

Alcohol & Marijuana Control Office

Initiating License Application

5/4/2021 9:15:07 PM

License Number: 22150**License Status:** Active-Operating**License Type:** Retail Marijuana Store**Doing Business As:** Top Shelf Herbs Of Alaska LLC**Business License Number:** 2088101**Designated Licensee:** Chism Leimbach**Email Address:** Chismleimbach@yahoo.com**Local Government:** Anchorage (Municipality of)**Local Government 2:****Community Council:** Spenard**Latitude, Longitude:** 61.194700, -149.900900**Physical Address:** 901 Photo Ave Suite A
Anchorage, AK 99503
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10105363**Alaska Entity Name:** Top Shelf Herbs Of Alaska LLC**Phone Number:** 864-363-7238**Email Address:** chismleimbach@yahoo.com**Mailing Address:** 901 Photo Ave suite A
Anchorage, AK 99503
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Chism Leimbach**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 864-363-7238**Email Address:** chismleimbach@gmail.com**Mailing Address:** 24515 Thunderbird Drive
Chugiak, AK 99567
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Mark Fazio**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 864-363-7238**Email Address:** markfazio66@gmail.com**Mailing Address:** 8526 S. Ben Hur Drive
Unit 2
Palmer, AK 99645
UNITED STATES**Note:** No affiliates entered for this license.

Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date:

License #/Type:

Licensee:

Address:

DBA:

AMCO Case #:

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice of Violation. A licensee may respond, either orally or in writing to the Notice. 3 AAC 306.810 (2)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation, to correct any defect that is the subject of the notice of violation of AS 17.8 or this chapter.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your marijuana license number in your response.**

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator:

Received by:

SIGNATURE:

J.R. Hamilton

SIGNATURE:

Delivered VIA:

Date:



Birch Horton Bittner & Cherot
a professional corporation

Jason Brandeis

Respond to Anchorage Office
T 907.263.7243 • F 907.276.3680
jbrandeis@bhb.com

September 23, 2020

VIA ELECTRONIC DELIVERY

Alcohol & Marijuana Control Office
Attn: Enforcement
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501

RE: Case #AM20-1008
Our File No.: 508190.1

Dear AMCO Enforcement Staff:

Top Shelf Herbs hereby responds to the September 14, 2020 Notice of Violation issued for AMCO Case # AM20-1008.

Any violations of the regulations present in this case were unintentional. The licensee reasonably relied on AMCO's approval of permissible signage at the time of its initial inspection, and made subsequent changes based off of that initial interpretation. However, the applicable regulation governing signage at marijuana establishments is also sufficiently vague so as to be potentially unenforceable in this situation. Accordingly, the licensee requests guidance from AMCO regarding permissible signage at its facility and that no further punitive action be taken on this case.

From the licensee's perspective, the facts in this matter are as follows:

1. On July 13, 2020 AMCO and Municipality of Anchorage inspectors were present at the facility for the initial inspection. At the time of the initial inspection, Top Shelf had three window covering stickers with the store logo in the windows on the north (Northern Lights Blvd) side of the store and a banner with the store name above the entrance. Top Shelf passed its initial inspection and was allowed to begin operating. No indication was given that Top Shelf was in violation of the sign regulations at that time.
2. Top Shelf did not consider the window coverings to be signs. To the extent the window coverings were considered signs, AMCO inspectors approved of three window covers and one banner sign on the building at the time of the initial inspection. It was therefore reasonable for Top Shelf to rely on this action as approval of their signage. Since this format was approved, AMCO inspectors either considered this to be one sign only (the banner sign) or two signs (the banner sign and all of the window covers collectively equaling one additional sign).

3. At the time of the inspection, licensee Chism Leimbach explained that the establishment planned to install an additional banner sign on the building and the AMCO inspector did not provide any warning that such action would be a violation of the regulations. This supports the conclusion that AMCO did not consider the window coverings to be signs, and only the one banner was considered a sign, which would allow the addition of another banner sign.
4. A second banner was added on or about July 19, 2020 that stated "Marijuana Store Now Open." Top Shelf considered that tantamount to a standard "open for business" sign that would appear on any establishment, and not the type of signage prohibited by the regulations.
5. On or about July 23, 2020, Top Shelf added a third banner on the west (Photo Ave.) side of the store. That banner included the Top Shelf Herbs of Alaska Logo. Top Shelf considered this to be its second sign, as it did not consider the window coverings or the "open for business" banner to be signs.
6. On August 3, 2020 AMCO issued Advisory Notice #20-0802 identifying lack of compliance with State of Alaska regulations and Municipality of Anchorage ordinances governing signage on marijuana retail stores and advertising. This Advisory Notice stated: "On 7-31-20, AMCO Investigator Hamilton observed two males standing on the South side of East Northern Lights Blvd, just West of Arctic Blvd holding and waving two signs. The two signs depicted what appeared to be advertising for Alaska Top Shelf, a marijuana retail store. One of the signs had cloth attached to it which displayed a large marijuana leaf. When cars would come toward them, both would enter the public right of way, wave the signs at traffic and when traffic slowed, would retreat back to the concrete planters just off the sidewalk."

Subsequently, Top Shelf instructed the sign-wavers to cease their activities. At the time of this Advisory Notice, Top Shelf had three window sticker coverings, two banner signs with the store name and logo, and one "open for business" banner on the store. No warning was given at that time that such signage was improper.

7. The Marijuana Regulations governing signage on marijuana establishments are vague and do not provide sufficient guidance as to what conduct is or is not permitted. For example, 3 AAC 306.770(b) states that "A licensed marijuana establishment may have not more than three signs that are visible to the general public from the public right-of-way" and only two of them may be placed on the building. However, the term "sign" is not defined in the regulations, leading to confusion about what is or is included in the definition of the term "sign." For instance, 3 AAC 306.325(b) requires a specific type of sign at the entry to a marijuana retail store: a warning that "No one under 21 years of age is allowed." Reading these regulations together, it is not clear whether the "No one under 21" sign is considered one of the three permissible signs under 3 AAC 306.770(b).

Additionally, it is common for marijuana establishments to post signs on their buildings that address security concerns, such as signs stating “No Loitering” or “Premises Under Surveillance.” All stores will have signage indicating whether they are open or closed and what their hours of operation are. Under a broad reading of 3 AAC 306.770(b), all of these informational signs may be impermissible if they combine to exceed two total signs attached to the building.

Compare this, for instance, with the Anchorage Municipal Code, which defines “Sign” as “Any visual communication display, object, device, graphic, structure or part, situated indoors or outdoors, or attached to, painted on or displayed from a building or structure, in order to direct or attract attention to, or to announce or promote, an object, product, place, activity, person, institution, organization, or business or the like, by means of letters, words, model, banner, flag, pennant, insignia, device, designs, colors, symbols, fixtures, images, illuminations or representation used as, or which is in the nature of an announcement, direction, or advertisement.” See AMC 21.15.040. Given that AMCO inspectors initially approved the presence of three window stickers and one banner sign, did not report a violation when noticing the sign-wavers on August 3, and now describe three signs “advertising” the business in the window and two signs attached to the outside of the building, it is clear that guidance regarding analysis of the sign regulation is needed.

8. At this time, Top Shelf is not clear on which signs attached to the building AMCO takes issue with (the NOV states that there are three signs “advertising your business in the window and two signs attached to the outside of the building, one on the west side of the facility and one on the north side of the facility.” This would appear to be a total of five signs, clearly beyond the limit, but by that calculation, four signs were present on the date of initial inspection. Clarification is needed.
9. Regarding the “inflatable tube with the wording ‘Marijuana’ and a marijuana symbol on it,” the NOV describes this as advertising, but the licensee argues that this could be considered a sign (see the definition of “Sign, inflatable” in AMC 21.15.080), and under Top Shelf’s reasoning that there were only two banner signs on the store, this inflatable sign would therefore be the permissible third sign that is not attached to the licensed premises. Alternatively, if this sign was found to be advertising, the licensee concedes that it did not have the appropriate warning statements. Given the lack of certainty about the status of this item as a sign or an advertisement, the licensee has removed it pending further guidance from AMCO.

For the reasons stated above (reliance on the initial approvals of AMCO and Municipality of Anchorage investigators vagueness in the regulations) and because this is the licensee’s first NOV, Top Shelf Herbs requests that this NOV be rescinded and that no further punitive action be taken against the licensee. Top Shelf further requests clarification and guidance from the Marijuana Control Board regarding the extent of the applicability of the sign prohibitions contained in the Marijuana Regulations.”

Sincerely,

BIRCH HORTON BITTNER & CHEROT

/S/ Jason Brandeis

JMB:sm



Top Shelf Herbs of Alaska LLC <topshelfhoa@gmail.com>

FW: Case #: AM20-1063

1 message

Jason Brandeis <jbrandeis@bhb.com>

Thu, Oct 8, 2020 at 5:28 PM

To: "Carrie Leimbach (koolgirl@gmail.com)" <koolgirl@gmail.com>, Top Shelf Herbs of Alaska LLC <topshelfhoa@gmail.com>

Sent today.

From: Jason Brandeis**Sent:** Thursday, October 8, 2020 5:09 PM**To:** amco.enforcement@alaska.gov**Subject:** Case #: AM20-1063

Dear AMCO Enforcement:

I am writing on behalf of Top Shelf Herbs (Lic. #22150) in response to the NOV for Case #: AM20-1063. The Licensee acknowledges that during the time period in question (1345-1415 hours on 9/2/20) five customers (via four transactions) purchased products from the store. However, Top Shelf disputes the allegation that all of these purchases were in violation of 3 AAC 306.345(a)(3).

The NOV states that in all cases the customers were observed purchasing marijuana and exiting the store without the items being placed in opaque packaging. This allegation is accurate for one of the identified instances but not the other three.

3 AAC 306.345(a)(3) states that "marijuana or a marijuana product sold [must be] packaged in opaque, resealable, child-resistant packaging when the purchaser leaves the retail section of the licensed premises." On its face, that regulation does not require that the items sold must be placed in additional exit packaging, such as an opaque bag. Under the plain language of this regulation, if the item is contained in an opaque container that meets the other requirements, that should be sufficient for regulatory compliance purposes. For clarity, the Board approved an amendment to this regulation that includes this statement: "For the purpose of this paragraph, the opaqueness component of the packaging may be achieved by the consumer placing the marijuana or marijuana product on the consumer's person in an opaque manner or in the consumer's personal opaque bag." However, that that regulation has not yet received final approval from the Lieutenant Governor's office.

In this case, the revision was approved by the Board prior to Top Shelf's initial date of operation, and that timing may have led to confusion, as the levels of approval required for new regulation is complicated. Either way, Top Shelf believes that the following three sales, according to the times on security camera footage, complied with 3 AAC 306.045(a)(3) because customers left the store with marijuana or marijuana products in opaque packaging:

- 1350 hours: an employee purchased a pre-roll packaged in an opaque tube.
- 1353 hours: two female customers purchased three pre-rolls that were packaged in opaque tubes.

- 1400 hours: a male customer purchased a 3.5g package of marijuana flower that was sealed in a black opaque package.

Top Shelf concedes that an error was made with respect to the following transaction:

- 1404 hours: a male and a female customer together purchased edible marijuana products and a 7g package of marijuana flower, which were not in opaque packaging.

Given the pending regulation that allows customers to conceal items on their person or to place items into their own opaque packages, Top Shelf recognizes that (a) that regulation is not yet formally in effect, and (b) Top Shelf has a responsibility to ensure that customers do in fact conceal items purchased that are not in their own opaque packages. Top Shelf has provided additional guidance to all employees to ensure that these procedures are understood and will be followed.

Top Shelf requests that no further action be taken on this matter at this time.

Thank you,

Jason Brandeis

Jason Brandeis, Of Counsel

Birch Horton Bittner & Cherot

510 L Street, Suite 700 | Anchorage AK 99501

Tel. 907.263.7243

jbrandeis@bhb.com | www.birchhorton.com

[Bio](#) | [vCard](#)

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**BEFORE THE ADMINISTRATIVE HEARING OFFICER
FOR THE MUNICIPALITY OF ANCHORAGE**

MUNICIPALITY OF ANCHORAGE,

Plaintiff,

vs.

CHISM LEIMBACH dba
TOP SHELF HERBS OF ALASKA LLC,

Defendant.

MOA Administrative
Hearing Office

SEP 29 2020

Administrative Hearing No. 20-0132

Code Enforcement Case No.: LUE119018

**STIPULATED ORDER RESOLVING
COMPLAINT OF MUNICIPAL CODE VIOLATION**

COME NOW the parties, the Municipality of Anchorage, Plaintiff, (hereinafter "plaintiff") through its designated Code Enforcement Officer, and Chism Leimbach dba Top Shelf Herbs of Alaska LLC, defendant, (hereinafter "defendant") stipulate and agree that the Complaint of Municipal Code Violation filed in the above-referenced matter on September 17, 2020, regarding Frank Dickson Subdivision, Block 3, Lot 12 (commonly known as 901 Photo Avenue), a lot zoned B-3, General Business District (hereinafter "subject property") shall be and is hereby resolved upon the terms set forth below:

Background and Introduction

1) Defendant admits to: Allowing three(3) banner signs attached to the building (temporary signs) and one(1) animated moving inflatable sign for a marijuana retail store to exist in the B-3 zoned general business district, a violation of Anchorage Municipal Code (AMC) 21.05.055.A.9 and AMC21.12.080.E -Prohibited signs.

2) Defendant understands that in executing this Stipulated Order he have given up his right to an administrative hearing on the merits of the above described complaint, and in so doing has waived his right to having the complaint proven by a preponderance of the evidence. The defendant acknowledges he has read and fully understands the provisions of this Stipulated Order.

