name:** Luke Stowe

**Mailing Address:** 205 Dimond BLVD, Anchorage, AK 99515

**Physical Address:** 8537 Moorland St, Anchorage, AK 99502

### 5 - Entity Addresses

**Mailing Address:** 205 Dimond BLVD, Anchorage, AK 99515

**Physical Address:** 8430 Laviento Dr, Anchorage, AK 99515

### 6 - Management

The limited liability company is managed by its members.

## 7 - Officials

Name	Address	% Owned	Titles
Luke Stowe			Organizer
Benjamin English			Organizer
Nicholas Gelinas			Organizer

### Name of person completing this online application

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 are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

**Name:** Luke Stowe



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

AK Entity #: 10100936  
Date Filed: 10/15/2020  
State of Alaska, DCCED

FOR DIVISION USE ONLY

## Domestic Limited Liability Company

### 2021 Biennial Report

For the period ending December 31, 2020

Web-10/15/2020 12:59:12 PM

**Due Date:** This report along with its fees are due by January 2, 2021

**Fees:** If postmarked before February 2, 2021, the fee is \$100.00.

If postmarked on or after February 2, 2021 then this report is delinquent and the fee is \$137.50.

**Entity Name:** Jack Ventures, LLC

**Entity Number:** 10100936

**Home Country:** UNITED STATES

**Home State/Prov.:** ALASKA

**Physical Address:** 8430 LAVIENTO DR, ANCHORAGE, AK  
99515

**Mailing Address:** 205 DIMOND BLVD, #369, ANCHORAGE,  
AK 99515

**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:** Luke Stowe

**Physical Address:** 8537 MOORLAND ST, ANCHORAGE, AK  
99502

**Mailing Address:** 205 DIMOND BLVD, ANCHORAGE, AK  
99515

**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 of 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	Member
Benjamin English	205 DIMOND BLVD #369, ANCHORAGE, AK 99515	33.33	X
Luke Stowe	205 DIMOND BLVD, #369, ANCHORAGE, AK 99515	33.33	X
Nicholas Gelinas	205 DIMOND BLVD, #369, ANCHORAGE, AK 99515	33.33	X

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

**Purpose:** Any 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 are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

**Name:** Jana Weltzin



## **OPERATING AGREEMENT**

**JACK VENTURES, LLC**  
**an Alaska limited liability company**

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**OPERATING AGREEMENT  
OF  
JACK VENTURES, LLC  
an Alaska limited liability company**

THIS OPERATING AGREEMENT (this "Agreement") is entered into to be effective as of the 3 day of April, 2019 (the "Effective Date"), by and among each of the persons listed on Exhibit A and executing this Agreement, or a counterpart thereof, as Members of JACK VENTURES, LLC, an Alaska limited liability company (the "Company").

**Section I  
Formation; Name and Office; Purpose**

1.1. *Formation.* Pursuant to the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995 (the "Act"), the parties have formed an Alaska limited liability company effective upon the filing of the Articles of Organization of this Company (the "Articles") with the State of Alaska Department of Commerce, Community, and Economic Development on or about February 26, 2019. The parties have executed this Agreement to serve as the "Operating Agreement" of the Company, as that term is defined in A.S. section 10.50.095, and, subject to any applicable restrictions set forth in the Act, the business and affairs of the Company, and the relationships of the parties to one another, shall be operated in accordance with and governed by the terms and conditions set forth in this Agreement. By executing this Agreement, the Members certify that those executing this Agreement constitute all of the Members of the Company at the time of its formation. The parties agree to execute all amendments of the Articles, and do all filing, publication, and other acts as may be appropriate from time to time hereafter to comply with the requirements of the Act.

1.2. *Name and Known Place of Business.* The Company shall be conducted under the name of JACK VENTURES, LLC, and the known place of business of the Company shall be at 8430 LAVIENTO DR, ANCHORAGE, AK 99515, or such other place as the Members may from time to time determine.

1.3. *Purpose.* The purpose and business of this Company shall be to operate a state licensed commercial cultivation establishment for cannabis and related crops and goods, and any other lawful purpose as may be determined by the Members. The Company shall have the power to do any and all acts and things necessary, appropriate, or incidental in furtherance of such purpose.

1.4. *Treatment as a Partnership.* It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a partnership for federal income tax purposes, but that the Company shall not be operated or treated as a partnership for purposes of the federal Bankruptcy Code. No Member shall take any action inconsistent with this intent.

## **Section II Definitions**

The following terms shall have the meanings set forth in this Section II:

*“Act”* means the Alaska Revised Limited Liability Company Act, A.S. Sections 10.50.010 through 10.50.995, as amended from time to time (or any corresponding provisions of succeeding law).

*“Affiliate”* means, with respect to any Interest Holder or Member, any Person: (i) who is a member of the Interest Holder’s or Member’s Family; (ii) which owns more than ten percent (10%) of the voting or economic interests in the Interest Holder or Member; (iii) in which the Interest Holder or Member owns more than ten percent (10%) of the voting or economic interests; or (iv) in which more than ten percent (10%) of the voting or economic interests are owned by a Person who has a relationship with the Interest Holder or Member described in clause (i), (ii), or (iii) above.

*“Capital Contribution”* means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by an Interest Holder, net of liabilities secured by the contributed Property that the Company is considered to assume or take subject to under Section 752 of the Code.

*“Cash Flow”* means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the Members. Cash Flow shall be increased by the reduction of any reserve previously established.

*“Event of Withdrawal”* means those events and circumstances listed in Section 10.50.220 and 10.50.225 of the Act provided, however, that following an Event of Withdrawal described in Section 10.50.220 and 10.50.225(4) of the Act the Member shall remain a Member until it ceases to exist as a legal entity.



*"Family"* means a Person's spouse, lineal ancestor, or descendant by birth or adoption, sibling, and trust for the benefit of such Person or any of the foregoing.

*"Fiscal Year" or "Annual Period"* means the fiscal year of the Company, as determined under Section V.

*"Interest"* means a Person's share of the Profits and Losses (and specially allocated items of income, gain, and deduction) of, and the right to receive distributions from, the Company.

*"Interest Holder"* means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member.

*"Involuntary Transfer"* shall include, without limitation, any Transfer of a Member or Interest Holder's Interest pursuant to any order of any court relating to any petition for divorce, legal separation, marital dissolution, or annulment, or any guardianship, conservatorship, or other protective proceeding.

*"Majority in Interest"* means one or more Members who own, collectively, a simple majority of the Percentage Interests held by Members.

*"Majority of the Members"* means more than 51% of the total amount of the Members, regardless of the Percentage Interest held by the Members.

*"Member"* means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company until such time as an Event of Withdrawal has occurred with respect to such Member.

*"Membership Rights"* means all of the rights of a Member in the Company, including a Member's: (i) Interest, (ii) right to inspect the Company's books and records, and (iii) right to participate in the management of and vote on matters coming before the Company.

*"Percentage Interest"* means, as to a Member, the percentage set forth after the Member's name on Exhibit A, as amended from time to time, and, as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

*"Person"* means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.



"Property" means all real and personal property (including cash) acquired by the Company, and any improvements thereto.

"Transfer" means, when used as a noun, any voluntary or involuntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily or involuntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

### **Section III Capital Contributions**

#### **3.1. Capital Contributions.**

3.1.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members have or shall make contributions to the capital of the Company as set forth in **Exhibit A** attached hereto and by this reference made a part hereof.

3.1.2. *Additional Capital Contributions.* No Member shall be required to contribute any additional capital to the Company, and no Member shall have any personal liability for any obligation of the Company.

