

Alcohol & Marijuana Control Office

Initiating License Application

5/18/2021 9:40:07 AM

License Number: 23777**License Status:** Active-Operating**License Type:** Retail Marijuana Store**Doing Business As:** ARCTIC HERBERY**Business License Number:** 1065302**Designated Licensee:** Bryant Thorp**Email Address:** bryant@gci.net**Local Government:** Kenai Peninsula Borough**Local Government 2:****Community Council:****Latitude, Longitude:** 60.483182, -149.884964**Physical Address:** 16021 Sterling Highway
Building #2
Cooper Landing, AK 99572
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10055175**Alaska Entity Name:** 7107 Ventures, LLC**Phone Number:** 907-317-1895**Email Address:** bryant@gci.net**Mailing Address:** 7107 Arctic Blvd.
Anchorage, AK 99518
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Bryant Thorp**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-317-1895**Email Address:** bryant@gci.net**Mailing Address:** 7107 Arctic Blvd.
Anchorage, AK 99518
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

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

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:	7107 Ventures, LLC	License Number:	23777		
License Type:	Retail Marijuana Store				
Doing Business As:	Arctic Herbery				
Premises Address:	16021 Sterling Highway, Building #2				
City:	Cooper Landing	State:	Alaska	ZIP:	99572

Section 2 – Individual Information

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

Name:	Bryant Thorp				
Title:	Manager, Member				

Section 3 – Violations & Charges

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

Initials

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

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.

BT

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.

BT

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

BT

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

BT

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

BT

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.

BT

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.

BT

I, Bryant Thorp, 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.

BT

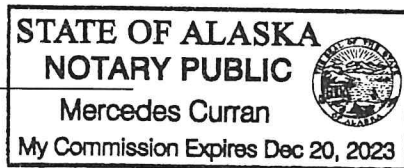
As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide 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.

BT

Signature of licensee

Bryant Thorp

Printed name of licensee



Mercedes Curran

Notary Public in and for the State of Alaska

My commission expires: 12/20/2023

Subscribed and sworn to before me this 27th day of May, 2021

REAL ESTATE LEASE

This Real Estate Lease Agreement ("Lease") is dated December 17, 2019, by and between Triple Threat Thorp, LLC ("Landlord"), and 7107 Ventures, LLC, ("Tenant"). Landlord has a Ground Lease of the property located at 16021 Sterling Highway, Building #2, Cooper Landing, Alaska 99572, which includes improvements located on the property dated December 17, 2019. Tenant desires to erect a small module building on the Property, as described in Exhibit A of this Agreement. The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant (the "Premises") the space allocated for the module building located at 16021 Sterling Highway, Cooper Landing, Alaska 99572 and more particularly illustrated at Exhibit A of this Agreement.

TERM. The Lease begins December 17, 2019 and shall be a three (3) year term, with an initial option ("Initial Option") to renew for an additional three (3) year term with notice provided to Landlord on or before December 17, 2022. The Initial Option may be exercised in Tenant's sole and absolute discretion and the lease terms of the Initial Option term shall be the same as provided herein. After the Initial Term, Tenant shall have two (2) additional options for two (2) additional three (3) year terms ("Renewal Terms"). The parties shall agree on monthly lease rate for the Renewal Terms. Either party may terminate the Lease upon substantial breach of this Agreement and prior to written notice to the other party giving a thirty (30) day notice to cure the defect to avoid the termination.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of \$100.00 starting upon date of occupation of the Premises. Tenant shall pay to Landlord a deposit in the amount of \$0 to Landlord upon execution of Lease. Payments to Landlord are to be mailed to 7107 Arctic Blvd, Anchorage, Alaska 99518 or any other location provided by Landlord. If payment is not received by the 7th day of the month a late charge of \$25.00 per day beginning on the 5th and for each day thereafter will be charged. Landlord shall give Tenant written notice of the past due lease payment. On the 15th the Landlord may give notice of breach, as stated above and Tenant shall agree to vacate the premise if the breach is not remedied within ten (10) days.