**Municipality
of
Anchorage**

Land Use
Enforcement
PO Box
196650
Anchorage,

STIPULATED ORDER

- 1) Defendant will cease the use of temporary or inflatable signs for Top Shelf Herbs of Alaska on or before September 18, 2020.
- 2) The parties further stipulate that the defendant not conduct, permit or allow others to permit or conduct any violation of AMC 21.05.055.A.9 or AMC 21.12.080.D on the subject property in the future.
- 3) Defendant shall pay to the Municipality of Anchorage (Account 192020-101000-407050), a civil penalty in the sum of \$600.00 by submitting a check or money order to the Municipality of Anchorage for the fine indicated and mailed to: Administrative Hearing Office, PO Box 196650, Anchorage, AK 99519-6650 or delivered in person to: City Hall, 632 W. 6th Avenue, Suite 740 with a copy of this Order. Defendant shall be personally liable for this penalty and if not paid, the penalty may be enforced pursuant to Anchorage Municipal Code 14.20.030. PROVIDED, HOWEVER, that the civil penalty, shall be reduced to \$300.00 on the condition that the defendant complies with the provisions of paragraphs 1 and 2 of this Stipulated Order. If not paid in full within thirty (30) days from the date of this final order, a one-time late payment fee of \$25.00 will be assessed pursuant to AMC 14.50.040.E. Interest on fines and assessments not paid within thirty (30) days of the decision shall accrue at the rate of eight percent (8%) per year pursuant to AMC 14.50.040.D.
- 4) Upon request filed with the Administrative Hearing Officer by plaintiff pursuant to AMC 14.50.010.C, the Administrative Hearing Officer may impose a fine payable to the Municipality of Anchorage (Account 192020-101000-407050) in the amount of \$250.00 for each day violation adjudicated herein exist after the date and time frames indicated in this order.
- 5) The Administrative Hearing Officer retains jurisdiction in this matter for the purpose of monitoring compliance and ordering additional relief and/or assessing additional penalties, if appropriate. This matter may be reset for further hearing and/or imposition of penalties referred to in this Order upon the motion of either party or of the Hearing Officer's own action.

Plaintiff and defendant having resolved the claims asserted in the Complaint of Municipal Code Violation filed in the above-captioned case (Code Enforcement Case No.: LUE119018), under the terms stated, and the undersigned finding said terms to be fair and reasonable;

**Municipality
of
Anchorage**

Land Use
Enforcement
PO Box
196650
Anchorage,

The foregoing Stipulated Order Resolving Complaint of Municipal Code Violation is
HEREBY APPROVED,

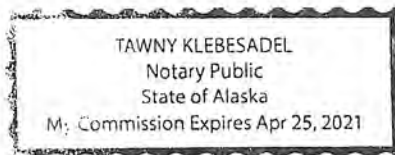
MUNICIPALITY OF ANCHORAGE

DATED: September 29, 2020

BY: [Signature]

Cora D. Weaver
Code Enforcement Officer

SUBSCRIBED AND SWORN TO before me this 29th day of September, 2020.



[Signature]
Notary Public in and for Alaska
My Commission Expires: 4/25/21

DATED: September 23rd, 2020

BY: [Signature]

Chism Leimbach

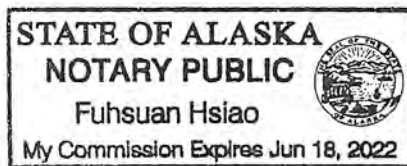
Defendant

24515 Thunderbird Dr. (address)

Chugiak, AK 99567

(864) 363-7238 (phone no.)

SUBSCRIBED AND SWORN TO before me this 23rd day of September, 2020.



[Signature]
Notary Public in and for Alaska

My Commission Expires: Jun 18, 2022

IT IS, THEREFORE, SO ORDERED

DATED: Sept. 30, 2020



Lisa M. Toussaint.
Administrative Hearing Officer

I hereby certify that I caused to be hand
delivered / mailed a true and correct
copy of the foregoing to:
Chism Leimbach dba Top Shelf Herbs of Alaska
901 Photo Avenue, Anchorage, Alaska 99503

on the 30 day of Sept, 2020.

☒ Def/Atty ☒ Treasury ☒ Agency

Hearing Office Clerk: _____

Kathie Planders

**Municipalit
y
of
Anchorage**

Land Use
Enforcement
PO Box
196650
Anchorage,
Alaska

Stipulated Order Resolving Complaint of Municipal Code Violation
MOA vs. Chism Leimbach dba Top Shelf Herbs of Alaska

Page 4

Received by AMCO 5.24.21

MUNICIPALITY OF ANCHORAGE,

Plaintiff,

vs.

CHISM LEIMBACH DBA
TOP SHELF HERBS OF ALASKA, LLC

Defendants.

Specific violations:

- 1) **Anchorage Municipal Code 21.05.055.A.9:** there are 3 banner signs attached to the building and one animated moving inflatable sign.

Relief request:

1. Civil penalty in the amount of \$300.00 per violation, per day for two (2) days. Aggregate penalty for the amount of \$600.00. Account 192020-101000-407050.
2. A compliance order under AMC 14.50.010.A directing defendant to: immediately abate from property any and all signage that meets the definition of temporary.
3. A compliance order under AMC 14.50.010.A directing defendant to: immediately discontinue the use of temporary signage for their retail marijuana store.
4. Other relief, specifically: defendant shall not conduct, permit, or allow others to permit or conduct any similar violation on the subject property *or be subject to* applicable civil penalties set forth in AMC Title 14. (Pre-hearing costs and costs of abating nuisances may also be sought.)

BY MY SIGNATURE BELOW I CERTIFY THAT THIS COMPLAINT WAS SERVED:

- ☒ A) In person on date of issuance.
- ☐ B) By certified mail, restricted delivery, to the last known address of
Top Shelf Herbs of Alaska at 901 Photo Avenue, Anchorage, Alaska 99503
- ☐ C) By affixing a copy of this complaint to the property which is the subject of the violation: _____.
- ☐ D) By delivery to the authorized representative of Defendant, _____
_____ at _____.

Officer Name Printed

Signature

Date

Proceeding initiated by Code Enforcement

Officer: Cora D. Weaver

Phone No.: (907)343-8331

I, Cora , state that I have read the above complaint and that the statements and attachments are true and correct to the best of my knowledge and belief.

Cora D. Weaver

Signature

9-17-2020

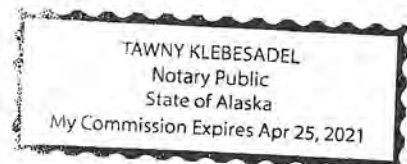
Date

SUBSCRIBED AND SWORN TO before me this 17th day of September 2020.

Tawny Klebesadel

Notary Public in and for Alaska

My Commission Expires: 4/25/21



**Municipality
of
Anchorage**

Land Use
Enforcement
P.O. Box 196650
Anchorage, Alaska
99519-6650
(907) 343-4141

Municipality of Anchorage vs
Chism Leimbach dba Top Shelf Herbs of Alaska

Received by AMCO 5.24.21

From: [Davies, Jason M \(CED\)](#)
To: [Johnson, Steven M \(CED\)](#)
Cc: [Hall, Nathan D \(CED\)](#)
Subject: RE: AM20-1063 / #22150 Top Shelf Herbs of Alaska NOV
Date: Thursday, July 15, 2021 11:31:09 AM

Steve,

Yea, Joe was duplicating case numbers, so the actual AM# I used was AM20-1063(b)

Jason M Davies – Criminal Justice Tech II
AMCO/ENFORCEMENT
jason.davies@alaska.gov
907-754-3410

From: Davies, Jason M (CED)
Sent: Thursday, July 15, 2021 11:30 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Cc: CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov>
Subject: RE: AM20-1063 / #22150 Top Shelf Herbs of Alaska NOV

Nathan,

There was a glitch in the case management sheet. AM20-1008 should be AM20-1063. Unfortunately I did not catch the error till a week later. Top Shelf received the one NOV attached to this email in 2020.

Thank you,

Jason M Davies – Criminal Justice Tech II
AMCO/ENFORCEMENT
jason.davies@alaska.gov
907-754-3410

From: Marijuana Licensing (CED sponsored)
Sent: Thursday, July 15, 2021 11:08 AM
To: CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov>
Cc: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: AM20-1063 / #22150 Top Shelf Herbs of Alaska NOV

Enforcement – howdy.

I would normally ask Jacq this but she's currently out of the office. So forgive me a rookie MJ question.

In the attached doc, the NOV AM20-1063 is referenced on page 6. However, I can only find

the other Top Shelf NOV, AM20-1008. Can someone please send me a copy or link for AM20-1063? As far as I can tell, it was not later rescinded. My best guess is that it was ultimately not issued, but nonetheless need confirmation for the renewal packet.

Thanks,

Nathan Hall

Occupational Licensing Examiner
Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

907-334-0892

marijuana.licensing@alaska.gov

Please consider the environment before printing this e-mail.

Any guidance provided by this electronic communication is not a binding legal opinion, ruling, or interpretation that may be relied upon, but merely guidance concerning existing statutes and regulations. There may be other unique or undisclosed facts, circumstances, and information that may have changed any guidance provided in this communication.

CONFIDENTIALITY NOTICE: This communication is intended for the sole use of the individual or entity to whom it is addressed, is covered by the Electronic Communications Privacy Act (18 USC § 2510-2521), and may contain Confidential Official Use Only Information that may be exempt from public release under the Freedom of Information Act (5 USC § 552). If you are not the intended recipient, you are prohibited from disseminating, distributing, or copying any information contained in this communication.

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Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

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

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

Section 1 – Establishment Information

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

Licensee:	Top Shelf Herbs of Alaska, LLC	License Number:	22150		
License Type:	Retail Marijuana Store				
Doing Business As:	Top Shelf Herbs of Alaska, LLC				
Premises Address:	901 Photo Avenue, Suite A				
City:	Anchorage	State:	AK	ZIP:	99503

Section 2 – Individual Information

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

Name:	Chism Leimbach
Title:	Manager/Owner

Section 3 – Violations & Charges

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

Initials

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

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

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

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

Initials

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



Form MJ-20: Renewal Application Certifications

Section 4 – Certifications & Waiver

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

Initials

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

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

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

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

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

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

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

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

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

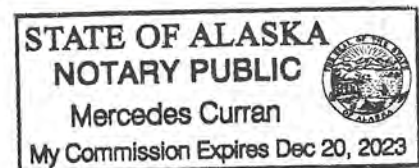
Chism Leimbach
Signature of licensee

Mercedes Curran
Notary Public in and for the State of Alaska

Chism Leimbach
Printed name of licensee

My commission expires: 12/20/2023

Subscribed and sworn to before me this 21st day of May, 2021.



May 20, 2021

Dear AMCO Board Members,

I am writing this letter to explain why I cannot certify that Top Shelf Herbs of Alaska, LLC has not been issued a notice of violation between July 1, 2020 and June 30, 2021. Top Shelf Herbs of Alaska, LLC did in fact receive three violations in September 2020. The first violation was AM20-1008, the second violation was AM20-1063, and the third was from the Municipality of Anchorage LUE119018. All three violations have been dealt with and all fines have been paid. I have attached copies of all three violations and the responses as well.

Thank you,

A handwritten signature in black ink, appearing to read "Chism Leimbach". The signature is fluid and cursive, with the first name "Chism" being more prominent than the last name "Leimbach".

Chism Leimbach

Top Shelf Herbs of Alaska, LLC

License # 3a-22150



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

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

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

Section 1 – Establishment Information

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

Licensee:	Top Shelf Herbs of Alaska, LLC	License Number:	22150		
License Type:	Retail Marijuana Store				
Doing Business As:	Top Shelf Herbs of Alaska, LLC				
Premises Address:	901 Photo Avenue, Suite A				
City:	Anchorage	State:	AK	ZIP:	99503

Section 2 – Individual Information

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

Name:	Mark Fazio
Title:	Owner

Section 3 – Violations & Charges

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

Initials

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

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

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

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

Initials

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



Form MJ-20: Renewal Application Certifications

Section 4 – Certifications & Waiver

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

Initials

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

MF

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

MF

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

MF

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

MF

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

MF

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

MF

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

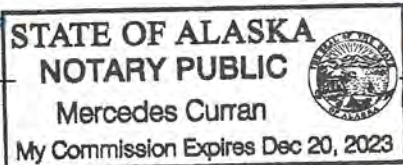
MF

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

MF

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

[Signature]
Signature of licensee



[Signature]
Notary Public in and for the State of Alaska

MARK FAZIO
Printed name of licensee

My commission expires: 12/20/2023

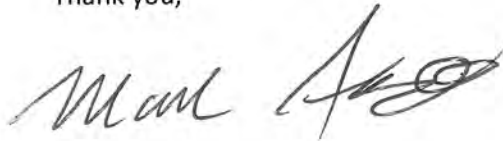
Subscribed and sworn to before me this 24 day of MAY, 2021.

May 20, 2021

Dear AMCO Board Members,

I am writing this letter to explain why I cannot certify that Top Shelf Herbs of Alaska, LLC has not been issued a notice of violation between July 1, 2020 and June 30, 2021. Top Shelf Herbs of Alaska, LLC did in fact receive three violations in September 2020. The first violation was AM20-1008, the second violation was AM20-1063, and the third was from the Municipality of Anchorage LUE119018. All three violations have been dealt with and all fines have been paid. I have attached copies of all three violations and the responses as well.

Thank you,

A handwritten signature in black ink, appearing to read "Mark Fazio", with a stylized flourish at the end.

Mark Fazio

Top Shelf Herbs of Alaska, LLC

License # 3a-22150

COMMERICAL LEASE

1. **PARTIES.** This Commercial Lease (this "Lease"), dated, for reference purposes only, June 13, 2019, is made by and between Bullseye Investments, LLC. ("Landlord") and Top Shelf Herbs of Alaska, LLC, and its members Chrism Leimbach, Judy Martinson and Mark Fazio, collectively referred to as (the "Tenant"). Chrism Leimbach, Judy Martinson and Mark Fazio, as material consideration for this Lease shall individually personally guarantee this Lease ("Guarantor").