3.2. *Withdrawal or Return of Capital Contributions.* Except as specifically provided in this Agreement, no Interest Holder shall have the right to withdraw or reduce the Capital Contributions he or she makes to the Company. Upon dissolution of the Company or liquidation of his or her interest in the Company, each Interest Holder shall look solely to the assets of the Company for return of his or her Capital Contributions and, if the Company's property remaining after the payment or discharge of the debts, obligations, and liabilities of the Company is insufficient to return the Capital contributions of each Interest Holder, no Interest Holder shall have any recourse against the Company, any Interest Holder, or Member except for gross negligence, malfeasance, bad faith, or fraud.

3.3. *Form of Return of Capital.* Under circumstances requiring a return of any Capital Contributions, no Interest Holder shall have the right to receive property other than cash except as may be specifically provided herein.

3.4. *Salary or Interest.* Except as otherwise expressly provided in Section V of this Agreement, no Interest Holder shall receive any interest, salary, or drawing with respect to his or her Capital Contributions or his or her Capital Account, or for services rendered on behalf of the Company.

3.5. *Member Loans.* If the Members determine that the Company requires additional capital to carry out the purposes of the Company, the Members shall have the right, but not the obligation, to make loans to the Company (a “Member Loan”). Such Member Loans shall be made by the Members willing to make such Member Loans *pro rata* based on their Percentage Interests unless the Members willing to make such Member Loans agree otherwise.

3.6. *Terms of Member Loans.* All Member Loans made pursuant to Section 3.5 shall bear interest at the prime rate of interest as reported by *the Wall Street Journal - Western Edition*, shall be unsecured, and shall be repaid in full out of available funds of the Company before any distribution may be made to any Member. If more than one Member has made a Member Loan, repayment shall be made to each Member in proportion to the amount of principal each has advanced.

#### **Section IV Distributions**

4.1. *Distributions.* Except as otherwise provided in this Agreement, distributions shall be made to the Interest Holders at such times and in such amounts as determined by the Members. Distributions will be made to Interest Holders *pro rata*, in proportion to their Percentage Interests. Notwithstanding the other provisions of this Section, all Cash Flow for each Fiscal Year of the Company shall be distributed to the Interest Holders no later than seventy-five (75) days after the end of such Fiscal Year.

#### **4.2. General.**

4.2.1. *Form of Distribution.* In connection with any distribution, no Interest Holder shall have the right to receive Property other than cash except as may be specifically provided herein. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Interest Holders otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Members.

4.2.2. *Withholding.* All amounts required to be withheld pursuant to Code Section 1446 or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.2.3. *Varying Interests; Distributions in Respect to Transferred Interests.*

If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, all distributions on or before the date of such transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making distributions, and allocating Profits, Losses, and other items of income, gain, loss, and deduction pursuant to **Exhibit B** hereof, the Company shall recognize the transfer not later than the end of the calendar month during which it is given notice of such, provided that if the Company does not receive a notice stating the date such Interest was transferred and such other information as it may reasonably require within thirty (30) days after the end of the Fiscal Year during which the transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the transfer occurs, was the owner of the Interest. Neither the Company nor any Interest Holder shall incur any liability for making allocations and distributions in accordance with the provisions of this Section, whether or not any Interest Holder or the Company has knowledge of any transfer of ownership of Interest.

**Section V**  
**Management**

5.1. *Management.* Subject to the rights under the Act or the provisions of this Agreement to approve certain actions, the business and affairs of the Company shall be managed exclusively by its Members. The Members shall direct, manage, and control the business of the Company to the best of their ability and, subject only to those restrictions set forth in the Act or this Agreement, shall have full and complete authority, power, and discretion to make any and all decisions and to do any and all things which the Members deem appropriate to accomplish the business and objectives of the Company. Each Member agrees not to incur any liability on behalf of the other Members or otherwise enter into any transaction or do anything which will subject the other Members to any liability, except in all instances as contemplated hereby.

5.2. *Certain Management Powers of the Member.* Without limiting the generality of Section 5.1, the Members shall have power and authority on behalf of the Company:

5.2.1. In the ordinary course of business, to acquire property from and sell property to any person as the Members may determine. The fact that a Member is directly or indirectly affiliated or connected with any such person shall not prohibit dealing with that Person;

5.2.2. Subject to approval by a Majority of the Members under Section 5.3.4, to use credit facilities and borrow money for the Company from banks, other lending



institutions, the Interest Holders, or Affiliates of the Interest Holders, on such terms as approved by the Members, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt or other obligation shall be contracted or liability incurred by or on behalf of the Company by the Member;

5.2.3. To purchase liability and other insurance to protect the Members and the Company's property and business;

5.2.4. Subject to approval by a Majority of the Members, to hold and own any Company real and personal property in the name of the Company or others as provided in this Agreement;

5.2.5. Subject to approval by a Majority of the Members, to execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes, and other negotiable instruments, mortgages, or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage, or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, and any other instruments or documents necessary, in the opinion of the Member, to accomplish the purposes of the Company;

5.2.6. To employ accountants, legal counsel, managing agents, or other experts to perform services for the Company and compensate them from Company funds;

5.2.7. Except for the agreements described in Section 5.3.6 below, to enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Member may approve;

5.2.8. To vote any shares or interests in other entities in which Company holds an interest;

5.2.9. To do and perform all other acts as may be necessary or appropriate to accomplish the purposes of the Company; and

5.2.10. To take such other actions as do not expressly require the consent of any non-managing Members under this Agreement.

A Member may act by a duly authorized attorney-in-fact. Unless authorized to do so by this Agreement, no Member, agent, or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purpose.

5.3. *Actions Requiring Approval of the Members.* In addition to those actions for which this Agreement specifically requires the consent of the Members, the following actions require approval by a Majority of the Members:

5.3.1. Amend this Agreement or the Articles, except that any amendments required under the Act to correct an inaccuracy in the Articles may be filed at any time;

5.3.2. Authorize the Company to make an assignment for the benefit of creditors of the Company, file a voluntary petition in bankruptcy, or consent to the appointment of a receiver for the Company or its assets; or

5.3.3. Approve a plan of merger or consolidation of the Company with or into one or more business entities;

5.3.4. Borrow money for the Company from banks, other lending institutions, the Interest Holders, Members, or Affiliates of the Interest Holders or to hypothecate, encumber, or grant security interests in the assets of the Company;

5.3.5. Sell or otherwise dispose of all or substantially all of the assets of the Company in a single transaction or a series of related transactions; or

5.3.6. Enter into any contract or agreement between the Company and any Member, Interest Holder, or Affiliate of a Member or Interest Holder without the consent of a Majority of the Members.

5.4. *Member Has No Exclusive Duty to Company.* The Members shall not be required to manage the Company as the Members' sole and exclusive function and the Members may engage in other business and investment activities in addition to those relating to the Company. Neither the Company nor any Interest Holder shall have any right, solely by virtue of this Agreement or its relationship to a Member or the Company, to share or participate in any such other investments or activities of the Members or to the income or proceeds derived therefrom. Members shall not have any obligation to disclose any such other investments or activities to the Interest Holders unless it actually or potentially adversely affects the business or property of the Company.

5.5. *Compensation and Expenses.* The Company may enter into management or employment contracts, under such terms and conditions and providing for such compensation as shall be approved by the Members as provided herein, with one or more Member or Interest Holders or Persons Affiliated with the Member or Interest Holders.



5.6. *Books and Records.* At the expense of the Company, the Members shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with sound accounting practices and kept at the Company's known place of business and such other location or locations as the Members shall from time to time determine. At a minimum the Company shall keep at its known place of business the following records:

5.6.1. A current list of the full name and last known business, residence, or mailing address of each Member;

5.6.2. A copy of the initial Articles and all amendments thereto and restatements thereof;

5.6.3. Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent fiscal years;

5.6.4. Copies of this Agreement and all amendments hereto or restatements hereof, including any prior operating agreements no longer in effect;

5.6.5. Copies of any documents relating to a Member's obligation to contribute cash, property, or services to the Company;

5.6.6. Copies of any financial statements of the Company for the three (3) most recent fiscal years; and

5.6.7. Copies of minutes of all meetings of the Members and all written consents obtained from Members for actions taken by Members without a meeting.