DEPOSIT. Tenant shall pay \$0 for deposit that Landlord may deduct costs for damages caused by Tenant or professional cleaning, necessitated by Tenant's occupancy. If Landlord deducts any amounts from the Deposit, Landlord shall provide a detailed invoice to Tenant within 10 days of the deduction from the deposit.

USE OF PREMISES. Tenant may use the Premises only for retailing commercial marijuana and marijuana product and all legal endeavors as prescribed in state and local law. The Premises may be used for any other purpose only with the prior written consent of Landlord, which shall not be unreasonably withheld.

Tenant shall notify Landlord of any anticipated extended absence of 5 days or more from the

Premises not later than the first day of the extended absence.

UTILITIES AND SERVICES

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

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

REAL ESTATE TAXES: Tenant shall pay pro-rata share of the property's real estate taxes and assessments for the Premises.

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

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

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

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

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

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

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

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

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

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

TENANT'S OBLIGATIONS. Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises and every part thereof, including but not limited to the light bulb replacement, plumbing, any mechanical or electrical apparatus, doors, window frames, hardware, glass and nonstructural ceilings and walls. Tenant shall, at the expiration or termination of this Lease, surrender and deliver up the Premises to Landlord in as good condition as when received

by Tenant from Landlord or as thereafter improved, reasonable use, wear and tear excepted. Tenant shall repair any damage to the Premises, or the Building occasioned by its use thereof or by the removal of Tenant's trade fixtures, furnishings and equipment, which repair shall include the patching and filling of holes and repair of structural damage.

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the state, county, municipal and other authorities. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature. In the event Tenant is unable to obtain all necessary licenses and permits to operate a marijuana establishment from the Premises, despite using best efforts, Tenant shall be released from the remaining obligations of this Lease.

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

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

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

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

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

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

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

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

LANDLORD:

Triple Threat Thorp, LLC
7107 Arctic Blvd
Anchorage, Alaska 99518

TENANT:

7107 Ventures, LLC
7107 Arctic Blvd
Anchorage, Alaska 99518

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

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

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

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

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

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


Landlord – Triple Threat Thorp, LLC

By:  _____
Bryant Thorp – Manager/Member

Date: 12/17/19

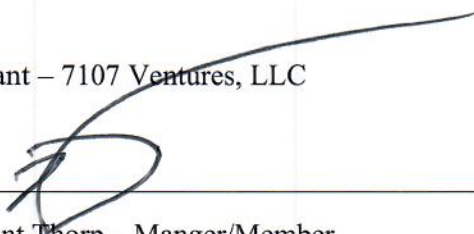
By:  _____
Christopher Thorp - Member

Date: 12-17-19

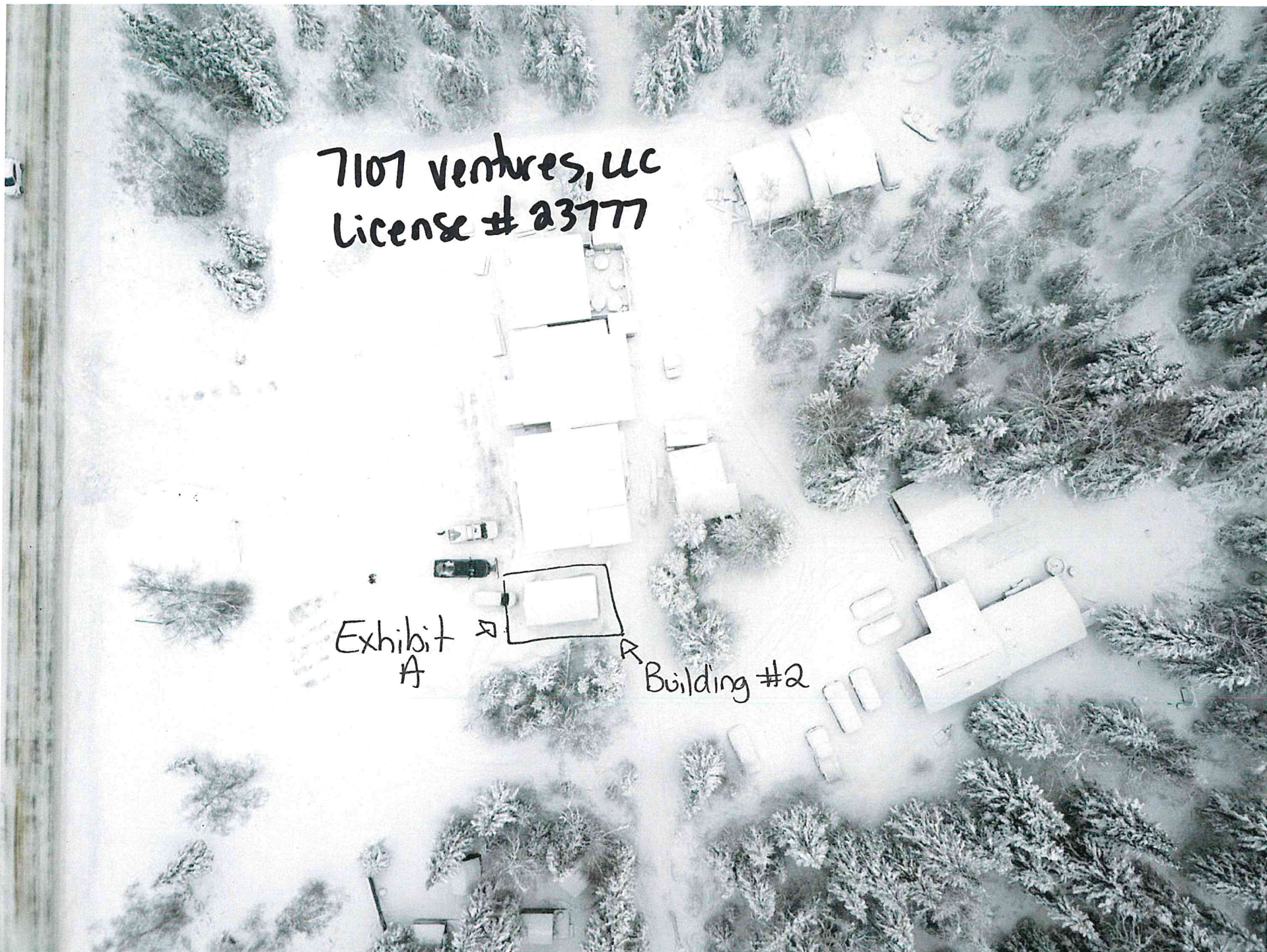
By:  _____
Lucas Thorp - Member

Date: 12-17-19

Tenant – 7107 Ventures, LLC

By:  _____
Bryant Thorp – Manger/Member

Date: 12/17/19



Received 2/7/2020

GROUND LEASE

THIS LEASE made and entered into as of October 15, 2019, by and between Glenn Sackett, (hereinafter called "Lessor"), Triple Threat Thorp, LLC, an Alaska limited liability company (hereinafter called "Lessee").

WITNESSETH

WHEREAS, Lessor is the owner of certain lands comprising legally described as 50N R 4W SEC 36 Seward Meridian SW 0003388 US SURVEY 388, in the Kenai Peninsula Borough, Alaska. Lessee shall lease, have the right to possess, develop, build on, access power and connect to the power that serves the parcel described above, access and utilize well water, and construct a retail facility building (which shall be solely owned by Lessee, on the North West Corner of the parcel, more particularly described in Exhibit "A" hereunto annexed and made a part hereof, and Lessee is desirous of leasing said site from Lessor on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the respective undertakings of the parties hereinafter set forth, it is hereby agreed as follows:

1. **Definitions.** As used herein, the following terms have the following meanings:

A. **"Premises"** means the land described in Exhibit "A" attached hereto and all easements, licenses, privileges, rights and appurtenances related thereto. The term "Premises" shall not include the "Improvements" (as hereinafter defined).