2. **PREMISES.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for the term, at the rental and upon all the conditions set forth herein, a portion of the building located at 901 Photo Avenue, Anchorage, Alaska 99503 identified as suite A, containing approximately Twelve Hundred (1,200) square feet (see Exhibit A for space leased identification).

3. **TERM.**

3.1 **INITIAL TERM.** The Lease term shall commence on July 1, 2019 and shall continue for 24 months. Payment of rent shall not commence until August 1, 2019.

3.2 **OPTION TO RENEW.** Provided that Tenant is not in default in any manner of the Lease agreement, he Tenant shall have the option to renew the Lease for an additional period of two (2) years so long as Tenant shall provide Landlord with written notice of their election to renew at least 90 days prior to the expiration of the term hereof and so long as Tenant is current as to all obligations contained herein and is not in default under the terms and conditions setout within this Lease. Tenant shall have a second option to renew, provided that Tenant is not in default of any provision of this Lease, for an additional two (2) years, provided Tenant provides at least 90 days' notice to Landlord (written) notifying Landlord of its election to exercise the option to renew. For each two year renewal term, the Rent shall increase by 3%.

3.3 **Early Occupancy.** Tenant shall be granted early occupancy to start tenant improvement work for the month of July without having the obligation to pay rent for the month of July so long as (i) Tenant and Landlord have executed this Lease; (ii) Tenant has paid its August 1st months' rent plus security deposit; and (iii) Tenant has provided an insurance certificate to the Landlord as outlined in Section 10. Such early occupancy shall be under the terms and conditions of the Lease except for the payment of rent and other charges.

4. **RENT.**

4.1 Commencement of Rent. Rental payment under this lease shall commence on the 1st day of August, 2019. Tenant shall pay to landlord the first month rent \$4050.00, Security Deposit \$10,000. The \$10,000 of security deposit is only for Landlord's extra assurance that the buildout will be done in good workmanship manner – once the build out is complete, Landlord will refund to Tenant all but \$4,050.00 of said deposit funds.

4.3 **Security Deposit.** Simultaneously with the execution of this Lease Tenant has deposited with Landlord the sum of \$10,000.00. The \$10,000.00 of security deposit is only for Landlord's extra assurance that the buildout will be done in good workmanship manner – once the build out is complete, Landlord will refund to Tenant all but \$4,050.00 of said deposit funds. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefor, deposit cash with Landlord in an amount equal to the amount used or applied, and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant within thirty (30) days following expiration of the Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit to Landlord's successor in interest.

4.4 **Late Charge.** If any payment is not paid within five (5) days of the due date, then there shall be added as additional rent an amount equal to 10 percent (10%) of the delinquent payment for the month or portion thereof after the date it was due, provided, however, if such sum and late charges are not paid in full on or before the tenth (10th) day of the month, such sum shall commence to bear interest at the rate of ten and one-half percent (10.5%) per annum until paid in full.



4.5 **Payment of Rent.** All rent payments shall be sent to Landlord at the following address upstairs of 901 Photo Ave, Anchorage 99503 or to such other address as Landlord may from time to time designate.

5. **CONSTRUCTION OF IMPROVEMENTS.**

5.1 Tenant understands that it is responsible for the quality, design, expense, compliance, and all permits necessary to buildout the Premises for its intended use. Tenant agrees that it is a material provision and requirement of this Lease that the first buildout action shall be to build out the separating wall (shown on Exhibit A) that allows for the upstairs' tenants to have sole utilization the Entrance facing North Star and Tenant shall utilize install a door on the Northern Lights side of the building and shall utilize that door for its egress and ingress.

5.2 Tenant shall be responsible for cost of all buildout expenses, permit fees, inspections, compliance with all applicable codes, signage, permits, maintenance and

Page 2 of 42-21

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installation. Tenant understands and agrees that it must utilize bonded and insured contractors and engineers for its buildout. All buildout plans, designed, and signage must be approved by Landlord, said approval shall not be unreasonably withheld. All signage & buildout and related improvements shall comply to all municipal and governmental codes.

Tenant shall be responsible for the design, construction and installation of Tenant's own leasehold improvements, trade fixtures, including, but not limited to all lights, branch wiring beyond the panel, floor coverings, parking lot and landscaping improvements required due to the Municipality's change of use permit, dumpster enclosure, interior partitioning, decor, shelves, racks and counters, provided that the design and decor shall be subject to the reasonable prior written approval of Landlord, and Tenant shall provide Landlord with appropriate design drawings for approval prior to the construction and installation of Tenant's leasehold improvements.

Tenant shall not do or directly contract for anything to be done causing the Premises to be encumbered by liens of any nature, and shall, whenever and as often as any lien is recorded against said property, purporting to be for labor or materials furnished or to be furnished to Tenant, discharge the same of record within 10 days of the date the lien is recorded by recording the bond contemplated is A.S. 34.35.072 or otherwise appropriately satisfy the subject lien in full. Failure to do so by Tenant results in a material breach of this Lease.


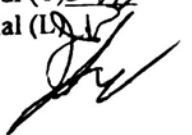
Tenant shall obtain waivers of lien rights and releases of claims from contractors, subcontractors, and suppliers in connection with Tenant's leasehold improvements and shall indemnify and hold Landlord harmless from the same.

Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant by this instrument. At least ten (10) days before commencing or causing to be commenced any work that is or may be the subject of a lien for work done or materials furnished to the Premises, Tenant shall notify Landlord in writing thereof, to allow Landlord, if it desires, to post and record notices of non-responsibility or to take any other steps the Landlord deems appropriate to protect its interest.

Upon completion of construction the Tenant shall provide to Landlord valid lien releases and satisfactory proof of payment of all liens, claims based on notices of right to lien, and other claims against the Premises, and a Certificate of Occupancy for the Premises from the Municipality of Anchorage. If the Tenant's improvements are less than \$5,000 Landlord shall not require a Certificate of Occupancy.

6. ADDITIONAL CHARGES. In addition to the rent provided for hereunder, and commencing at the same time as any rental commenced under this Lease, Tenant shall be responsible for pro-rated share real estate taxes and insurance. Tenant agrees to reimburse

Page 3 of 17
21

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Landlord it's prorated cost for the (1) real property taxes assessed against the property, (2) the property insurance premium. Tenant shall pay to landlord monthly as additional rent upon notice from Landlord that property taxes were assessed and that Tenant's pro rated portion is due.

7. **UTILITIES.** Effective Upon Signature, Tenant shall be responsible for obtaining service and paying all charges for its own gas, electric, dumpster, water, sewer, refuse, telephones, janitorial and parking lot maintenance to include snow plowing, sanding, application of ice melt and clearing of sidewalks. Some of the utilities mentioned in this section 7 are shared with upstairs tenants, and in that case, Tenant is responsible only for its pro rata amount of those utilities.

8. **USE.** The Premises shall be used and occupied only for the purpose of Cannabis Retail Establishment. Tenant will not commit or allow to be committed any waste upon the Premises or any public, private, or mixed nuisance or other act or thing which disturbs the quiet enjoyment of any other tenants in the Building. Tenant shall comply with all laws relating to its use of the Premises and shall observe such reasonable rules and regulations as may be adopted and published by Landlord for the safety, care and cleanliness of not only the Premises but also the Building and for the preservation of good order therein.

9. **MAINTENANCE, REPAIRS AND ALTERATIONS.**

9.1 **Landlord's Obligations.** Subject to any damage caused by the negligence or intentional act or omission of tenant or tenant's agents employees or invitees, or Tenant's contractors, Landlord, at Landlords expense, shall keep in good order, condition and repair the foundation and structural portions of the exterior walls and exterior roof of the building. Tenant shall install odor control filtration system if marijuana odor is detected outside the building or on the upper level of the building.

9.2 **Tenant's Obligations.** Subject to the provisions of Section 9.1 and Section 11, 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 and re-constructing all walls, lighting, and office spaces to the original condition pre-tenant occupancy.

9.3 **Landlord's Rights.** If Tenant fails to perform Tenant's obligations under this Section 9, Landlord may (but shall not be required to) enter upon the Premises after ten (10) days prior written notice to Tenant and put the same in good order, condition and repair or otherwise cure the default, and the cost of such action plus fifteen percent (15%) thereof shall

become due and payable as additional rent to Landlord together with Tenant's next rental installment.

9.4 **Alterations and Additions.** Tenant shall not, without Landlord's prior written consent, make any alterations, additions or improvements in the Premises. As a condition to giving such consent, Landlord may require that Tenant remove any such alterations, improvements, additions or utility installations at the expiration of the term and restore the Premises to their prior condition. Tenant shall not permit any mechanics or material men's liens to be filed against the Premises and shall hold Landlord harmless from any damage, loss or expense arising out of any such work. All work on the Premises shall be done in compliance with all applicable governmental codes and regulations. At Landlord's option, all alterations, improvements or additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the term. Tenant's machinery, equipment and trade fixtures other than those which are affixed to the Premises so that they cannot be removed without material damage to the Premises shall remain the property of Tenant and may be removed by Tenant, subject to the provisions of Section 9.2.

10. **INSURANCE: INDEMNITY.**

10.1 **Liability Insurance.** Tenant shall maintain in force during the term of this Lease a policy of comprehensive public liability insurance issued by a company acceptable to Landlord and insuring Tenant and Landlord against any liability, including without limitation damage to other portions of the Building, arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, such insurance shall be in an amount of not less than Two Million Dollars (\$2,000,000.00) General Aggregate and One Million Dollars (\$1,000,000.00) for each occurrence. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Such policies shall name Landlord and Landlord's agents as additional insured and shall provide that they may not be cancelled without thirty (30) days prior written notice to Landlord. Landlord shall be furnished with a certificate evidencing issuance of such policy of liability insurance, and such certificate shall recite that said policy may not be cancelled without thirty (30) days prior written notice to Landlord. If Tenant shall fail to maintain said insurance, Landlord may but shall not be required to procure and maintain the same, at the expense of Tenant. **Tenant shall provide Landlord with such certificate prior to entering the Premises or starting tenant improvement work.**

10.2 **Personal Property Insurance.** Tenant shall be responsible for obtaining and maintaining insurance on all its personal property and property of others stored and located at, about or upon the Premises to cover such personal property for damage, theft, destruction and other forms of loss in amounts sufficient for the replacement thereof in the event loss.

10.3 **Property Insurance.** Tenant shall maintain in force during the term of this Lease, a policy of insurance issued by a company authorized to engage in the insurance business in the State of Alaska, insuring the Building against damage or destruction by fire and/or by perils covered by the standard form of extended coverage endorsements to fire

insurance policies in the State of Alaska in effect at the time when the policies are obtained to include limits that cover the full replacement of the building. Tenant shall provide proof of said insurance.

10.4 Intentionally omitted.

10.5 Hold Harmless. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work or thing which may be permitted or suffered by Tenant in or about the Premises and shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provisions of this Lease or arising from any negligence of Tenant or any of its agents, contractors, employees or invitees and from any and all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Tenant hereby waives all claims in respect thereof against Landlord, excepting where said damage arises solely out of the negligence of Landlord.

10.6 Exemption of Landlord from Liability. Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees or customers or any other person in or about the Premises; nor, unless caused solely by its negligence, shall Landlord be liable for personal injury to Tenant or Tenant's employees, agents, contractors and invitees, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Landlord or Tenant. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the Building in which the Premises are located.

11. DAMAGE OR DESTRUCTION. In the event the Premises are damaged to such an extent as to render the same un-tenantable in whole or in a substantial part thereof or are destroyed, it shall be optional with Landlord to have Tenant repair or rebuild the same; and after the happening of any such event, Tenant shall give Landlord or Landlord's agent immediate written notice thereof. Landlord shall have not more than (30) days after date of such notification to notify Tenant in writing of Landlord's option for Tenant to repair or rebuild said Premises or the part so damaged as aforesaid, and if Landlord elects Tenant to repair or rebuild said Premises, Tenant shall prosecute the work of such repairing or rebuilding without unnecessary delay.

In the event the Building in which Premises are located shall be damaged (even though the Premises hereby leased shall not be damaged thereby) to such extent that, in the opinion of Landlord, it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Landlord to terminate this Lease by written notice served on Tenant within thirty (30) days after such damage or destruction.

12. **ADVERTISING AND WINDOWS.** Tenant shall not inscribe any inscription or post, place or in any manner display any sign, notice, picture, placard or poster or any advertising matter whatsoever anywhere in or about the Premises or the Building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent thereto. Any such consent by Landlord shall be upon the understanding and condition that Tenant will remove the same at the expiration or sooner termination of this Lease and that Tenant shall repair any damage to the Premises or the Building caused thereby. Tenant shall use window coverings that conform to standards set by Landlord.

13. **PERSONAL PROPERTY TAXES.** Tenant shall pay or cause to be paid before delinquency any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures and any other personal property located in the Premises. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

14. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with the rules and regulations as may be adopted and published which Landlord may from time to time promulgate and/or modify. Landlord shall not be responsible to Tenant for the nonperformance of any of said rules and regulations by any other tenants or occupants.

15. **LIENS AND INSOLVENCY.** Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials ordered, or obligations incurred by Tenant. If Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant and if the receivership, assignment or other liquidating action is not terminated within thirty (30) days of any such appointment, then Landlord may terminate this Lease and Tenant's right of possession under this Lease, at Landlord's option. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, the leasehold interest granted to Tenant by this instrument.