5.7. *Financial Accounting/ Member Access to Books and Records.* The Members shall prepare and make available a financial accounting of the Company no less than once every sixty (60) days. Within three (3) calendar days following written notice, which may be submitted in writing, via facsimile or electronic mail, each Member shall have the right, during normal business hours, to inspect and copy, at the Member's expense, the Company's books and records.

5.8. *Reports.* Within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was a Member at any time during the Fiscal Year a complete accounting of the affairs of the Company for the Fiscal Year then ended. In addition, within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was

an Interest Holder at any time during the Fiscal Year, the tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the Members shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

**5.9. Title to Company Property.**

5.9.1. Except as provided in Section 5.9.2, all real and personal property acquired by the Company shall be acquired and held by the Company in its name.

5.9.2. Ten (10) days after giving notice, the Members may direct that legal title to all or any portion of the Company's property be acquired or held in a name other than the Company's name. Without limiting the foregoing, the Members may cause title to be acquired and held any one Member's name or in the names of trustees, nominees, or straw parties for the Company. It is expressly understood and agreed that the manner of holding title to the Company's property (or any part thereof) is solely for the convenience of the Company and all of that property shall be treated as Company property. The notice to be given to the Members under this section shall identify the asset or assets to be titled outside of the Company name, the Person in whom legal title is intended to vest, and the reason for the proposed transaction. If any Member provides written notice of an objection to the transaction before the expiration of the ten (10) day period, the transaction shall not be consummated except upon approval of a Majority of the Members.

**Section VI  
Members**

6.1. *Meetings.* Unless otherwise prescribed by the Act, meetings of the Members may be called, for any purpose or purposes, by a Majority of the Members.

6.2. *Place of Meetings.* Whoever calls the meeting may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members.

6.3. *Notice of Meetings.* Except as provided in this Agreement, written notice stating the date, time, and place of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered not less than three (3) nor more than fifty (50) days before the date of the meeting, either personally or by mail, electronic mail, facsimile, or overnight or next-day delivery services by or at the direction of the person or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States



mail, postage prepaid, addressed to the Member at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or fax number, if any, for the respective Member which has been supplied by such Member to the Company and identified as such Member's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the Member at his or her address as it appears on the books of the Company. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty (30) days. At the adjourned meeting the Company may transact any business which might have been transacted at the original meeting.

6.4. *Meeting of All Members.* If all of the Members shall meet at any time and place, including by conference telephone call, either within or outside of the State of Alaska, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice.

6.5. *Record Date.* For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless notice of the adjourned meeting is required to be given pursuant to Section 6.3.

6.6. *Quorum.* A Majority of the Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. Business may be conducted once a quorum is present.

6.7. *Voting Rights of Members.* Each Member shall be entitled to one (1) vote on all matters stipulated herein. If all of an Interest is transferred to an assignee who does not become a Member, the Member from whom the Interest is transferred shall no longer be entitled to vote. No withdrawn Member shall be entitled to vote nor shall such Member's Interest be considered outstanding for any purpose pertaining to meetings or voting.

6.8. *Manner of Acting.* Unless otherwise provided in the Act, the Articles, or this Agreement, the affirmative vote of a Majority of the Members at a meeting at which a quorum is present shall be the act of the Members.

6.9. *Proxies.* At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of its exercise. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

6.10. *Action by Members without a Meeting.* Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, circulated to all the Members with an explanation of the background and reasons for the proposed action, signed by that percentage or number of the Members required to take or approve the action. Any such written consent shall be delivered to the Members of the Company for inclusion in the minutes or for filing with the Company records. Action taken by written consent under this Section shall be effective on the date the required percentage or number of the Members have signed and delivered the consent to all Members, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the written consent is circulated to the Members.

6.11. *Telephonic Communication.* Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person, except where the Member participates in the meeting for the express purpose of objecting to the transaction of any business on the ground the meeting is not lawfully called or convened.

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

## **Section VII**

### **Transfers and Withdrawals**

7.1. *Transfers.* Except as otherwise provided in this Section VII no Member may, voluntarily or involuntarily, Transfer all, or any portion of, a Member's Interest without the prior written consent of all members, which consent may be withheld in the Members' sole and absolute discretion. In addition, such Transfer must receive the express written approval of the Alaska Marijuana Control Board, or other Alaska court or administrative agency with proper jurisdiction and authority on the issue, after filing any and all necessary forms for such transfer in compliance with AK Marijuana Governance. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. The Transfer of any Interest in violation of



the prohibitions contained in this Section VII shall be deemed invalid, null, and void, and of no force or effect. Any Person to whom any Interest is attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive allocations or distributions from the Company, or have any other membership rights in or with respect to the Interest.

7.2. *Members must remain qualified to hold a marijuana establishment license.* In the event any member becomes ineligible to hold a marijuana commercial state of Alaska issued marijuana establishment license due to criminal charges or convictions or due to lack of ensuring and maintaining Alaskan permanent fund dividend residency status, then that member shall be deemed withdrawn from the Company and that member shall exercise best efforts to execute any documents necessary to remove that member from the Company. Assuming that the disqualified member acts in good faith and utilizes best efforts to ensure mitigation of harm to the Company, the remaining members may, at their sole option, after offsetting any damages caused to the Company by the withdrawing member (if any), return the withdrawing member's capital contributions in a reasonable time frame, but in any event only if the company is able to return capital contributions without negatively impacting its ongoing business operations. All members understand and agree that they are engaging in this venture with the understanding that maintaining eligibility to hold a marijuana establishment license is a requisite to being a member in the Company.

7.3. *Withdrawal.* Except as otherwise provided in this Agreement, no Member shall have the right to withdraw from the Company. Any such withdrawal shall constitute a material breach of this Agreement and the Company shall have the right to recover damages from the withdrawn member and to offset the damages against any amounts otherwise distributable to such Member under this Agreement.

7.4. *Option on Death, Bankruptcy or Involuntary Transfer.* On the death, bankruptcy, or similar event (whether voluntary or involuntary) of a Member or Interest Holder, and upon any Involuntary Transfer, the Member or Interest Holder (or such Person's estate) shall offer, or shall automatically be deemed to have offered, to sell the Member's or Interest Holder's Interest to the Company or its nominee. Upon the approval of a Majority of the Members other than the offering Member, the Company or its nominee shall have the right and option, within seventy-five (75) days after the Members' actual knowledge of the death, bankruptcy, or similar event, to acquire the Interest, for the purchase price and on the terms set forth in Exhibit C attached hereto and made a part hereof. If the Interest is not purchased by the Company or its nominee, the Interest shall be transferred to the assignee of the Interest but shall remain fully subject to and bound by the terms of this Agreement.

7.5. *No Transfer of Membership Rights.* The Transfer of an Interest shall not result in the Transfer of any of the Transferring Member's other Membership Rights, if any, and unless the transferee is admitted as a Member pursuant to Section VII of this Agreement, the transferee shall only be entitled to receive, to the extent transferred, the share of distributions, including distributions representing the return of contributions, and the allocation of Profits and Losses (and other items of income, gain, or deduction), to which the Transferring Member would have otherwise been entitled with respect to the Transferring Member's Interest. The transferee shall have no right to participate in the management of the business and affairs of the Company or to become or to exercise any rights of a Member.

7.6. *Substitute Members.* Notwithstanding any provision of this Agreement to the contrary, an assignee of a Member may only be admitted as a substitute Member upon the written consent of a Majority of the non-transferring Members, which consent may be withheld in the Members' sole and absolute discretion.

7.7. *Additional Members.* The Company shall not issue additional Interests after the date of formation of the Company without the written consent or approval of a Majority of the Members, which consent may be withheld in the Members' sole and absolute discretion.