B. **"Improvements"** means all buildings, structures and improvements that Lessee will construct/create on the Premises or any part thereof and all fixtures, machinery, equipment, all building equipment, and, without limitation, other property of every kind or nature situated thereon or pertaining thereto or used in connection therewith, which shall be the sole property of Lessee. *Lessor*

C. **"Personal Property"** means the trade fixtures, furniture, furnishings and business equipment now or hereafter located on or used in connection with the Premises or Improvements, which are movable and not attached to the Premises or the Improvements or any part thereof and not necessary for the proper and efficient operation of the Improvements. Any Personal Property on the Premises shall be the sole property of Lessee.

D. **"Property"** means the Premises, the Improvements and the Personal Property.

E. **"Taxes" means:**

(1) All real estate taxes, special assessments, water taxes, excises, levies, license and permit fees and other governmental shares and costs of every kind and nature, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever (including, but not limited to, assessments for streets, sidewalks, sewers, lights and other improvements and general and special state, borough, village, and city taxes, benefit taxes and assessments), and payments in lieu of taxes, which at any time or times prior to or during the "Term" (as hereinafter defined), or at any time or times after the Term but with respect to a period or periods or event or events occurring in whole or in part during the Term, may or shall become a lien on or be assessed, levied, confirmed, imposed upon or become due or payable on or with respect to (a) the Premises, Improvements, Personal Property or any part thereof, (b) the rent, receipts, income or other payments received by or from Lessee or anyone

Initials
[Handwritten Signature]
Received 2/7/2020

claiming by, through or under Lessee, (c) any use or occupation of the Property or (d) this transaction or any document to which Lessee is a party creating or transferring an interest or estate in the Property;

(2) Without limitation on any of the foregoing, any license fee or business tax measured by the rent or other charges or sums payable hereunder, and any tax, assessment, levy, fee or other charge imposed upon Lessee or Lessor, which is levied, assessed or imposed on or measured by or based, in whole or in part, upon (a) the rents received from or with the use of the Property or any part thereof, (b) the Premises, or (c) the rent payable by Lessee under this Lease, if the methods of taxation prevailing at the commencement of the Term shall be altered so that such license fee, business tax or any other such tax, assessment, levy, fee or other charge shall be in lieu of or in addition to or as a substitute for the whole or any part of the taxes, assessments, levies, fees or charges now levied, assessed or imposed on real estate or the improvements thereon or on personal property.

The term "Taxes" does not include Federal, state or, subject to the provisions of subparagraph (2) above, local income or franchise taxes assessed against Lessor.

F. "Sublease" means any lease, sublease, license or concession agreement involving the use or occupancy of the Property or any part thereof (other than this Lease). "Sublessee" means the Person (other than Lessee) that has acquired rights to use or occupancy under a Sublease.

2. Lease of the Premises. Lessor hereby demises and leases unto Lessee, and Lessee hereby takes and hires from Lessor, the Premises, for and in consideration of the rents, covenants and agreements, and upon the terms and conditions set forth herein, subject to any and all encumbrances, conditions, covenants, easements, restrictions, rights-of-way, and all other matters of any nature affecting the Premises during the Term (in each case whether or not of record), such matters as may be disclosed by an inspection or survey, and all zoning, land use, subdivision, and all other laws, rules, regulations and judicial or administrative orders now or hereafter applicable to the Premises or any part thereof or any use or occupancy thereof (herein collectively called "Restrictions").

3. Term. The term of this Lease ("Term") shall be ten (10) years, beginning October ____, 2019 and terminating at midnight, October ____, 2029, subject to earlier termination as herein set forth.

4. Rent. As rental for the Premises, Lessee shall pay the sums hereinafter set forth.

A. Base Rent. Lessee shall pay to a lump sum of \$10,000.00 which is total rental payments for the entire Rental Term – for clarification purposes, Lessee shall pay all ten years of rent in advance, upon signing of this Agreement, and the total rent due for all ten years equals \$10,000.00.