16. **DEFAULTS.** In the event of a default or abandonment by Tenant, Landlord shall contact AMCO Enforcement to remove all marijuana or marijuana product – Landlord shall not take possession of any marijuana/marijuana product. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

16.1 **Vacation of Premises.** The vacating or abandonment of the Premises by Tenant, refer to Section 22.

16.2 **Failure to Provide Rent.** The failure by Tenant to provide rent as described in Section 4.1 or any other payment required to be made by Tenant hereunder as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant;

16.3 **Failure to Perform Covenants.** The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than described in Section 16.2 above, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion; and

16.4 **Renewed Default.** The commission by Tenant of any default described above a second time and within two (2) months following the time when Tenant has been given notice of such a default under Section 16.2 or Section 16.3 and has cured the same within the permitted time.

17. **REMEDIES IN DEFAULT.** In the event of any such default or breach by Tenant, Landlord may, at any time thereafter, in its sole discretion, with or without notice or demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

17.1 **Termination.** Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises; reasonable attorneys' fees; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and Additional Charges called for herein for the balance of the term after the time of such award exceeds the amount of such loss for the same period that Tenant proves could be reasonably avoided; and that portion of any leasing commission or tenant improvement, if applicable, paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum legal rate;

17.2 **Enforce Rights.** Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and Additional Charges as may become due hereunder; or

17.3 **Other Remedies.** Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

18. **PRIORITY.** Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust now or at any time hereafter constituting a lien upon the Premises or the Building containing the same, to any and all advances to be made thereunder, and to the interest thereon, and to all renewals, replacements and extensions thereof; provided that the mortgagees or the beneficiaries named in said mortgages or deeds of trust shall agree to recognize this Lease in the event of foreclosure if Tenant is not in default hereunder and if Tenant attorns to the mortgagee. Within five (5) days after written request from Landlord, Tenant shall execute any documents that may be necessary or desirable to effectuate the subordination of this Lease to any such mortgages or deeds of trust and shall execute estoppel certificates as requested by Landlord from time to time in the standard form of any such mortgagee or beneficiary.

19. **CONDEMNATION.** If all of the Premises or any portion of the Building as may be required for the reasonable use of the Premises shall be taken by eminent domain (or by a voluntary conveyance made in lieu of a taking by eminent domain), this Lease shall automatically terminate as of the date Tenant is required to vacate or will be deprived of the reasonable use of the Premises, and all rentals shall be paid to that date. In the case of taking of a part of the Premises, Tenant may, at it's election, terminate this Lease by notice in writing to Landlord within (10) days after the receipt by Tenant of written notice of the proposed taking, and with any such notice by Tenant to Landlord to be effective on a date which shall be specified by Tenant in the notice but shall be no later than thirty (30) days after the date of the giving of notice. If within said thirty (30) day period Tenant does not exercise its right to terminate this Lease because of a taking of a part of the Premises this Lease shall continue in full force and effect, and the rental shall be equitably reduced based on the proportion by which the floor area of the Premises is reduced, such rent reduction to be effective as of the date when possession of such portion is delivered to the condemning authority. Landlord reserves all rights to damages to the Premises for any taking by eminent domain, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award, and Tenant shall make no claim against Landlord for damages for termination of the leasehold interest or for interference with Tenant's business. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be put for Tenant's moving expenses and for the interruption of or damage to Tenant's business; provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Landlord.

20. **PARKING AND COMMON AREAS.**

20.1 **Landlord's Obligations and Rights.** Landlord covenants that there shall be an area for common areas and parking areas for the nonexclusive use of Tenant during the full term of this Lease; provided that the condemnation or other taking by any public authority or sale in lieu of condemnation of any or all of such common and parking areas shall not constitute a violation of this covenant.

Notwithstanding anything herein contained to the contrary, Landlord shall be entitled to alter the Building services or facilities and the location of driveways, sidewalks or other common areas and to extend existing buildings or erect new buildings or extend existing building(s) above the Premises or other rentable Premises or common areas of the Premises or add new common areas to or on the Premises; and upon any alteration of the common areas or upon commencement of construction of any addition or additions to the Premises and upon any addition of the new common areas, Landlord and Tenant shall execute such further and other documents as may be required to reflect such alterations of the common areas to exclude areas taken for construction of additional buildings or to include areas added as new common areas, as the case may be.

20.2 Tenant's Rights. Tenant, for the use and benefit of itself and its agent, employees, customers, and licensees, shall have the nonexclusive right in common with Landlord and other present and future owners and tenants and their agents, employees, customers, and licensees to use said common and parking areas during the entire term of this Lease for ingress, egress and automobile parking.

20.3 Rules and Regulations. Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules, regulations and charges for parking as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the following: (1) the restricting of employee parking to a limited, designated area or areas; and (2) the regulation of the removal, storage and disposal of Tenant's refuse and other rubbish.

21. ENERGY CONSERVATION LEGISLATION. In the event that any legislative enactment or decree of governmental authority shall require fundamental changes in the heating, lighting and electrical systems or the fuel or power source utilized by such systems, Landlord reserves the right, at any time and from time to time, to make changes in, additions to, subtractions from or rearrangements of the Premises and the common areas of the Premises to accommodate the required changes to the said systems or conversion to a different fuel or power source; and Landlord reserves the right to install a central heating system to serve all Premises and to erect, use and maintain wiring, mains, pipes, conduits and other means of distributing heat to the Premises and in and through the Premises for the benefit of other portions of the Premises; and Landlord and all persons authorized by it shall have the right, from time to time, to enter upon the Premises for the purpose of access thereto for installation, maintenance and repair, and such entry shall not be deemed to be an interference with Tenant's possession under this Lease. In the event Landlord is obligated to carry out such conversion, Tenant agrees to reimburse Landlord for its proportionate share of the costs of operating said central heating systems and to utilize the said central heating system in the place and stead of Landlord's existing heating system. Such repairs, alterations, additions or improvements shall be effected at such times and in such manner as to cause as little interruption to Tenant as possible. So long as Landlord shall not interfere with Tenant's business in the Premises more than is reasonably necessary in the conduct of such repairs, changes, improvements and alterations, Tenant shall not have any right to object. All of the alterations, improvements, repairs or additions mentioned in this paragraph made in compliance with and by reason of legislative enactment or decree of governmental

authority shall be made without any claim for damages or indemnification against Landlord or diminution or abatement of rent.

22. **CONTINUED OCCUPANCY BY TENANT.**

22.1 **Hours of Business.** Tenant shall continuously during the entire term hereof conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city in which the Premises are located to be open for business; provided, however, that this provision shall not apply if the Premises would be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts or similar causes beyond the reasonable control of Tenant.

23. **NONWAIVER.** Waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

24. **SURRENDER OF POSSESSION.** Upon expiration of the term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord.

25. **HOLDING OVER.** If Tenant shall, with the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Alaska. During such tenancy, Tenant agrees to pay Landlord rent at the rate of One Hundred Fifty percent (150%) of the rental as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

26. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease or sublet the said premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to use or occupy said premises for any portion except to a firm that the Tenant has an interest in, without the written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld; and consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person; any assignment or subletting which is consented to by the Landlord shall not relieve the Tenant herein of responsibility under this Lease.

The Landlord shall have the right to assign this Lease at any time without consent of the Tenant, and the assignee or assignees, if any, of the Landlord shall take subject to all the terms and conditions of this Lease.

Tenant's interest in all sub-Leases shall be assigned to Landlord as security for payment of rents and performance of covenants herein required.

27. **NOTICES.** All notices under this Lease shall be in writing and delivered in person or sent by registered mail, return receipt requested, to Landlord at the same place rent payments are made and to Tenant at the Premises or to such other respective addresses as may hereafter be designated by either party in writing. Notices mailed as aforesaid shall be deemed given on the date of such mailing. Email may be used to as notice for either party:

Tenant:
[insert email addresses]

Landlord
[insert email addresses]

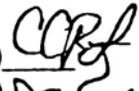

28. **COSTS AND ATTORNEYS' FEES.** If by reason of any default on the part of Tenant it becomes necessary for Landlord to employ an attorney, or in case Landlord shall bring suit to recover any rent due hereunder or for breach of any provision of this Lease or to recover possession of the Premises, or if Landlord shall bring an action for any relief against Tenant, declaratory or otherwise, arising out of this Lease, and Landlord shall prevail in such action, then and in any such events Tenant shall pay Landlord a reasonable attorneys' fee and all costs and expenses expended or incurred by Landlord in connection with such default or action.

29. **LANDLORD'S ACCESS.** Landlord and its agent shall have the right to enter the Premises at reasonable times for the purpose of inspecting it, showing it to prospective purchasers or lenders and making such repairs as Landlord may deem necessary or desirable. Landlord may, at any time, place on or about the Building any ordinary "For Lease" signs and may, during the last ninety (90) days of the term of this Lease, place on or about the Premises any ordinary "For Sale or Lease" signs, without rebate of rent or liability to Tenant. Landlord shall comply with the AMCO mandated visitor policy and shall not enter the premises without signing into the visitor log, producing identification, and complying with all aspects of the required Visitor Policy regulations.

30. **CAPTIONS AND CONSTRUCTION.** The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

31. **REMOVAL OF PROPERTY.** If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises at the termination of this Lease or when Landlord has the right of reentry, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant shall not pay the cost of storing any such property after it has been

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stored for a period of ten (10) days or more, Landlord may, at its option, sell or permit to be sold any or all of such property at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant, and shall apply the proceeds of such sales as follows: first, to the cost and expense of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs or charges for storing any such property; third, to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant. This section is not meant to refer to marijuana/marijuana product property.



32. **SUCCESSORS.** All of the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns, except as expressly limited herein.

33. **ACCEPTANCE OF PREMISES.** Tenant shall accept the Premises "as is" at the commencement of the term of this Lease and in their then present condition and subject to all applicable zoning, municipal, county, borough, and state laws, ordinances and regulations governing and regulating the use of the Premises and accept this Lease subject thereto and all matters disclosed thereby and by any exhibits attached hereto. Tenant acknowledges that neither Landlord nor Landlord's agents have made any representation or warranty as to the suitability of the Premises for the conduct of Tenant's business.

34. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the Premises by Landlord, Landlord shall be and hereby is entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

35. **TENANT'S STATEMENT.** Tenant shall, at any time and from time to time, upon not less than five (5) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing: (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the date to which the rental and other charges are paid in advance, if any; (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying that such defaults, if any, are claimed; and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by the prospective purchaser or encumbrance of all or any portion of the real property of which the Premises are a part.

36. **ENTIRE AGREEMENT.** This Lease sets forth the entire understanding and agreement of Landlord and Tenant with respect to the Premises and the Lease thereof, and all

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prior understandings or agreements are merged herein. This Lease may be amended or modified only in writing signed by both parties.

37. This section has been deleted.

38. RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request of either party, both parties shall execute a memorandum or "short form" of this Lease for the purposes of recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Premises and the Lease term, and shall incorporate this Lease by reference.

39. LEASE NOT AN OFFER. The submission of this Lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord executes a copy of this Lease and delivers the same to Tenant.



40. HAZARDOUS SUBSTANCE DISCLOSURE. Tenant shall promptly disclose to Landlord, in writing, if Tenant knows, or has reasonable cause to believe, that any toxic dangerous, or hazardous substance, as those terms are defined under federal, state, or local law, has come to be located in, on, or about, over, or beneath the premises. In addition, Tenant shall execute a written statement to Landlord no later than thirty (30) days after the end of each lease year describing in detail any and all toxic, dangerous, or hazardous substances, as those terms are defined under federal, state, or local law, which Tenant knows, or has reasonable cause to believe, have come to be located in, on, about, over, or beneath their premises, or that there are no toxic, dangerous, or hazardous substances in, on about, over, or beneath the premises.

40.1 Hazardous and Toxic Substances. Tenant agrees that so long as this Lease shall remain in effect, that the property described herein shall NOT be used in or for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous or toxic substances, including medical waste, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended 42U.S.C. Section 9601, et seq. (1980), and as those terms are defined in any applicable state or local laws, or regulations. Tenant agrees to fully indemnify and hold harmless Landlord against any and all claims and losses resulting from a breach of this provision of this Lease. This obligation to indemnify shall survive the payment of all rents and the termination of this Lease.

41. FORUM SELECTION. This Lease shall be construed in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Lease, the same shall be commenced in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, Alaska. Tenants agree specifically that venue and jurisdiction in that court is proper, and further agree to submit themselves to the jurisdiction of that court. Tenants shall not claim that said forum is an inconvenient forum.

42. AGENCY DISCLOSURE.

This section has been deleted.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease on the dates set forth below their respective signatures.