7.8. *Expenses.* Expenses of the Company or of any Interest Holder occasioned by transfers of Interests shall be reimbursed to the Company or Interest Holder, as the case may be, by the transferee.

7.9. *Distributions on Withdrawal.* \*This section 7.9 does not apply to Section 7.2\* Upon the occurrence of an Event of Withdrawal with respect to a Member, the withdrawn Member shall not be entitled to receive a withdrawal distribution but the withdrawn Member (or the withdrawn Member's personal representatives, successors, and assigns) shall be entitled to receive the share of distributions, including distributions representing a return of Capital Contributions, and the allocation of Profits and Losses, to which the withdrawn Member otherwise would have been entitled if the Event of Withdrawal had not occurred, during the continuation of the business of the Company and during and on completion of winding up. If the Event of Withdrawal violated this Agreement, the distributions paid to the withdrawn Member shall be offset by any damages suffered by the Company or its Members as a result of the Event of Withdrawal.

## **Section VIII**

### **Dissolution and Termination**



8.1. *Dissolution.*

8.1.1. *Events of Dissolution.* The Company will be dissolved upon the occurrence of any of the following events:

8.1.1.1. Upon the written consent of all the Members;

8.1.1.2. Upon the entry of a decree of dissolution under Section 10.50.405 of the Act or an administrative dissolution under Section 10.50.408 of the Act;

8.1.1.3. Upon the sale or other disposition of all or substantially all of the Company's assets and receipt by the Company of the proceeds therefrom; or

8.1.1.4. Upon the occurrence of an Event of Withdrawal of the last remaining Member unless within ninety (90) days all assignees of Interests in the Company consent in writing to admit at least one member to continue the business of the company.

8.2. *Continuation.* An Event of Withdrawal with respect to a Member shall not cause dissolution, and the Company shall automatically continue following such an Event of Withdrawal.

8.3. *Distributions and Other Matters.* The Company shall not terminate until its affairs have been wound up and its assets distributed as provided herein. Promptly upon the dissolution of the Company, the Members shall cause to be executed and filed a Notice of Winding Up with the Alaska Department of Commerce, Community, and Economic Development, and will liquidate the assets of the Company and apply and distribute the proceeds of such liquidation, or distribute the Company's assets in kind, as follows and in the following order:

8.3.1. *Ordinary Debts.* To payment of the debts and liabilities of the Company, including debts owed to Interest Holders, in the order of priority provided by law; provided that the Company shall first pay, to the extent permitted by law, liabilities with respect to which any Interest Holder is or may be personally liable;

8.3.2. *Reserves and Distributions.* To the setting up of such reserves as the Members may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company business;

8.3.3. *Remainder.* The balance of the proceeds shall be distributed to the Interest Holders in accordance with the positive balance in their Capital Accounts, determined as though all of the Company assets were sold for cash at their fair market value

as of the date of distribution. Any such distributions shall be made in accordance with the timing requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).

8.4. *Deficit Capital Accounts.* Notwithstanding anything to the contrary in this Agreement, if any Interest Holder's Capital Account has a deficit balance (taking into account all contributions, distributions, and allocations for the year in which a liquidation occurs), the Interest Holder shall not be obligated to make any contribution to the capital of the Company and the negative balance of such Interest Holder's Capital Account shall not be considered a debt owed by the Interest Holder to the Company or to any other person for any purpose whatsoever.

8.5. *Rights of Interest Holders—Distributions of Property.* Except as otherwise provided in this Agreement, each Interest Holder shall look solely to the assets of the Company for the return of his or her Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company. No Interest Holder shall have priority over any other Interest Holder for the return of his or her Capital Contributions, distributions, or allocations.

8.6. *Articles of Termination.* When all the assets of the Company have been distributed as provided herein, the Members shall cause to be executed and filed Articles of Termination as required by the Act.

## **Section IX**

### **Other Interests of an Interest Holder**

Any Interest Holder may engage in or possess interests in other business ventures of every nature and description, independently or with others. Neither the Company nor any Interest Holder shall have any right to any independent ventures of any other Interest Holder or to the income or profits derived therefrom. The fact that an Interest Holder, a member of his or her Family, or an Affiliate is employed by, or owns, or is otherwise directly or indirectly interested in or connected with, any person, firm, or corporation employed or retained by the Company to render or perform services, including without limitation, management, contracting, mortgage placement, financing, brokerage, or other services, or from whom the Company may buy property or merchandise, borrow money, arrange financing, or place securities, or may lease real property to or from the Company, shall not prohibit the Company from entering into contracts with or employing that person, firm, or corporation or otherwise dealing with him or it, and neither the Company nor any of the Interest Holders as such shall have any rights in or to any income or Profits derived therefrom.



## **Section X Indemnity**

10.1. *Indemnity Rights.* The Company shall indemnify each Interest Holder who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of his or her actions as an Interest Holder or by reason of his or her acts while serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, and against judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, provided that the acts of such Interest Holder were not committed with gross negligence or willful misconduct, and, with respect to any criminal action or proceeding, such Interest Holder had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest or its equivalent, shall not, in and of itself, create a presumption that the Interest Holder acted with gross negligence or willful misconduct, or with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

10.2. *Notice and Defense.* Any Interest Holder who is or may be entitled to indemnification shall give timely written notice to the Company, the Interest Holders that a claim has been or is about to be made against him or her, shall permit the Company to defend him or her through legal counsel of its own choosing, and shall cooperate with the Company in defending against the claim. The Interest Holder shall have the sole power and authority to determine the terms and conditions of any settlement of the claim.

10.3. *Other Sources.* The indemnification provided for herein shall apply only in the event, and to the extent that, the person is not entitled to indemnification, or other payment, from any other source (including insurance), and the Company's indemnity obligations hereunder shall be in excess of any indemnification or other payment provided by such other source.

10.4. *Survival.* The indemnification provided for herein shall continue as to a person who has ceased to be an Interest Holder and shall inure to the benefit of the heirs, executors, and administrators of such person.

## **Section XI Miscellaneous**

11.1. *Notices.* Any notice, demand, offer, or other communication which any person is required or may desire to give to any other person shall be delivered in person or by United States mail, electronic mail, facsimile, or overnight or next-day delivery service. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the person at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or facsimile number, if any, for the person which has been supplied by such person and identified as such person's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the person at his or her address as it appears on the books of the Company.

11.2. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Members shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

11.3. *Partial Invalidity.* The invalidity of any portion of this Agreement will not affect the validity of the remainder hereof.

11.4. *Governing Law; Parties in Interest.* This Agreement will be governed by and construed according to the laws of the State of Alaska without regard to conflicts of law principles and will bind and inure to the benefit of the heirs, successors, assigns, and personal representatives of the parties.

11.5. *Execution in Counterparts.* This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

11.6. *Titles and Captions.* All article, section, or paragraph titles or captions contained in this Agreement are for convenience only and are not deemed part of the context thereof.

11.7. *Pronouns and Plurals.* All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.



11.8. *Waiver of Action for Partition.* Each of the Interest Holders irrevocably waive any right that he or she may have to maintain any action for partition with respect to any of the Company Property.

11.9. *Entire Agreement.* This Agreement contains the entire understanding between the parties, and supersedes any prior understandings and agreements between or among them with respect to the subject matter hereof.

11.10. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by any Member or the Members, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof.

## **Section XII**

### **Arbitration**

If the parties are unable to resolve any dispute arising out of this Agreement either during or after its term informally, including the question as to whether any particular matter is arbitrable, the parties agree to submit the matter to binding arbitration. In the event the parties have not agreed upon an arbitrator within twenty (20) days after either party has demanded arbitration, either party may file a demand for arbitration with an Alaska regional office of the American Arbitration Association ("AAA") and a single arbitrator shall be appointed in accordance with the then existing Commercial Arbitration Rules of the AAA. At all times during arbitration, the arbitrator shall consider that the purpose of arbitration is to provide for the efficient and inexpensive resolution of disputes, and the arbitrator shall limit discovery whenever appropriate to insure that this purpose is pre-served. The dispute between the parties shall be submitted for determination within sixty (60) days after the arbitrator has been selected. The decision of the arbitrator shall be rendered within thirty (30) days after the conclusion of the arbitration hearing. The decision of the arbitrator shall be in writing and shall specify the factual and legal basis for the decision. Upon stipulation of the parties, or upon a showing of good cause by either party, the arbitrator may lengthen or shorten the time periods set forth herein for conducting the hearing or for rendering a decision. The decision of the arbitrator shall be final and binding upon the parties. Judgment to enforce the decision of the arbitrator, whether for legal or equitable relief, may be entered in any court having jurisdiction thereof, and the parties hereto expressly and irrevocably consent to the jurisdiction of the Alaska Courts for such purpose. The arbitrator shall conduct all proceedings pursuant to the then existing Commercial Arbitration Rules of the AAA, to the extent such rules are not inconsistent with the provisions of this Article III. The AAA Uniform Rules of Procedure shall not

apply to any arbitration proceeding relating to the subject matter or terms of the documents. In the event a dispute is submitted to arbitration pursuant to this Section, the prevailing party shall be entitled to the payment of its reasonable attorneys' fees and costs, as determined by the arbitrator. Each of the parties shall keep all disputes and arbitration proceedings strictly confidential, except for disclosures of information required by applicable law or regulation.

### **Section XIII**

#### **Agreement of Spouses &/or Domestic Partners of Members**

By executing the Spousal/Domestic Partnership Consent to this Agreement, attached hereto as **Exhibit D**, the spouse/domestic partner of each Member acknowledges and consents to the terms and conditions of this Agreement and agrees, for himself or herself and for the community of himself and herself and the Member, to be bound hereby. Each spouse/domestic partner of an Member, for himself or herself and the community of which he or she is a member, hereby irrevocably appoints the Member as attorney-in-fact with an irrevocable proxy coupled with an Interest to vote on any matter to come before the Members or to agree to and execute any amendments of this Agreement without further consent or acknowledgment of the spouse/domestic partner and to execute proxies, instruments, or documents in the domestic partner/spouse's name as may be required to effect the same. This power of attorney is intended to be durable and shall not be affected by disability of the domestic partner/spouse.

### **Section XIV**

#### **Representation**

The parties hereby acknowledge that (i) JDW, LLC (the "Firm") has represented Jack Ventures, LLC in connection with the drafting of this Operating Agreement; (ii) that each of the signatories has been advised to seek independent counsel in connection with such matters; and (iii) that the Firm does not represent any Member individually either directly or indirectly, but rather represents the Company. Payment of the Firm's fees by the Company shall not alter or amend any of the relationships.

IN WITNESS WHEREOF, the Members have executed this Operating Agreement, effective as of the date first set forth above.

***Signatures of the Members and their Spouses follow on Page 21 & 32 respectively.***



**MEMBERS:**



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Nicholas Gélinas



---

Luke Stowe



---

Benjamin English

**EXHIBIT A**

**Members, Capital Contributions, and Interest**

<b><u>Member</u></b>	<b><u>Initial Capital Contribution</u></b>	<b><u>Current Capital Account</u></b>	<b><u>Percentage Interest</u></b>
Nicholas Gelinas		\$	33.33%
Luke Stowe		\$	33.33%
Benjamin English		\$	33.33%
<b>TOTAL</b>		<b>\$ </b>	<b>100.00%</b>



## **EXHIBIT B**

### **Tax Matters**

1. *Definitions.* The capitalized words and phrases used in this **Exhibit B** shall have the following meanings:

1.1. “*Adjusted Book Value*” means with respect to Company Property, the Property’s Initial Book Value with the adjustments required under this Agreement.

1.2. “*Adjusted Capital Account Deficit*” means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

1.2.1. the Capital Account shall be increased by the amounts which the Interest Holder is obligated to restore under this Agreement or is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder’s share of Minimum Gain and Member Minimum Gain); and

1.2.2. the Capital Account shall be decreased by the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

This definition of Adjusted Capital Account Deficit is intended to comply with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with that Regulation.

1.3. “*Capital Account*” means the account maintained by the Company for each Interest Holder in accordance with the following provisions:

1.3.1. An Interest Holder’s Capital Account shall be credited with the amount of money contributed by the Interest Holder to the Company; the fair market value of the 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 Section 752 of the Code); the Interest Holder’s allocable share of Profit and items of income and gain; and the amount of Company liabilities that are assumed by the Interest Holder under Regulation Section 1.704-1(b)(2)(iv)(c);

1.3.2. An Interest Holder’s Capital Account shall be debited with the amount of money distributed to the Interest Holder; the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed Property that the Interest Holder is considered to assume or take subject to under Section 752 of the

Code); the Interest Holder's allocable share of Loss and items of deduction; and the amount of the Interest Holder's liabilities that are assumed by the Company under Regulation Section 1.704-1(b)(2)(iv)(c);

1.3.3. If Company Property is distributed to an Interest Holder, the Capital Accounts of all Interest Holders shall be adjusted as if the distributed Property had been sold in a taxable disposition for the gross fair market value of such Property on the date of distribution (taking into account Section 7701 of the Code) and the Profit or Loss from such disposition allocated to the Interest Holders as provided in this **Exhibit B**.

1.3.4. If money or other Property (other than a *de minimis* amount) is (a) contributed to the Company by a new or existing Interest Holder in exchange for an interest in the Company; or (b) distributed by the Company to a retiring or continuing Interest Holder as consideration for an interest in the Company; then, if the Members deem such an adjustment to be necessary to reflect the economic interests of the Interest Holders, the Book Value of the Company's Property shall be adjusted to equal its gross fair market value on such date (taking into account Section 7701(g) of the Code) and the Capital Accounts of all Interest Holders shall be adjusted in the same manner as if all the Company Property had been sold in a taxable disposition for such amount on such date and the Profit or Loss allocated to the Interest Holders as provided in this **Exhibit B**.

1.3.5. To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the Book Value of the Company's Property and the Capital Account of the Interest Holders shall be adjusted in a manner consistent with the manner in which the Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

1.3.6. If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts or the Adjusted Book Value of Company Property shall be interpreted and applied in a manner consistent with that Section of the Regulations.

1.4. "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

1.5. "Company Minimum Gain" has the meaning set forth in Regulation Section 1.704-2(b)(2) for "partnership minimum gain."



1.6. *"Initial Book Value"* means, with respect to Property contributed to the Company by an Interest Holder, the Property's fair market value at the time of contribution and, with respect to all other Property, the Property's adjusted basis for federal income tax purposes at the time of acquisition.

1.7. *"Member Nonrecourse Debt"* has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations for "partner nonrecourse debt."

1.8. *"Member Nonrecourse Debt Minimum Gain"* has the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain."

1.9. *"Member Nonrecourse Deductions"* has the meaning set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions."

1.10. *"Nonrecourse Deductions"* has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions shall be determined according to the provisions of Regulation Section 1.704-2(c).

1.11. *"Nonrecourse Liability"* has the meaning set forth in Regulation Section 1.704-2(b)(3).

1.12. *"Profit" and "Loss"* means, for each Fiscal Year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:

1.12.1. All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

1.12.2. Any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;

1.12.3. Any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be included in computing Profit or Loss;

1.12.4. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the Adjusted Book

Value of the Property disposed of rather than the adjusted basis of the property for federal income tax purposes;

1.12.5. If the Adjusted Book Value of Company Property differs from its adjusted basis for federal income tax purposes, then in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, the depreciation, amortization (or other cost recovery deduction) shall be an amount that bears the same ratio to the Adjusted Book Value of such Property as depreciation, amortization (or other cost recovery deduction) computed for federal income tax purposes for such period bears to the adjusted tax basis of such Property. If the Property has a zero adjusted tax basis, the depreciation, amortization (or other cost recovery deduction) of such Property shall be determined under any reasonable method selected by the Company; and

1.12.6. Any items that are specially allocated pursuant to Sections 2.3 and 2.4 hereof shall not be taken into account in computing Profit or Loss.