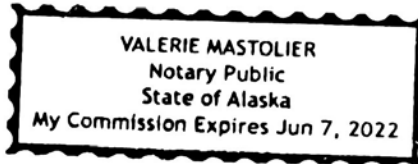
Landlord:

Bullseye Investments, LLC

By: [Signature]
Title: Managing Member
Vince Veit

Date: 7/9/19

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)



On this 9 day of July, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Vincent Veit, to me known, or satisfactorily proven to be the Managing Member of Bullseye Investments, the corporation who executed the within and foregoing instrument, and acknowledged he was authorized by said corporation to execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

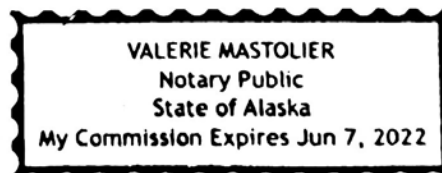
[Signature]
Notary Public in and for the State of Alaska

My Commission Expires: 6/7/22

By: [Signature]
Title: Managing Member
JANA WELTZIN

Date: 7/9/19

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)



On this 9 day of July, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Jana Welzin, to me known, or satisfactorily proven to be the Managing Member of Bullseye Investments, the corporation who executed the within and foregoing instrument, and acknowledged he was authorized by said

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Initial (L) [Signature]

corporation to execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

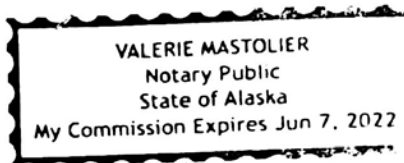
Valerie Mastolier
Notary Public in and for the State of Alaska

My Commission Expires: 6/7/22

By: Justin Velt
Title: Managing Member
Justin Velt

Date: 7/9/19

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)



On this 9 day of July, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Justin Velt, to me known, or satisfactorily proven to be the Managing member Bulsey Investments the corporation who executed the within and foregoing instrument, and acknowledged he was authorized by said corporation to execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Valerie Mastolier
Notary Public in and for the State of Alaska

My Commission Expires: 6/7/22

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43. **EXECUTION AUTHORITY.** Landlord and Tenant, by their signatures below, warrant that they have read and understand this Lease and that the terms and conditions contained herein represent the full and complete agreement of the parties. If Tenant is a corporation or limited liability company, each individual executing this Lease on behalf of the corporation represents that they are duly authorized to execute and deliver this Lease on behalf of the corporation or limited liability company, in accordance with duly adopted resolutions of the board of directors of the corporation or limited liability company, that such action and execution is in accordance with the bylaws of the corporation or limited liability company, and that the Lease is binding upon the corporation or limited liability company in accordance with its terms. Landlord represents that she is in sole title to the Premises and has unchallenged authority to enter into this Lease and to be bound by the terms contained herein.

44. **AMBIGUITIES.** Landlord and Tenant will have the opportunity and are encouraged to have their own attorneys review this Agreement prior to signing and thus this Agreement when executed shall represent the agreement of the parties and the rule of construction that ambiguities are construed against the drafter shall not apply.

//

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the dates set forth below their respective signatures.

Landlord:

Bullseye Investments, LLC

By: [Signature]
Title: Managing Member

Date: [Signature]

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

*See Other
Pages*

On this ____ day of _____, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared _____, to me known, or satisfactorily proven to be the _____ of _____, the corporation who executed the within and foregoing instrument, and acknowledged he was authorized by said corporation to execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

Page 15 of 19 *81*

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Initial (L) [Signature]

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public in and for the State of Alaska

My Commission Expires: _____

By: _____
Title: Managing Member

Date: _____


STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this _____ day of _____, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared _____, to me known, or satisfactorily proven to be the _____ of _____, the corporation who executed the within and foregoing instrument, and acknowledged he was authorized by said corporation to execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Notary Public in and for the State of Alaska

My Commission Expires: _____


By: 
Title: Managing Member

Date: 07/1/2019

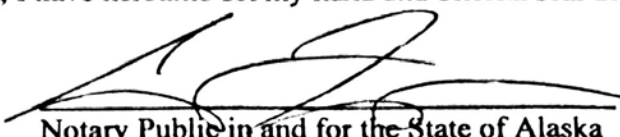
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 1st day of July, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Chris C. Leimbach, to me known, or satisfactorily proven to be the Managing Member of Top Shelf Herbs, the corporation who executed the within and foregoing instrument, and acknowledged he was authorized by said corporation to execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

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IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.


Notary Public in and for the State of Alaska

My Commission Expires: 07/24/2022



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Tenant:

Top Shelf Herbs of Alaska, LLC

By: Chism Leimbach

Date: 06/27/2019


Chism Leimbach Member & Personal Guarantee



Chism Leimbach - PERSONAL GUARANTY OF LEASE

This **PERSONAL GUARANTY OF LEASE** (the "Personal Guaranty") is made and entered into as of this 27th day of June, 2019, by guarantors ("Guarantors"), to and in favor of and for the benefit of Bullseye Investments, LLC, an Alaska Limited Liability Company, as landlord ("Landlord").

In consideration of the Landlord entering into that certain "Commercial Lease Agreement" dated the 27th day of June, 2019, wherein Top Shelf Herbs of Alaska LLC, is the Tenant, and the landlord is the Landlord, and in consideration of the Landlord leasing to the Tenant the "Leased Premises" commonly known and numbered as 901 Photo Ave, Anchorage, Alaska, Suite A, as described in said Commercial Lease Agreement, on the terms and conditions therein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Guarantors, jointly and severally, irrevocably and unconditionally guarantee to the said Landlord, its successors and assigns under said Commercial Lease Agreement, the full, faithful and punctual performance by Tenant of Tenant's covenants and agreements contained in said Commercial Lease Agreement, or any extension or renewal thereof, and agree that any forbearance, modifications, waivers, amendment, releases, postponements, either of payment or enforcement of any rights against any party, or release of any security shall not affect the undersigned Guarantors absolute and unconditional liability hereunder. The undersigned Guarantors waive notice of any of the foregoing changes. The undersigned hereby waives and all defenses based on the law of suretyship, federal illegality, or any other similar defense.

Page 17 of 12 

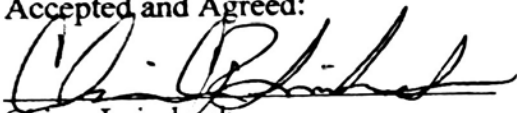
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Demand, notice of default or of nonpayment are hereby waived and it is agreed that the said Landlord under the said Commercial Lease Agreement may proceed first against the Guarantors without first proceeding against the said Tenant under the said Commercial Lease Agreement. If Landlord employs counsel to enforce this Guaranty, Guarantors will reimburse Landlord for all attorneys' fees, costs and expenses incurred. This Personal Guaranty shall be binding upon the heirs, administrators, executors and assigns of the undersigned Guarantors.

I, Chism Leimbach, personally guaranty this Lease agreement and understand the terms contained herein, and agree to be bound by the same.

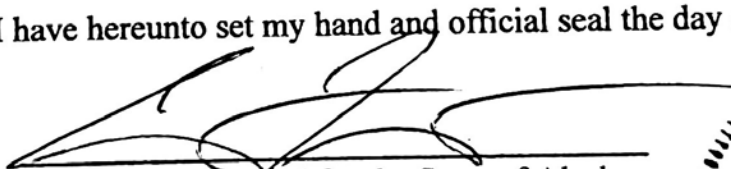
Accepted and Agreed:

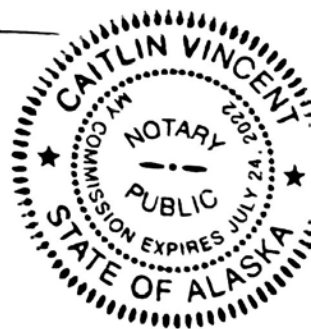

Chism Leimbach

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 1st day of July, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Chism Leimbach, to me known, or satisfactorily proven to be Chism Leimbach executed the within and foregoing instrument (Lease and Personal Guaranty), and acknowledged he execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.


Notary Public in and for the State of Alaska
My Commission Expires: 7/24/2022





Top Shelf Herbs of Alaska, LLC

By: 
Judy Martinson Member & Personal Guarantee

Date: 6-27-19

Judy Martinson - PERSONAL GUARANTY OF LEASE

This **PERSONAL GUARANTY OF LEASE** (the "Personal Guaranty") is made and entered into as of this 27th day of June, 2019, by guarantors ("Guarantors"), to

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and in favor of and for the benefit of Bullseye Investments, LLC, an Alaska Limited Liability Company, as landlord ("Landlord").

In consideration of the Landlord entering into that certain "Commercial Lease Agreement" dated the 27 day of June, 2019, wherein Top Shelf Herbs of Alaska LLC, is the Tenant, and the landlord is the Landlord, and in consideration of the Landlord leasing to the Tenant the "Leased Premises" commonly known and numbered as 901 Photo Ave, Anchorage, Alaska, Suite A, as described in said Commercial Lease Agreement, on the terms and conditions therein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Guarantors, jointly and severally, irrevocably and unconditionally guarantee to the said Landlord, its successors and assigns under said Commercial Lease Agreement, the full, faithful and punctual performance by Tenant of Tenant's covenants and agreements contained in said Commercial Lease Agreement, or any extension or renewal thereof, and agree that any forbearance, modifications, waivers, amendment, releases, postponements, either of payment or enforcement of any rights against any party, or release of any security shall not affect the undersigned Guarantors absolute and unconditional liability hereunder. The undersigned Guarantors waive notice of any of the foregoing changes. The undersigned hereby waives, and all defenses based on the law of suretyship, federal illegality, or any other similar defense.

Demand, notice of default or of nonpayment are hereby waived and it is agreed that the said Landlord under the said Commercial Lease Agreement may proceed first against the Guarantors without first proceeding against the said Tenant under the said Commercial Lease Agreement. If Landlord employs counsel to enforce this Guaranty, Guarantors will reimburse Landlord for all attorneys' fees, costs and expenses incurred. This Personal Guaranty shall be binding upon the heirs, administrators, executors and assigns of the undersigned Guarantors.

I, Judy Martinson, personally guaranty this Lease agreement and understand the terms contained herein and agree to be bound by the same.

Accepted and Agreed:


Judy Martinson

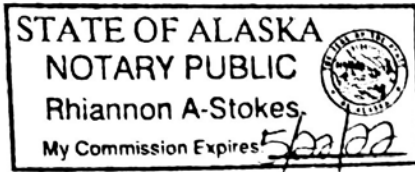
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)


On this 27th day of June, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Judy Martinson, to me known, or satisfactorily proven to be Judy Martinson executed the within and foregoing instrument (Lease and Personal Guaranty), and acknowledged he execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

Page 19 of 21

Initial (T) CCP
Initial (L) JM

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.




Notary Public in and for the State of Alaska
My Commission Expires 5/22/22

Top Shelf Herbs of Alaska, LLC

By: 
Mark Fazio Member & Personal Guarantee

Date: 6-27-2019

Mark Fazio - PERSONAL GUARANTY OF LEASE

This **PERSONAL GUARANTY OF LEASE** (the "**Personal Guaranty**") is made and entered into as of this 27 day of JUNE, 2019, by guarantors ("Guarantors"), to and in favor of and for the benefit of Bullseye Investments, LLC, an Alaska Limited Liability Company, as landlord ("Landlord").

In consideration of the Landlord entering into that certain "Commercial Lease Agreement" dated the 27 day of JUNE, 2019, wherein Top Shelf Herbs of Alaska LLC, is the Tenant, and the landlord is the Landlord, and in consideration of the Landlord leasing to the Tenant the "Leased Premises" commonly known and numbered as 901 Photo Ave, Anchorage, Alaska, Suite A, as described in said Commercial Lease Agreement, on the terms and conditions therein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Guarantors, jointly and severally, irrevocably and unconditionally guarantee to the said Landlord, its successors and assigns under said Commercial Lease Agreement, the full, faithful and punctual performance by Tenant of Tenant's covenants and agreements contained in said Commercial Lease Agreement, or any extension or renewal thereof, and agree that any forbearance, modifications, waivers, amendment, releases, postponements, either of payment or enforcement of any rights against any party, or release of any security shall not affect the undersigned Guarantors absolute and unconditional liability hereunder. The undersigned Guarantors waive notice of any of the foregoing changes. The undersigned hereby waives, and all defenses based on the law of suretyship, federal illegality, or any other similar defense.

Demand, notice of default or of nonpayment are hereby waived and it is agreed that the said Landlord under the said Commercial Lease Agreement may proceed first against the Guarantors without first proceeding against the said Tenant under the said Commercial Lease Agreement. If Landlord employs counsel to enforce this Guaranty, Guarantors will reimburse Landlord for all attorneys' fees, costs and expenses incurred. This Personal Guaranty shall be binding upon the heirs, administrators, executors and assigns of the undersigned Guarantors.

Initial (T) CCB
Initial (L) [Signature]

I, Mark Fazio, personally guaranty this Lease agreement and understand the terms contained herein and agree to be bound by the same.

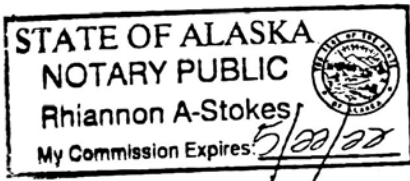
Accepted and Agreed:

Mark Fazio
Mark Fazio

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 27 day of June, 2019, before me, a Notary Public in and for the State of Alaska, personally appeared Mark Fazio, to me known, or satisfactorily proven to be Mark Fazio executed the within and foregoing instrument (Lease and Personal Guaranty), and acknowledged he execute said instrument as his/her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



[Signature]
Notary Public in and for the State of Alaska
My Commission Expires: 5/20/22

Initial (T) CCF
Initial (L) [Signature]

OPERATING AGREEMENT OF TOP SHELF HERBS OF ALASKA LLC

THIS OPERATING AGREEMENT OF TOP SHELF HERBS OF ALASKA LLC (the "Operating Agreement") is entered into as of October 5, 2019 (the "Effective Date"), by Chism Leimbach and Mark Fazio, as Members of the Company.

WHEREAS, the Members desire to execute this Operating Agreement to provide for their respective rights, obligations, and duties with respect to the Company, and the management and governance of the Company;

The undersigned have agreed to operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Operating Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the undersigned, intending legally to be bound, agree as follows:

1. DEFINITIONS. Unless the context otherwise specifies or requires, capitalized terms used in this Operating Agreement shall have the respective meanings assigned to them in this Section 1 for all purposes of this Operating Agreement (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references in this Operating Agreement to Sections are to Sections of this Operating Agreement.

1.1 "**Act**" means the Alaska Limited Liability Company Act, Alaska Statute § 10.50.010, *et seq.*, as in effect and hereafter amended, and, unless the context otherwise requires, applicable regulations thereunder. Any reference herein to a specific section or sections of the Act shall be deemed to include a reference to any corresponding provisions of future law.