1.13. "Treasury Regulations" or "Regulations" means the income tax regulations, including any temporary regulations, promulgated under the Code as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

2. *Allocations.* After making any special allocations contained in Section 2.5, remaining Profits and Losses shall be allocated for any Fiscal Year in the following manner:

2.1. *Profits.*

2.1.1. First, Profits shall be allocated among the Interest Holders in proportion to the cumulative Losses previously allocated to the Interest Holder under Section 2.2.3 until the cumulative Profits allocated to each Interest Holder under this subparagraph equal the cumulative Losses previously allocated to each Interest Holder under Section 2.2.3;

2.1.2. Second, Profits shall be allocated proportionately among the Interest Holders until the cumulative Profits allocated to each Interest Holder under this subparagraph equal the cumulative Priority Return each Interest Holder has received through the end of the Fiscal Year plus Losses, if any, allocated to the Interest Holder under Section 2.2.2; and

2.1.3. Third, Profits shall be allocated to the Interest Holders in accordance with their Percentage Interests.



## 2.2. *Losses.*

2.2.1. First, Losses shall be allocated to the Interest Holders in proportion to the cumulative Profits previously allocated to the Interest Holders under Section 2.1.3 until the cumulative Losses allocated pursuant to this subparagraph to each Interest Holder are equal to the cumulative Profits previously allocated to each Interest Holder under Section 2.1.3.

2.2.2. Second, Losses shall be allocated to the Interest Holders in proportion to the cumulative Profits previously allocated to the Interest Holders under Section 2.1.2 until the cumulative Losses allocated pursuant to this subparagraph to each Interest Holder are equal to the cumulative Profits previously allocated to each Interest Holder under Section 2.1.2; and

2.2.3. Third, Losses shall be allocated to the Interest Holders in accordance with their Percentage Interests.

## 2.3. *Loss Limitations.*

2.3.1. *Adjusted Capital Account Deficit.* No Losses shall be allocated to any Interest Holder pursuant to Section 2.1 if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit or increases the Interest Holder's Capital Account Deficit. All Losses in excess of the limitations set forth in this Subsection shall be allocated to the other Interest Holders in accordance with the other Interest Holders' Percentage Interests until all Interest Holders are subject to the limitation of this Subsection, and thereafter, in accordance with the Interest Holders' interest in the Company as determined by the Members. If any Losses are allocated to an Interest Holder because of this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection equal to the Losses previously allocated to that Interest Holder under this Subsection.

2.3.2. *Cash Method Limitation.* If the Company is on the cash method of accounting and more than 35% of the Company's Losses in any year would be allocable to Interest Holders who are limited entrepreneurs (within the meaning of § 464(e)(2) of the Code), then except as otherwise provided in Section 2.2.1, the Losses in excess of 35% otherwise allocable to those Interest Holders shall be specially allocated among the other Interest Holders in the ratio that each shares in Losses. If any Losses are allocated to an Interest Holder under this Subsection, then notwithstanding any other provision of this

Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection in the current and previous Fiscal Years equal to the Losses allocated to that Interest Holder pursuant to this Subsection in previous Fiscal Years.

2.4. *Section 704(c) Allocations.*

2.4.1. *Contributed Property.* In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution).

2.4.2. *Adjustments to Book Value.* If the Adjusted Book Value of any Company asset is adjusted as provided in clause (iv) of the definition of Capital Account, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall, solely for tax purposes, take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner as provided under Code Section 704(c) and the Regulations thereunder.

2.5. *Regulatory Allocations.* The following allocations shall be made in the following order:

2.5.1. *Company Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f)(2), (3), (4), and (5), if during any Fiscal Year there is a net decrease in Company Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Section IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, succeeding taxable years) in an amount equal to that Interest Holder's share of the net decrease of Company Minimum Gain, computed in accordance with Regulation Section 1.704-2(g)(2). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Nonrecourse Liabilities to the extent of the Minimum Gain attributable to those assets and, thereafter, from a pro rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(f).



2.5.2. *Member Nonrecourse Debt Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, each Interest Holder with a share of that Member Nonrecourse Debt Minimum Gain (determined under Regulation Section 1.704-2(i)(5)) as of the beginning of the Fiscal Year shall be specially allocated items of income and gain for such Fiscal Year (and, if necessary, succeeding Fiscal Years) in an amount equal to that Interest Holder's share of the net decrease in Member Nonrecourse Debt Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of gross income and gain pursuant to this Subsection shall be made first from gain recognized from the disposition of Company assets subject to Member Nonrecourse Debt to the extent of the Member Minimum Gain attributable to those assets and, thereafter, from a pro rata portion of the Company's other items of income and gain for the Fiscal Year. It is the intent of the parties hereto that any allocation pursuant to this Subsection shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(i)(4).

2.5.3. *Qualified Income Offset.* If an Interest Holder unexpectedly receives an adjustment, allocation, or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), then to the extent required under Regulations Section 1.704-1(b)(2)(d), such Interest Holder shall be allocated items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain for that Fiscal Year) before any other allocation is made of Company items for that Fiscal Year, in the amount and in proportions required to eliminate the Interest Holder's Adjusted Capital Account Deficit as quickly as possible. This Subsection is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

2.5.4. *Nonrecourse Deductions.* Nonrecourse Deductions for a Fiscal Year or other period shall be allocated among the Interest Holders in proportion to their Percentage Interests.

2.5.5. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any Fiscal Year or other period attributable to a Member Nonrecourse Liability shall be allocated to the Interest Holder who bears the risk of loss for the Member Nonrecourse Debt in accordance with Regulation Section 1.704-2(i).

2.5.6. *Regulatory Allocations.* The allocations contained in Section 2.5 are contained herein to comply with the Regulations under Section 704(b) of the Code. In allocating other items of Profit or Loss, the allocations contained in Section 2.5 shall be taken into account so that to the maximum extent possible the net amount of Profit or Loss allocated to each Interest Holder will be equal to the amount that would have been allocated to each Interest Holder if the allocations contained in Section 2.4 had not been made.



2.6. *Varying Interests; Allocations in Respect to Transferred Interests.* Profits, Losses, and other items shall be calculated on a monthly, daily, or other basis permitted under Code Section 706 and the Regulations. If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, profits, losses, each item thereof, and all other items attributable to such Interest for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Company.

2.7. *Tax Matters Partner.* The Members shall select one Member to be the Company's tax matters partner ("Tax Matters Partner") unless the Members designate a different Person to serve in this capacity. The Tax Matters Partner shall have all powers and responsibilities provided in Code Section 6221, et seq. The Tax Matters Partner shall keep all Members informed of all notices from government taxing authorities which may come to the attention of the Tax Matters Partner. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Partner in performing those duties. The Company shall be responsible for any costs incurred by any Member with respect to a tax audit or tax-related administrative or judicial proceeding against the Member. The Tax Matters Partner shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

2.8. *Returns and Other Elections.* The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

2.9. *Annual Accounting Period.* The annual accounting period of the Company shall be its Fiscal Year. The Company's Fiscal Year shall be selected by the Members, subject to the requirements and limitations of the Code.

2.10. *Knowledge.* The Interest Holders acknowledge that they understand the economic and income tax consequences of the allocations and distributions under this Agreement and agree to be bound by the provisions of this **Exhibit B** in reporting their taxable income and loss from the Company.