1.2 "**Additional Capital Contribution**" means any Capital Contribution made by any Member after the Initial Capital Contribution pursuant to Section 5.

1.3 "**Articles of Organization**" or "**Articles**" means the Articles of Organization filed for the Company in accordance with the Act.

1.4 "**Bankruptcy**" means, and a Member shall be deemed "**Bankrupt**" upon, (i) the entry of a decree or order for relief of the Member by a court of competent jurisdiction in any involuntary case involving the Member under any bankruptcy, insolvency, or other similar law now or hereafter in effect; (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestration, or other similar agent for the Member or for any substantial part of the Member's assets or property; (iii) the ordering of the winding up or liquidation of the Member's affairs; (iv) the filing with respect to the Member of a petition in any such involuntary bankruptcy case, which

petition remains undismissed for a period of ninety (90) days or which is dismissed or suspended pursuant to Section 305 of the Federal Bankruptcy Code (or any corresponding provision of any future United States bankruptcy law); (v) the commencement by the Member of a voluntary case under any bankruptcy, insolvency, or other similar law now or hereafter in effect; (vi) the consent by the Member to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestration, or other similar agent for the Member or for any substantial part of the Member's assets or property; (vii) the making by the Member of any general assignment for the benefit of creditors; or (viii) the failure by the Member generally to pay his or her debts as such debts become due.

1.5 **"Capital Account"** means the separate account established and maintained for each Member pursuant to Section 5.

1.6 **"Capital Contribution"** means any property, including cash, or services, contributed to the Company by or on behalf of a Member.

1.7 **"Code"** means the Internal Revenue Code, as in effect and hereafter amended, or any corresponding provision of any succeeding law.

1.8 **"Company"** means Top Shelf Herbs of Alaska LLC.

1.9 **"Dollars"** and **"\$"** mean the lawful money of the United States.

1.10 **"Effective Date"** means the date of governmental or regulatory approval of any required licensure of the corporations or business entities in which the Company possesses shares or other ownership interests.

1.11 **"GAAP"** means generally accepted accounting principles set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants' Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession as in effect from time to time.

1.12 **"Initial Capital Contribution"** means the initial contribution of capital to the Company made by the Members as set forth in Section 5 and on Exhibit A attached hereto and incorporated herein.

1.13 **"Majority vote of the Membership Interests"** or **"majority of the Membership Interests"** means affirmative vote by more than 50% of the Membership Interests entitled to vote.

1.14 **"Manager"** means any person or his or her successor as may be appointed pursuant to the terms of this Operating Agreement.

1.15 "**Member**" or "**Members**" means Chism Leimbach, Mark Fazio, and any other Person who shall in the future execute this Operating Agreement pursuant to the provisions of this Operating Agreement.

1.16 "**Membership Interest**" means the Percentage Interest of a Member in the Company.

1.17 "**Operating Agreement**" means this Operating Agreement, as this Operating Agreement may be amended or modified from time to time, together with all addenda, exhibits, and schedules attached to this Operating Agreement from time to time.

1.18 "**Percentage Interest**" means a Member's percentage share of ownership of the Company, which shall be equal to the percentage that such Member's Capital Contributions bears to the sum of all Capital Contributions.

1.19 "**Person**" or "**Persons**" means any individual, corporation, association, partnership, limited liability company, joint venture, trust, estate, or other entity or organization.

2. FORMATION, NAME, PLACE OF BUSINESS.

2.1 Formation of Company. The Members of the Company hereby:

2.1.1 Authorize formation of the Company by the Members as a limited liability company pursuant to the Act, and further ratify the filing of the Articles of Organization with the State of Alaska, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing;

2.1.2 Confirm and agree to their status as Members of the Company;

2.1.3 Execute this Operating Agreement for the purpose of confirming the existence of the Company and establishing the rights, duties, and relationship among the Members, and between the Members and the Company; and

2.1.4 Agree (i) that, if the laws of any jurisdiction in which the Company transacts business so require, the Company shall appropriately file all documents necessary for the Company to qualify to transact business under such laws, and (ii) to execute, acknowledge, and file any amendments to the Articles as may be required to lawfully operate the Company as a limited liability company.

2.2 Name of Company. The name of the Company shall be "Top Shelf Herbs of Alaska LLC." The business of the Company may be conducted under any other name permitted by the Act that is selected by the Members. If the Company does business under a name other than set forth in its Articles of Organization, then it shall execute, file, and record any assumed or fictitious name certificates as required by law.

2.3 Place of Business. The principal place of business of the Company shall be 901 Photo Avenue, Suite A, Anchorage, Alaska 99503. The Members may change the principal place of business to such other place within the United States as the Members may determine from time to time. The Members may establish and maintain other offices and additional places of business of the Company in or outside the State of Alaska.

2.4 Registered Office and Registered Agent. The name and address of the initial registered agent of the Company is Chism Leimbach, 901 Photo Avenue, Suite A, Anchorage, Alaska 99503.

2.5 No Partnership Intended for Non-Tax Purposes. The Members do not intend to form a joint venture or a partnership under the laws of Alaska. The Members do not intend to be partners to one another or any third party. The Members agree and acknowledge that the Company is to be treated as a partnership solely for federal and state income tax purposes.

3. PURPOSES AND POWERS OF COMPANY.

3.1 Purposes. The purposes for which the Company is organized are:

3.1.1 To operate an establishment licensed under Title 3, Chapter 306 of the Alaska Administrative Code, and for any other lawful purpose; and

3.1.2 To enter into any lawful transaction and engage in any lawful activities in furtherance of the foregoing purposes and to assist the Company to carry out the purposes contemplated by this Operating Agreement.

3.2 Powers. The Company shall have the power to do any and all lawful acts for the furtherance of the purposes of the Company and this Operating Agreement.

4. TERM. The Company commenced when the Articles of Organization were delivered to the State of Alaska, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing. The Company shall continue in perpetuity until it is dissolved, liquidated, and terminated in conformity with the provisions of this Operating Agreement or the Act.

5. CAPITAL.

5.1 Initial Capital Contributions of the Members. Upon execution of this Operating Agreement, each Member will or has contributed to the Company the types and amounts of Initial Capital Contribution set forth in the attached Exhibit A.

5.2 Additional Capital Contributions of the Members. Upon the agreement of all of the Members, a Member may make an Additional Capital Contribution. The Percentage Interest of the Members shall be adjusted to reflect any

Additional Capital Contribution when it is made. No Member shall be required to contribute any additional capital to the Company and no Member shall have any personal liability for any Additional Capital Contribution to the Company unless expressly assumed in writing.

5.3 Form of Capital Contributions or Additional Capital Contributions of the Members. Upon vote of the Members, any Member, including the Manager, may make any of the contributions referenced in this Section 5 in kind, or through services ("Sweat Equity") provided, however, that such in kind or Sweat Equity Capital Contributions or Additional Capital Contributions shall be valued as agreed by all of the Members and shall also be made subject to the terms of any definitive agreement(s) regarding the purchase of the applicable Membership Interests.

5.4 Capital Accounts. A separate Capital Account shall be established and maintained for each Member. The Capital Account of each Member shall be (i) increased by the amount of any Capital Contributions made to the Company by the Member, (ii) increased or decreased by items of net income or net loss allocated to the Member pursuant to Section 6, and (iii) decreased by any distributions made from the Company to the Member.

5.5 No Interest on Capital Contributions or Capital Accounts. No Member shall be entitled to receive any interest on his, her, or its Capital Contribution or Capital Account balance.

5.6 Loans. Subject to AS 10.50.140, a Member or an employee of the Company may, at any time, make or cause a loan to be made to the Company in any amount and on such terms as all Members agree. Any such approved advances or loans shall not result in any increase in the amount of such Member's Capital Account or entitle such Member to any increase in its Percentage Interest. The amounts of such advances or loans shall be a debt of the Company and shall be payable or collectible only out of the Company's assets in accordance with terms and conditions agreed upon by all Members.

5.7 Liability of Members. Except as otherwise provided in the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and none of the Members shall be obligated personally for any such debt, obligation, or liability solely by reason of being a Member. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Operating Agreement shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

5.8 Return of Capital. No Member shall have the right to demand or to receive the return of all or any part of his, her, or its Capital Account or Capital Contributions to the Company except upon the consent of all Members, upon the

dissolution of the Company, or as may be specifically provided in this Operating Agreement.

5.9 THE UNCERTIFICATED LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS PROVIDED FOR UNDER THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD, UNLESS REGISTERED UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE MEMBERSHIP INTERESTS ARE SUBJECT TO CERTAIN VOTING AND GOVERNANCE PROVISIONS, RESTRICTIONS ON TRANSFER, AND OTHER TERMS AND CONDITIONS SET FORTH IN THIS OPERATING AGREEMENT.

6. ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS.

6.1 Allocation of Net Income or Net Loss. Except as otherwise provided in Section 6.2, the net income or net loss, other items of income, gains, losses, deductions, and credits, and the taxable income, gains, losses, deductions, and credits of the Company, if any, for each fiscal year (or portion thereof) shall be allocated to the Members in proportion to their Percentage Interests.

6.2 Allocation of Income and Loss With Respect to Company Interests Transferred. If any interest is transferred during any fiscal year, the net income or net loss (and other items referred to in Section 6.1) attributable to such interest for such fiscal year shall be allocated between the transferor and the transferee by closing the books of the Company as of the date of the transfer.

6.3 Distributions. Distributions to the Members may be made at times and in amounts as are determined by the Manager in the Manager's sole discretion. Approved distributions shall be made to the Members in proportion to their Percentage Interests. Distributions may be made in cash or by distributing property in kind.

7. MANAGEMENT OF COMPANY.

7.1 Management of the Company. The business and affairs of the Company shall be managed by a Manager.

7.2 Manager. The Members agree that the Company shall be managed by a Manager, who initially shall be Chism Leimbach. The Manager shall hold office until his resignation, removal from office, or death. Upon the happening of any of these events, a successor Manager shall be appointed to fill the vacancy by a majority vote of the Members.

7.3 Salaries and Contract Rights. The salary, if any, of the Manager and/or other officers shall be fixed from time to time by the Members. The appointment of a Manager or other officers shall not of itself create contract rights.

7.4 Removal and Voluntary Resignation of Manager. The Manager or officers may be removed at any time, with or without cause, by a majority vote of the Membership Interests at a meeting of the Members called for that purpose, provided that notice has been given as required by this Operating Agreement. The Manager may resign at any time, without prejudice to any rights of the Company, by giving written notice to the Members.

7.5 Duties, Rights, and Powers of Manager. Except as specifically limited in this Operating Agreement, or under applicable law, the Manager shall have the sole and exclusive right to manage, control, and conduct the business and affairs of the Company.

7.5.1 The Manager shall have the duties and powers set forth below and shall perform all such other duties as the Members shall designate. Accordingly, the Manager shall:

- A. Manage the affairs and business of the Company;
- B. Exercise the authority and powers granted to the Company;
- C. Take any and all actions necessary to perfect and maintain the status of the Company as a limited liability company under the Act, including the filing of such certificates and biennial reports and the taking of all other actions required for the continuance of the Company under this Act and the Agreement;
- D. Preside at meetings of the Members;
- E. Sign all bonds, deeds, mortgages, and any other agreements, and such signature(s) shall be sufficient to bind the Company;
- F. Prepare minutes of the Members' meetings and keep them in one or more books provided for that purpose;
- G. Authenticate records of the Company;
- H. See that all notices are duly given in accordance with the provisions of this Agreement or as required by law;
- I. Be custodian of the corporate records;
- J. Keep a register of the post office address and other contact information of each Member that shall be furnished by such Member;
- K. Have general charge of the Membership Interest transfer books of the Company;

L. Report quarterly to Members on the status of the Company's finances, compliance with applicable regulations, business plan status, and other relevant matters;

M. Take all actions necessary or appropriate to accomplish the Company's purposes in accordance with the terms of this Operating Agreement; and

N. Otherwise act in all other matters on behalf of the Company.

7.5.2 In addition to the duties and powers which the Manager may have in accordance with Section 7.5.1, and except as otherwise specifically limited in this Operating Agreement or under applicable law, the Manager shall have specific rights and powers required for the management of the business of the Company, including, the right to do the following:

A. Establish overall policy decisions with respect to the business and affairs of the Company;

B. Review and approve annual budgets and operating guidelines;

C. Approve contracts, agreements, and commitments of the Company in an amount not to exceed \$50,000.00 per fiscal year, and not to exceed \$20,000.00 in a single transaction, or exceeding \$20,000.00 through a series of related transactions;

D. Approve the choice of bank depositories, and approve arrangements relating to signatories on bank accounts;

E. Approve the choice of the Company's attorneys, independent accountants, and any other consultants, including, without limitation, market consultants, leasing agents, management agents, and advertising and public relations agents;

F. Approve any change to the Company's fiscal year;

G. Approve all distributions to the Members;

H. Approve the conveyance, sale, transfer, assignment, pledge, encumbrance, or disposal of, or the granting of a security interest in, any assets of the Company;

I. Incur indebtedness or loan or extend credit to any Person in an amount not to exceed the value of the assets then owned by the Company;

J. Employ, appoint, and remove any Company employee who is involved in the day-to-day management or business of the Company;

K. Change any accounting principles used by the Company, except to the extent required by GAAP;

L. Notify entities owned in whole or in part by the Company of any changes in ownership of the Company; and

M. Approve any tax elections of the Company.

7.6 Extraordinary Transactions. Notwithstanding anything to the contrary in this Operating Agreement, the Manager shall not undertake any of the following without the majority approval of the Members:

7.6.1 The admission of additional Members to the Company;

7.6.2 Discontinuance of the Company's business;

7.6.3 Sale of the Company's business or substantial portion thereof, or the sale, exchange, or other disposition of all, or substantially all, of the Company's assets;

7.6.4 Any merger, reorganization, or recapitalization of the Company;

7.6.5 Settlement or confession of judgment in any legal matter;

7.6.6 Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Operating Agreement, cause the termination, dissolution, liquidation, or winding-up of the Company;

7.6.7 Taking or effecting any action that would create a financial obligation of the company in excess of \$50,000.00 in any fiscal year or exceeding \$20,000.00 in a single transaction, or exceeding \$20,000.00 through a series of related transactions; and

7.6.8 Such other matters and decisions as the Members may from time to time designate.

7.7 Business Plan and Budget. Each Fiscal Year, commencing with the Fiscal Year beginning on January 1, 2020, Manager shall prepare an annual business plan and operating budget for the Company. Each draft budget shall be delivered to the Members not later than thirty (30) calendar days before the beginning of the Fiscal Year in question. The approval of any draft business plan and budget shall be an "Extraordinary Transaction" pursuant to Section 7.6 and will be effective upon approval by a majority vote of the Members. Once a draft business plan and budget is approved, it shall be the "Annual Business Plan and Budget" for the Company for the Fiscal Year in question. The "Initial Business Plan and Budget" for the partial Fiscal Year 2019 shall

be prepared promptly after execution of this Agreement and submitted to the Members for approval.