2.11. *Amendment.* The Members are hereby authorized, upon the advice of the Company's tax counsel, to amend this **Exhibit B** to comply with the Code and the Regulations promulgated under Code Section 704(b); provided, however, that no amendment shall materially affect the distributions to an Interest Holder without the Interest Holder's prior written consent.



## EXHIBIT C

### Formula For Determining The Purchase Price Of A Member's Interest And Payment Terms Pursuant To Section VII

When required pursuant to Section VII of this Agreement, the value of an Interest will be determined by a valuation professional accredited in business valuation by the AICPA or American Society of Appraisers ("Appraiser"). Such Appraiser shall be jointly selected by the Company and the offering Member, Interest Holder, or such Person's estate (the "Offering Member") within fifteen (15) days after the other Members' actual knowledge of the Offering Member's death or bankruptcy. The cost of the Appraiser shall be borne equally by the Company and the Offering Member. If a mutually satisfactory Appraiser cannot be selected, then the Company and the Offering Member each shall select and pay for its own Appraiser and the two Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, they shall jointly select a third Appraiser to value the Offering Member's Interest. The cost of the third Appraiser shall be borne equally by the Company and the Offering Member. The three Appraisers shall attempt to reconcile their valuations to arrive at a single valuation. If they are unable to do so, then the middle of the three appraisals shall be used as the valuation. The standard of value shall be fair market value.

If applicable, each party shall appoint its Appraiser within seven (7) days after the parties determine they cannot agree on a single Appraiser. The two Appraisers appointed shall select a third Appraiser within seven (7) days after they determine they cannot agree on a single valuation. The Appraisers shall be instructed to provide their valuations within thirty (30) days after their appointment.

Payment of the Offering Member's Interest shall be due and payable by the Company as follows: ten percent (10%) in cash within sixty (60) days after acceptance by the Company of the offer to purchase the Offering Member's Interest and the balance in ten (10) equal semi-annual installments commencing on the six (6) month anniversary of the initial down payment, together with interest on the unpaid balance from time to time outstanding until paid at the prime rate of interest reported by *The Wall Street Journal - Western Edition* (such rate to be determined and fixed as of the date of the initial payment hereunder), payable at the same time as and in addition to the installments of principal.



## MEMBERS ADMISSION AGREEMENT

This Admission Agreement ("Agreement") is made as of 10-14, 2020, by and between Jack Ventures, LLC, an Alaskan limited liability company (the Company), and Shawn McDonough (herein referred to as the Purchaser). Certain capitalized terms used herein and not defined in this Agreement shall have the meanings ascribed to them in the Operating Agreement of the Company, by and among the Company and the members identified therein, as amended from time to time (the "Operating Agreement").

1. Contribution; Issuance of Membership Interests.
  - (a) Purchasers Initial Contribution. Upon the terms and conditions set forth in this Agreement, as an initial capital contribution, the Purchaser hereby agrees to contribute 16-20 to the Company for a 7.5% ownership interest, due 16-20, 2020.
  - (b) Issuance of Membership Percentage. In consideration for the Purchasers Initial Contribution and the Purchasers willingness to enter into the Operating Agreement, upon the terms and subject to the conditions set for the in this Agreement, the Company shall issue to the Purchaser, upon receipt of each contribution installment, an amount of Membership Percentage equal to a 7.5% Voting Ratio. Membership Percentage will be formally transferred after approval received from the Alaska Marijuana Control Board or Office.
  - (c) The current members of Jack Ventures, LLC, Nicholas Gelinas, Luke Stowe, and Benjamin English percentage interest shall be diluted equally upon admission of Purchaser.
2. Representations of the Purchaser. In connection with the Initial Contribution and issuance of the Percentage, the Purchaser hereby represents and warrants to the Company as follows:
  - (a) The Purchaser understands that (i) the Percentage has not been registered under the Securities Act, nor qualified under the securities laws of any other jurisdiction, (ii) the Percentage cannot be resold unless they are subsequently registered under the Securities Act and qualified under applicable state and securities laws, unless the Company determines that exemptions from such registration and qualification requirements are available, and (iii) except as otherwise set forth in the Operating Agreement, the purchasers have no right to require such registration or qualification;
  - (b) The Percentage to be acquired by the Purchaser pursuant to this Agreement will be acquired for such Purchaser's own account and not with a view to, or intention of, distribution thereof in violation of the Securities Act, or any applicable state securities laws, and the Percentage will not be disposed of in contravention of the Securities Act or any applicable state securities laws;
  - (c) The Purchasers either (i) have a preexisting personal or business relationship with the Company or its principals or (ii) has substantial knowledge and experience in financial and business matters, has specific experience making investment decisions of a similar nature, and is capable without the use of a financial advisor, of utilizing and analyzing the information made available in connection with the acquisition of the Percentage



and of evaluating the merits and risks of an investment in the Percentage and protecting the Purchasers own interests in connection with this transaction. The Purchaser will provide the Company, upon request, with such information concerning any prior investment experience, business or professional experience and other information as the Company may reasonably request to further evaluate the foregoing representations;

- (d) The purchaser has carefully reviewed and understands the risks of, and other considerations relating to, an investment in the Percentage;
  - (e) The Purchaser is able to bear the economic risk of such Purchaser's investment in the Percentage for an indefinite period of time because the Percentage has not been registered under the Securities Act and, therefore, cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available and are subject to additional restrictions as provided herein;
  - (f) The Purchaser has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of the Percentage and has had full access to such other information concerning the Company as the Purchaser has requested. Without limiting the generality of the foregoing, the Purchaser has been provided with copies of the Operating Agreement and has had an opportunity to review and ask questions and receive satisfactory answers concerning the terms and conditions of such Operating Agreement.
  - (g) The Purchaser is a resident and domiciliary of the state or other jurisdiction hereinafter set forth opposite the Purchasers signature and the Purchaser is a resident and domiciliary of a state that requires the Company to ascertain certain other information regarding the Purchaser, the Company may attach a page to this Agreement containing additional representations required by such state to be made by the Purchaser in connection with the Purchasers investment in the Percentage, and by signing this Agreement, the Purchaser shall be deemed to have made such additional representations to the Company; and
  - (h) The Purchaser has not received and is not relying upon any written literature other than the Operating Agreement, and has not received and is not relying upon any oral representations which are in any manner inconsistent with the written information contained therein.
3. Representations of the Company. In connection with the Initial Contribution and issuance of the Percentage, the Company hereby represents and warrants to the Purchaser as follows:
- (a) Organization, Good Standing and Qualification. The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Alaska and has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted. The Company has all requisite power and authority to enter into this Agreement, to issue the Percentage hereunder and to carry out and perform its obligations under the terms of this Agreement. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a material adverse effect on its business, properties, operations, assets, or condition (financially or otherwise), as presently conducted.



- (b) **Subsidiaries.** The Company does not presently own or control, directly or indirectly, any interest in any other corporation, association, or other business entity. The Company is not a participant in any joint venture, partnership, or similar arrangement.
- (c) **Authorization.** All action on the part of the Company, its officers, and Members necessary for the authorization, execution and delivery of this Agreement, the performance of all obligations of the Company hereunder and the authorization and issuance of the Percentage has been taken. Without limiting the generality of the immediately preceding sentence, the execution and delivery of this Agreement, the performance of all obligations of the Company hereunder and the authorization and issuance of the Percentage have, after full disclosure of the material facts of such transactions, been approved by the Members, who determined, in good faith, that the transactions contemplated by this Agreement are fair, just and reasonable to the Company. This Agreement, when executed and delivered, will constitute, and is , a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors rights; (ii) as limited by general principles of equity that restrict the availability of equitable remedies; and (iii) to the extent that the enforceability of any indemnification provisions, if applicable, of this Agreement may be limited by applicable laws.
- (d) **Government Consents.** No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement. The Company currently holds, or is in the process of applying for and expects to receive, all licenses, permits, franchises, registrations and qualifications which may be required to conduct its business, and all such licenses, permits, franchises, registrations and qualifications are valid and in full force and effect, except as would not, individually or in the aggregate, have a material adverse effect on the Company's business, properties, operations, assets or condition (financial or otherwise).
- (e) **Litigation.** There is no action, suit, proceeding or investigation pending or currently threatened against the Company that questions the validity of this Agreement or the right of the Company to enter into it, or to consummate the transactions contemplated hereby, or that might result, either individually or in the aggregate, in any material adverse changes in the business, properties, operation, assets, condition or affairs of the Company, financially or otherwise, or any change in the current equity ownership of the Company, nor is the Company aware that there is any basis for the foregoing. There is no action, suite, proceeding or investigation by the Company currently pending or which the Company intends to initiate.