7.8 Third Party Reliance. Third parties dealing with the Company shall be entitled to rely upon the power and authority of the Manager as set forth herein.

7.9 Standard of Care. The Manager shall not be liable to the Company or its Members for monetary damages for breach of fiduciary duty or otherwise liable, responsible, or accountable to the Company or its Members for monetary damages or otherwise for any acts performed, or for any failure to act. However, this provision shall not eliminate or limit the liability of the Manager: (i) for any breach of their duty of loyalty to the Company or its Members; (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, gross negligence, or fraud; (iii) for any transaction from which the Manager received any improper personal benefit; or (iv) if proven in court to have knowingly and actively acted against the financial interest of a Member.

7.10 Conflicts of Interest. Subject to the limitations of AS 10.50.140 and Section 8.9 hereunder, the Manager, at any time, may engage in and possess interests in other business ventures of any and every type independently or with others, with no obligation to offer to the Company or any Member the right to participate therein. The Company may transact business with any Member or the Manager, subject to the limitations of AS 10.50.140.

7.11 Agents. The Manager may designate one or more individuals as agents of the Company for any purpose. No agent need be a Member. Each agent shall have the authority and shall perform the duties designated by the Manager. Vacancies may be filled or new offices created and filled by the Manager. Any agent appointed by the Manager may be removed by the Manager whenever, in their sole judgment, the best interests of the Company would be served. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

8. MEMBERS.

8.1 Members. The Members of the Company are listed on Exhibit A.

8.2 Member Qualifications. To be admitted as a Member, a Person shall provide documentation satisfactory to the Company that the Person is a resident of the State of Alaska, and is otherwise permitted to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code. Members shall maintain eligibility to own Membership Interests under applicable law at all times.

8.3 Meetings. There shall be quarterly meetings of the Members. Additional meetings of the Members may be called at any time by any Member or the

Manager. Meetings shall be held at the principal place of business of the Company or as designated in the notice or waivers of notice of the meeting.

8.3.1 Notice. Notice of any meeting of the Members shall be given no fewer than five (5) days and no more than thirty (30) days prior to the date of the meeting. Notices shall be delivered in the manner set forth in Section 16.4 and shall specify the purpose or purposes for which the meeting is called. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

8.3.2 Quorum. The holders of a majority of the Membership Interests, present in person or represented by proxy, shall constitute a quorum for transaction of business at any meeting of the Members. If the holders of less than a majority of the Percentage Interests are present at said meeting, the holders of a majority of the Percentage Interests present at the meeting may adjourn the meeting at any time without further notice.

8.3.3 Manner of Acting. The act of the holders of a majority of the Percentage Interests present at a meeting at which a quorum is present shall be the act of the Members, unless the act of a greater number is required by statute, this Operating Agreement, or the Articles.

8.4 Action Without Meeting. Unless specifically prohibited by the Agreement, any action required to be taken at a meeting of the Members may be taken without a meeting by a written instrument indicating the consent of the majority, or greater than a majority, if otherwise required by this Operating Agreement, vote of the Members. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given in writing to those Members who were entitled to vote but did not consent in writing.

8.5 Telephonic Meetings. The Members may participate in and act at any meeting of Members through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. The Members or Manager, whoever called for the meeting, shall ensure those Members attending remotely have access to any written materials reviewed at the meeting.

8.6 Proxies. Each Member entitled to vote at a meeting of Members or to express consent or dissent to action in writing without a meeting may authorize another person or persons to act for such Member by written proxy. Such proxy shall be deposited at the principal offices of the Company not less than twenty-four (24) hours before a meeting is held or action is taken. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

8.7 Voting of Interests. Each Member shall be entitled to vote according to his or her Membership Interest in the Company upon each matter submitted to a vote of the holders thereof.

8.8 Duty to Act in Best Interest of LLC. As joint owners of a closely held limited liability company, all Members agree to act in the best interests of the Company when voting or deciding on issues affecting the Company, and each Member acknowledges their duty to act in good faith towards all other Members. The duty of care set forth in AS 10.50.135 is expressly adopted and incorporated into this Agreement. Each Member has an affirmative duty to fully disclose all potential conflicts of interest to the other Members prior to any vote. Unless approved by all of the remaining Members, any Member with a conflict of interest may not vote on the issue in question.

8.9 Other Activities of Members; Restrictions on Competition. Any Member, or any affiliate thereof, may have other business interests or may engage in other business ventures of any nature or description whatsoever, whether currently existing or hereafter created, and may compete, directly or indirectly, with the business of the Company, subject to the limitations of AS 10.50.140, to the extent applicable to such Member. No Member, or affiliate thereof, shall incur any liability to the Company as a result of his, her, or its pursuit of such other permitted business interests, ventures, and competitive activity, and neither the Company nor the other Members shall have any right to participate in such other business ventures or to receive or share in any income or profits derived therefrom, subject to the limitations of AS 10.50.140, to the extent applicable to such Member.

8.10 All expenses incurred with respect to the organization or operation of the Company shall be paid or reimbursed by the Company.

9. INDEMNIFICATION.

9.1 Right of Indemnification. In accordance with the Act and this Operating Agreement, the Company shall indemnify, defend, and hold harmless any person who is a Member, Manager, or other officer of the Company, and the person's officers, directors, partners, joint venturers, employees, or agents (individually, in each case, an "Indemnitee") to the fullest extent permitted by law, from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including costs, attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits, or proceedings, whether civil, criminal, administrative, or investigative, in which the Indemnitee may be involved or threatened to be involved, as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnitee continues to be a person who is a Member, Manager, or other officer of the Company, or the person's officers, directors, partners, joint venturers, employees, or agents, at the time any such liability or expense is paid or incurred. However, this provision shall not eliminate or limit the liability of an Indemnitee

(i) for any breach of the Indemnitee's duty of loyalty to the Company or the Members, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Indemnitee received any improper personal benefit.

9.2 Advances of Expenses. Expenses incurred by an Indemnitee in defending any claim, demand, action, suit, or proceeding subject to this Section 9 shall be advanced by the Company prior to the final disposition of such claim, demand, action, suit, or proceeding, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount, if it shall be determined in a judicial proceeding or a binding arbitration that such Indemnitee is not entitled to be indemnified as authorized in this Section 9.

9.3 Other Rights. The indemnification provided by this Section 9 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, vote of the Members, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, Manager, or other officer of the Company, or any affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns, and legal representatives of the Indemnitee.

9.4 Insurance. The Company may purchase and maintain insurance on behalf of the Members, the Manager, and such other persons as the Members shall determine against any liability that may be asserted against or expense that may be incurred by such persons in connection with the offering of interests in the Company or the business or activities of the Company, regardless of whether the Company would have the power to indemnify such persons against such liability under the provisions of this Operating Agreement.

10. BANK ACCOUNTS, BOOKS AND RECORDS, STATEMENTS, TAXES, FISCAL YEAR.

10.1 Bank Accounts. To the extent reasonably practicable, all funds of the Company shall be deposited in the Company's name in such checking and savings accounts, time deposits, certificates of deposit, mutual funds, money market instruments, or other accounts as shall be designated by the Manager from time to time. The Manager shall arrange for the appropriate conduct of such account or accounts, or such other mechanisms for managing funds of the Company.

10.2 Books and Records. The Manager shall keep, or cause to be kept, accurate books and records showing the financial condition of the Company, including copies of the Company's financial statements and the federal, state, and local tax returns of the Company for at least the most recent six (6) fiscal years. All Members shall have access to the books and records at any reasonable time during regular

business hours and shall have the right to copy said records at such Member's expense.

10.2.1 Where Maintained. The books, accounts, and records of the Company at all times shall be maintained at the Company's principal office or at such other place authorized by the Manager.

10.2.2 Fiscal Year. The fiscal year of the Company for all purposes shall be the calendar year. The Manager shall have authority to change the beginning and ending dates of the fiscal year.

10.3 Accounting Decisions. All decisions as to accounting matters shall be made by the Manager, subject to the provisions herein.

10.4 Tax Matters Member. The Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a "tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

10.5 Tax Elections. The Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the Manager's sole and absolute discretion.

10.6 Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

11. TRANSFER OF MEMBERSHIP INTERESTS; SUBSTITUTION OF MEMBERS.

11.1 Transfer of Membership Interests.

11.1.1 Definition of Transfer. The term "transfer," when used in this Section 11 with respect to a Membership Interest, shall include any sale, assignment, gift, pledge, hypothecation, mortgage, exchange, or other disposition. However, a "transfer" shall not include any pledge, mortgage, or hypothecation of or granting of a security interest in a Membership Interest in connection with any financing obtained on behalf of the Company.

11.1.2 Void Transfers. No Membership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Section 11. Any transfer or purported transfer of any Membership Interest not made in accordance with this Section 11 shall be void *ab initio*.

11.2 Restrictions of Transfers.

11.2.1 Consent Required. No Member may transfer all or any portion of, or any interest or rights in their Membership Interest or their Capital Account without: (i) the express written consent of all non-transferring Members; or (ii) following the procedures outlined in Section 11.2.2. Each Member acknowledges the reasonableness of this prohibition in view of the relationship of the Members.

11.2.2 Right of First Refusal. In the event that one Member wishes to transfer all or part of its Membership Interest in the Company, and in the absence of the express written consent of non-transferring Members then holding a majority of the Membership Interests, the transferring Member shall first make the Membership Interest available to the other Member(s) in the manner set forth below in this Section 11.2.2.

A. The right of a Member to transfer its Membership Interest in the Company to any third party is expressly conditioned upon such transferring Member first offering to transfer his or her Membership Interest to the remaining Member(s) for the same price and upon the same terms as the proposed transfer to a person or entity not a Member of the Company. The procedure for this right of first refusal shall be as follows:

1. Prior to any proposed transfer of Membership Interest, the transferring Member shall send each of the remaining Members a copy of the proposed agreement between the transferring Member and the proposed transferee and notify the remaining Members of the transferring Member's intention to enter such agreement and make such transfer. The remaining Members shall each have the right, within thirty (30) calendar days of receipt of such notice, to acquire the transferring Member's interest on the same terms as the proposed agreement.

2. If more than one non-transferring Member elects to purchase the transferring Member's Membership Interest, then the Percentage Interest each such electing Member shall be entitled to purchase shall be determined by agreement among the electing non-transferring Members. Or, if the electing non-transferring Members are unable to so agree, then each electing non-transferring Member shall be entitled to purchase a pro rata amount of the offered membership interest based upon a percentage equal to the Membership Interests in the Company owned by such non-transferring Members relative to the total Membership Interest in the Company owned by all such electing non-transferring Members.

3. If the remaining Member(s) do not acquire the interest of the transferring Member, the transferring Member may then transfer his or her interest in the Company to the person or entity named in the proposed agreement pursuant to the terms contained in this section, provided that such transfer is on the same terms and conditions and for the same price set forth in the proposed agreement sent to the remaining Members.

11.2.3 Substitution. Any transferee of a Membership Interest shall become a substituted Member upon (i) the express written consent of the non-transferring Members then holding a majority of the Membership Interests; (ii) the transferee agreeing to be bound by all the terms and conditions of the Articles and this Operating Agreement; (iii) the transferee providing documentation satisfactory to the Company that the transferee is eligible to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code; and (iv) receipt of any necessary regulatory approvals. Unless and until a transferee is admitted as a substituted Member, the transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder. A Member who has transferred his or her Membership Interest shall cease to be a Member upon transfer of the Member's entire Membership Interest and thereafter shall have no further powers, rights, and privileges as a Member hereunder except as provided in Section 9.

11.2.4 The Restriction of Transfers described in this section does not apply to the Transfer of any or all of Chism Leimbach's Membership Interest to his spouse, Carrie Leimbach. The Transfer of such Membership Interest does not require consent of the non-transferring Members as described in Section 11.2.1, does not require the Right of First Refusal as described in Section 11.2.2, and does not require the express written consent of the non-transferring Members as described in Section 11.2.3(i). Carrie Leimbach will become a substituted Member upon the written consent of Chism Leimbach and the satisfaction of the remaining terms of Sections 11.2.3.

12. ADMISSION OF NEW MEMBERS.

12.1 The admission of additional members to the Company through the sale, issuance, or other conveyance of Membership Interest by the Company is not considered a transfer of Membership Interest under Section 11.

12.2 Subject to the terms of this Agreement, additional Persons may be admitted as Members of the Company under this Section 12 at such time and on such terms as may be deemed appropriate by a majority vote of the Membership Interests. To be admitted as a new Member, a Person shall (i) agree in writing to be bound by all the terms and conditions of this Operating Agreement; and (ii) provide documentation satisfactory to the Company that the Person is eligible to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code. A Person will not be fully admitted as a Member until any and all necessary regulatory approvals are received. Unless and until a Person is

admitted as a Member, the Person shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder.

12.3 The Members understand that, in the event of the admission of a new member, the then existing Members' Percentage Interests shall be reduced pro rata in amounts that equal the amount of the new member's Percentage Interest.

13. DISSOCIATION OF A MEMBER.

13.1 Voluntary Withdrawal. In the event of a Member's voluntary withdrawal from the Company, the withdrawing Member will be liable to the remaining Members for any damages incurred by the remaining Members including, but not limited to, the loss of future earnings. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company business. The withdrawing Member shall not be entitled to compensation, accrued distributions, or repayment of Capital Contributions without the express written consent of all of the other Members. If the remaining Members elect to purchase the interest of the withdrawing Member, the Members will serve written notice of such election upon the withdrawing Member within thirty (30) days after receipt of the withdrawing Member's notice of intention to withdraw, including the purchase price and method and schedule of payment for the withdrawing Member's interest. The purchase amount of any buyout of a Member's interest will be determined as outlined in the Book Value section of this Agreement. If the remaining members do not elect to purchase the withdrawing Member's interest, the withdrawing Member's interest will be transferred to the remaining Members on a pro rata basis consistent with their current Membership Interests.

13.2 Involuntary Withdrawal. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company business. Events leading to the involuntary withdrawal of a Member from the Company will include, but not be limited to, death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; Member bankruptcy; and other involuntary levy or transfer of a Member's Membership Interest by judicial order or otherwise. Any Member (or its appropriate representative) who experiences an event leading to involuntary withdrawal shall notify the Company in writing of the event and the date of the event. In the absence of such notice, the other Members may give notice to the affected Member's representative, or upon notice of any involuntary levy or transfer of a Member's Interest by judicial order or otherwise, then within thirty (30) days of such notice, such Member shall either give written assurances that such event has not occurred, or has been cured. Failure to timely respond shall be deemed effective as notice of intent for compulsory sale.

13.3 Compulsory Sale of Member's Interest. Upon the receipt of notice under Section 13.2, the remaining Members shall meet and upon the majority affirmative vote of Members (without counting the Interest of the Member affected), the Members may elect to purchase the Interest of the affected Member. If the remaining Members elect to purchase the interest of the affected Member, the remaining Members

will serve written notice of such election, including the purchase price and method and schedule of payment for the withdrawing Member's interest, upon the withdrawing Member, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the affected Member. The purchase amount of any buyout of a Member's Interest will be determined as outlined in the Book Value section of this Agreement, and paid out over a period not to exceed two (2) years. If the Company and/or Members do not elect to purchase the affected Member's Membership Interest, then the Company may either elect to admit such Member's distributees or beneficiaries into the Company as Substituted Members, or may elect to dissolve, each by the vote as established in Sections 11 and 15 respectively.

13.3.1 The Compulsory Sale of Member's Interest requirements of Section 13.3 do not apply in the event of the death of Chism Leimbach while he remains married to Carrie Leimbach. Upon such event, Mr. Leimbach's Membership Interest shall transfer to his spouse, Carrie Leimbach, and she will become a Substituted Member pursuant to the terms in Section 11, or her existing Membership Interest, if any, shall increase by the amount of Mr. Leimbach's Membership Interest. Mr. Leimbach may rescind this provision at any time by providing written notice to the other Members.

13.3.2 The Compulsory Sale of Member's Interest requirements of Section 13.3 do not apply in the event of the death of Mark Fazio while he and Chism Leimbach are both members of the Company. Upon such event, Mr. Fazio's Membership Interest shall transfer to Chism Leimbach and Mr. Leimbach's existing Membership Interest, shall increase by the amount of Mr. Fazio's Membership Interest. Mr. Fazio may rescind this provision at any time by providing written notice to the other Members.

13.4 Removal of a Member for Cause. A Member may be removed for cause upon a majority vote of the remaining Members. The expulsion of such Member will have no effect upon the continuance of the Company business. The remaining Members shall give notice to the Expelled Member of their removal as a Member. Upon the giving of such notice, the Expelled Member's Membership Interest and right to participate in the management and conduct of the Company's business is terminated. A Member removed for cause shall not be entitled to compensation, accrued distributions, or repayment of Capital Contributions without the express written consent of all of the other Members.

13.4.1 A Member may be removed for cause in the case of any of the following:

A. the Member engaged in wrongful conduct that adversely and materially affected the Company's business;

B. the Member engages in criminal, illegal or other acts of malfeasance, gross negligence, prohibited self-dealing or embezzlement;

C. if it is unlawful to carry on the company's business with the Member;

D. the Member willfully or persistently committed a material breach of the Operating Agreement or a duty owed to the Company or the other members of the Company, including the Member's duty of loyalty and duty of care;

E. the Member engaged in conduct relating to the Company's business which makes it not reasonably practicable to carry on business with the Member;

F. operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute; or

G. there has been a transfer of substantially all of the Member's Interest not in accordance with this Operating Agreement.

13.5 On any purchase and sale made pursuant to this section, a dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. Immediately upon purchase of a withdrawing Member's interest, the Company will prepare, file, serve, and publish all notices required by law to protect the withdrawing Member from liability for future Company obligations. Where the remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

13.6 The remaining Members retain the right to seek all available legal damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.

14. BOOK VALUE.

14.1 The term "Book Value" means the book value, computed in accordance with GAAP, of a Member's Percentage Interest in the Company as of the end of the last full taxable year immediately preceding the year in which the event giving rise to the need for valuation occurred. Notwithstanding anything contained in this Agreement to the contrary, the computation of Book Value shall be subject to the following provisions:

14.1.1 Book Value shall not include any proceeds collected or collectible by the Company under any policy or policies of life or disability insurance

insuring the life or disability of a Member, as a result of the death or disability of a Member.

14.1.2 No additional allowance of any kind shall be made for the goodwill, trade names, or any other intangible asset or assets (the "Intangible Assets") of the Company other than the aggregate dollar amount for any of those Intangible Assets appearing on the most recent balance sheet of the Company prior to the date on which Book Value is to be determined.

14.1.3 Reserves for contingent liabilities shall not be treated as a liability for purposes of determining Book Value.

14.1.4 No adjustment shall be made to Book Value as a result of any event occurring subsequent to the date as of which Book Value is to be determined.

14.1.5 Anything contained in this Agreement to the contrary notwithstanding, Book Value shall be calculated for the purposes of this Agreement on an accrual basis even if the Company shall have used a different accounting method for that or any prior period.

14.1.6 Book Value shall be determined by the outside accountants regularly employed by the Company. If no such regularly-employed accountants can be agreed upon by a majority vote of the Membership Interests, then the Manager shall select the appropriate accountants to determine Book Value of the Company.

15. DISSOLUTION, LIQUIDATION, AND TERMINATION.

15.1 Events Causing Dissolution. The Company shall be dissolved and shall commence winding up its affairs upon the first to occur of any of the following events:

15.1.1 The consent in writing to dissolve and wind up the affairs of the Company by all of the Members;

15.1.2 The sale or other disposition by the Company of all or substantially all of the Company's assets and the collection of all amounts derived from any such sale or other disposition, including all amounts payable to the Company under any promissory notes or other evidences of indebtedness taken by the Company and the satisfaction of contingent liabilities of the Company in connection with such other disposition (unless the Members shall elect to distribute such indebtedness to the Members in liquidation); or

15.1.3 The occurrence of any default that, under the Act, would cause the dissolution of the Company or that would make it unlawful for the business of the Company to be continued.

15.2 Winding Up. Upon the dissolution of the Company, the Manager shall wind up the Company's affairs and satisfy the Company's liabilities. The Manager shall liquidate all of the Company property and assets as quickly as possible consistent with obtaining the full fair market value of said property and assets. During this period, the Manager shall continue to operate the Company, and all of the provisions of this Operating Agreement shall remain in effect. The Manager shall notify all known creditors and claimants of the dissolution of the Company in accordance with the provisions of the Act.

15.3 Final Distribution. The proceeds from the liquidation of the Company shall be distributed as follows:

15.3.1 First, to creditors, including Members who are creditors, until all of the Company's debts and liabilities are paid and discharged (or provisions are made for payment thereof); and

15.3.2 The balance, if any, to the Members, in proportion to their Percentage Interests as of the date of such distribution, after giving effect to all contributions, distributions, and allocations for all periods.

15.4 Distributions in Kind. In connection with the termination and liquidation of the Company, the Manager shall attempt to sell all of the Company property and assets. To the extent that property or assets are not sold, each Member will receive his or her Percentage Interest of any distribution in kind. Any property or assets distributed in kind upon liquidation of the Company shall be valued on the basis of an independent appraisal or by majority agreement of the Members, and treated as though the property or assets were sold and the cash proceeds distributed.

15.5 No Recourse Against Other Members. The Members shall look solely to the assets of the Company for the return of their investment, and, if the property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return such investment, no Member shall have any recourse against any other Member.

15.6 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, any Member with a deficit in the Member's Capital Account shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

15.7 Articles of Dissolution. On completion of the distribution of Company property and assets as provided herein, the Company is terminated, and the Members (or such other person or persons as the Act may require or permit) shall file articles of dissolution with the appropriate state agency, cancel any other filings made pursuant to the Act, and take such other actions as may be necessary to terminate the Company.

16. GENERAL PROVISIONS.

16.1 Compliance with Act. The Members and the Manager agree not to take any action or fail to take any action which, considered alone or in the aggregate with other actions or events, would result in the termination of the Company under the Act.

16.2 Lawful Purpose. When used throughout this Operating Agreement, the term "lawful purpose" and any similar phrase shall mean any purpose allowed for under the laws of the State of Alaska, irrespective of issues related to federal law or the laws of any other state.

16.3 Additional Actions and Documents. The Members and the Manager agree to take or cause to be taken such further actions, to execute, acknowledge, deliver, and file, or cause to be executed, acknowledged, delivered, and filed, such further documents and instruments, and to use best efforts to obtain such consents, as may be necessary or as may be reasonably requested to fully effectuate the purposes, terms, and conditions of this Operating Agreement, whether before, at, or after the closing of the transactions contemplated by this Operating Agreement.

16.4 Notices. Any notice hereunder to any Member or the Manager shall be in writing and shall be effective when actually delivered at the address shown below or at such other address as they may have designated by written notice received by the other parties to this Operating Agreement.

If to: Chism Leimbach
38150 Rochelle Ave.
Chugiak AK 99567

If to: Mark Fazio
8526 S. Ben Hur Drive Unit 2
Palmer, AK 99645

16.5 Severability. If a court of competent jurisdiction finds any provision of this Operating Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Operating Agreement in all other respects shall remain valid and enforceable.

16.6 Survival. It is the express intention and agreement of the Members that all covenants, agreements, statements, representations, warranties, and indemnities made in this Operating Agreement shall survive the execution and delivery of this Operating Agreement.

16.7 Waiver. No delay on the part of a Member or the Manager in the exercise of any right, power, or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy preclude other or further exercise of any other right, power, or remedy.

16.8 Amendments. This Agreement may be amended by a vote of the majority of the Members. No amendment, or waiver of, or consent with respect to, any provision of this Operating Agreement shall be effective unless it shall be in writing and signed and delivered by the Members. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which a Member or the Company would otherwise have at law or in equity or otherwise.

16.9 Computations. When any calculation or other accounting computation is to be made for the purpose of this Operating Agreement, that calculation, to the extent applicable and except as otherwise specified in this Operating Agreement, shall be made in accordance with GAAP in effect at the time.

16.10 Binding Effect. Subject to any provisions hereof restricting assignment, this Operating Agreement shall be binding upon and shall inure to the benefit of the Members and their respective successors and assigns.

16.11 Limitation on Benefits of this Operating Agreement. Subject to Section 7.11, it is the explicit intention of the Members that no person other than the Members and the Company is or shall be entitled to bring any action to enforce any provision of this Operating Agreement against any Member or the Company, and that the covenants, undertakings, and agreements set forth in this Operating Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder) and the Company.

16.12 Captions. Section captions used in this Operating Agreement are for convenience only and shall not affect the construction of this Operating Agreement.

16.13 Governing Law. This Operating Agreement is a contract made under and governed by the laws of the State of Alaska. All obligations and rights of the parties stated herein shall be in addition to, and not in limitation of, those provided by applicable law.

16.14 Dispute Resolution. In the event of a dispute arising out of or in connection with this Operating Agreement, the Members will attempt to resolve the dispute through friendly consultation. If the dispute is not resolved within a reasonable period then any or all outstanding issues may be submitted to mediation in accordance with any statutory rules of mediation. If mediation is unavailable or is not successful in resolving the entire dispute, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the State of Alaska. The arbitrator's award will be final, and judgment may be entered upon it by any court having jurisdiction within the State of Alaska. If the parties cannot agree upon an arbitrator within thirty

(30) days of a request for arbitration, then any Member may contact the American Arbitration Association to initiate the proceedings, including for the selection of arbitrators.

16.15 Integration. This Operating Agreement (including the Exhibits hereto) and the Articles of Organization represent the entire agreement between the Members with respect to the transactions contemplated herein, and supersede all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein.

16.16 Counterparts. This Operating Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Operating Agreement to form one document.

16.17 Strict Construction. It is the intent of the Members upon execution hereof that this Operating Agreement shall be deemed to have been prepared by all of the parties to this Operating Agreement, to the end that no Member shall be entitled to the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law.

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


Chism Leimbach


Mark Fazio

EXHIBIT "A"

INITIAL CAPITAL CONTRIBUTIONS OF MEMBERS

Member	Percent Interest	Description of Capital Contribution
Chism Leimbach	50%	Sweat Equity
Mark Fazio	50%	Sweat Equity