#### 4. Acknowledgments and Agreements.

- (a) The Purchaser acknowledges and agrees that: (i) the Company is entering into this Agreement in reliance upon the Purchaser's representations and warranties herein; and (ii) all information which the purchaser has provided to the Company concerning the Purchaser including, without limitation, the Purchasers financial position and knowledge of an experience with financial and business matters is correct and complete as of the date of this Agreement, and if there should be any material change



in such information prior to the closing of this offering, the Purchaser will immediately provide the Company with such information.

- (b) The Company acknowledges and agrees that: (i) the Purchaser is entering into this Agreement in reliance upon the Company's representations and warranties herein; and (ii) all information which the Company has provided to the Purchaser concerning the Company including, without limitation, the Company's financial position, business and other matters in correct and complete as of the date of this Agreement, and if there should be any material change in such information prior to the closing of this offering, the Company will immediately provide the Purchaser with such information.
- (c) The Company and the Purchaser acknowledges and agrees that this Agreement has been executed and delivered, and the Percentage has been issued hereunder, in connection with and as a part of the Purchasers willingness to enter into the Operating Agreement.
- 5. Agreement to the Operating Agreement. The Purchaser acknowledges and agrees that the Percentage is being issued pursuant to, and are subject in all respects to, this Agreement and the Operating Agreement, the terms and conditions of which are incorporated herein as if set forth fully herein. The Purchaser acknowledges and agrees to all the terms and conditions of this Agreement and the Operating Agreement, including the co-sale rights, right of first option, rights of first refusal, restrictions of transfer and any other provisions which may be set forth in the Operating Agreement. The Purchaser is aware that the Purchaser has no right to require registration of the Percentage and must bear the economic risk of an illiquid investment. The Purchaser is also aware of and familiar with the provisions of the Operating Agreement relating to the management of the Company and the provisions regarding the selection of members as Managing Members.
- 6. Transfer Restrictions. The Purchaser shall hold the Percentage subject to the transfer restrictions contained in Section VII of the Operating Agreement and the terms of this Agreement.
- 7. Securities Law Restrictions and Other Restrictions on Transfer of Membership Percentage.
  - (a) The Purchaser is advised that federal and state securities laws govern and restrict the Purchaser's right to offer, sell or otherwise dispose of the Percentage unless the Purchaser's offer, sale or other disposition thereof is registered under the Securities Act and state securities laws, or in the opinion of the Company's counsel, such offer, sale or other disposition is exempt from registration or qualification thereunder. The Purchaser agrees that the Purchaser will not offer, sell or otherwise dispose of the Percentage in any manner which would: (i) require the Company to file any registration statement with the Securities and Exchange Commission (or any similar filing under state law) or to amend or supplement any such filing or (ii) violate or cause the Company to violate the Securities Act, the rules and regulations promulgated there under or any other state or federal law. The certificates for the Percentage, if any, will bear the legends required by subparagraph (b) below.
  - (b) The certificate, if any, representing the Percentage will bear the following legend and such other legends as the Company deems necessary or desirable in connection with the Securities Act or other rules, regulations, or laws:



THE PERCENTAGE REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. PERCENTAGE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER SAID ACT AND THE RULES AND REGULATIONS THEREUNDER AND ALL APPLICABLE STATE SECURITIES OR ABLUE SKY LAWS OR AN EXEMPTION THEREFROM UNDER SAID ACT AND ALL APPLICABLE STATE SECURITIES OR ABLUE SKY LAWS OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY IS OBTAINED TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SAID ACT AND ALL APPLICABLE STATE SECURITIES OR ABLUE SKY LAWS.

(c) Notwithstanding any other provision contained herein, the Company may refuse to register any transfer of the Percentage if the registration of such transfer would require the Company to register any other class of membership interest with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (except in connection with an effective registration statement under the Securities Act).

8. Notices. All notices, requests, consents and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given and made and served either by personal delivery to the person for whom it is intended or if deposited, postage prepaid, registered or certified mail, return receipt requested, in the United States mail:

If to the Company:

Jack Ventures, LLC. 205 Dimond Blvd #369, Anchorage, Alaska 99515.

If to the Purchaser, addressed to the Purchaser at the address shown in the records of the Company, or at such other address as the purchaser may specify by written notice to the Company.

9. Miscellaneous

- (a) Upon its acceptance by the Company, this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and the purchaser and the Purchaser's respective executors or administrators, personal representatives, heirs, legatees and distributees.
- (b) This Agreement shall be governed by and construed in accordance with the local law, and not the law of conflicts, of the State of Alaska.
- (c) In any conflict between the terms and provisions of this Agreement and the terms and provisions of the Operating Agreement, the terms, and provisions of the Operating Agreement or, if applicable, most recently adopted amended and restated operating agreement shall govern.
- (d) No course of dealing or any delay or failure to exercise any right, power, or remedy hereunder on the part of any party hereto shall operate as a waiver of or otherwise prejudice such party's rights, powers, or remedies.
- (e) This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

Signature & Date

 10-14-2020

Social Security or Tax ID #:

Residence Street Address:

City, State and Zip code: Anchor point AK 99556

Residence Telephone: 907-299-1829

Business Name: Frontier CBDs

Business Address:

City, State and Zip code: Hammer, AK 99603

Business Telephone: 907-299-1829

Mail Correspondence to: ☐ Residence ☒ Business (check preferred location)



- (f) Notwithstanding anything in this Agreement, the Company shall not be obligated to issue or sell any Percentage to any Person if, in the judgement of the Company's counsel, such issuance or sale may violate federal or applicable state securities laws or regulations or may require the Company to register or qualify any such Percentage under any federal or state securities laws, or require the Company or any of its agents or representatives to register or qualify with any governmental agency or organization, pursuant to such laws or regulations.
10. Certification as to Taxpayer Identification Number and Backup Withholding and Non-Foreign Status-Substitute Form W-9; Social Security or Tax ID Number. Under penalties of perjury, the Purchaser certifies by the Purchaser's signature below that (a) the number shown on this form is the purchaser's correct taxpayer identification number; and (b) the Purchaser is not subject to backup withholding because (i) the Purchaser is exempt from backup withholding, (ii) the Purchaser has not been notified that the Purchaser is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the Internal Revenue Service has notified the Purchaser in that the Purchaser are no longer subject to backup withholding.
11. In the event that Purchaser is or becomes ineligible for ownership in a marijuana cultivation license, Purchaser will be deemed to have put their interest up for sale to the Company and the Company shall purchase the membership interest at fair market value and distribute the ownership amongst the remaining members pro rata. The Company in this event would be entitled to a payment schedule to that is feasible for the Company to still operate its normal business activities.

*Signatures on next immediate page.*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

COMPANY:

Jack Ventures, LLC, an Alaskan limited liability company

By: Member Nicholas Gelinas

Date: 10-14-20

Signature



&

By: Member Luke Stowe

Date: Oct 14, 2020

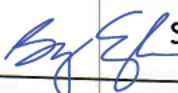
Signature



&

By: Member Benjamin English

Date: Oct 14, 2020



Signature

&

PURCHASER:

Printed Name: Shawn McDonough