5. Use of the Premises.

A. Lessee shall use the Premises for the purpose of constructing and operating thereon a building as a licensed marijuana retail establishment.

B. Lessee shall have the right to sublease the Premises to an entity that shares at least one common owner.

B. Lessee shall comply with all applicable state, borough and municipal laws, regulations and ordinances affecting the Property.

C. Lessee shall hold harmless and indemnify Lessor from and against any claim, penalty, loss, damage, charge, liability or expense (including, without limitation, reasonable attorney's fees) threatened, incurred or imposed for any act or omission in violation of Lessee's covenants and obligations under this

Initials 
Received 2/7/2020
Lessor Lessee

paragraph 5 or by reason of any action or proceeding which may be brought against Lessor or the Property in connection with the foregoing.

D. Lessee shall have the right to maintain or install any signs in or at the Property visible from adjacent parcels or roads and use of all driveways and ingress and egress to premises.

6. Utilities. Lessee shall have access to the Property's power supply, well-water, right to install a septic system, and shall be responsible for all expenses relating to the same.

7. Taxes. Lessee shall be responsible for its pro rata portion of property taxes for the amount of square footage included in the Premises.

8. Insurance. At all times during the Term of this Lease, Lessee shall, at its sole cost and expense, procure and maintain general liability insurance. All such policies shall provide that the same may not be canceled or amended without at least thirty (30) days prior written notice being given by the insurer to all insured's thereunder.

9. No Warranties by Lessor.

A. Lessee acknowledges that Lessee has full knowledge of all matters pertaining to the Premises, including, but not limited to, the condition of title to the same and the physical condition of the same, and that Lessee is leasing the Premises "AS IS" and Lessor shall not be required to perform any work or furnish any materials in connection with the Property.

10. Construction, Restoration, and Maintenance

A. Lessee shall commence, at its discretion, the construction of the retail establishment facility and related improvements. Lessee has the right to clear trees, brush, shrubbery, improve/install driveway, create parking area, connect to the Property's power, draw water from existing well, or if necessary, install a new well, install a septic system, and any other improvements needed for Lessee's intended use.

C. Lessor shall maintain in good condition the lands of the Property which are in its ownership and not currently leased, including landscaping, pond, jogging paths, roads, and signage (not to include mowing undeveloped areas) and to use reasonable efforts to ensure that other ground lessees within the Park maintain their properties in good condition.

11. Manner of Performance of Lessee's Work. All repairs, maintenance, restoration, construction, reconstruction, demolition, removal, replacement and alteration of the Property or any part thereof required or permitted to be made by Lessee under this Lease (collectively hereinafter called "Lessee's Work"), including the construction of the Improvements by Lessee, shall be made in in good workmanship manner.

12. Indemnity. Lessee shall hold harmless and indemnify Lessor from and against any claim, penalty, loss, damage, charge, liability or expense (including, without limitation, reasonable attorney's fees, both at trial and on any appeal or up to any settlement), threatened, sustained or incurred by reason of, directly or indirectly, (a) the death or loss of or damage or injury to person or property resulting from or caused by or claimed to have resulted from or been caused by: (i) the construction, use, operation, condition or lack of repair of the Property or any real or personal property at any time or times thereon, or (ii) any act or thing done or omitted to be done by Lessee, its agents, employee, servants, invitees, or, without limitation, any other person or persons other than Lessor or its employees; or (b) any failure on the part of Lessee to perform or comply with any of Lessee's covenants, obligations or liabilities hereunder; or (c) any

Initials
Lessor Lessee
Received 2/7/2020

syndication or other securities offering made by, or on behalf of Lessee in connection with the Property or this Lease or (d) any storage, handling or disposal of any flammable explosives, hazardous or toxic substances on or from the Premises, or any leakage or contamination attributable to any underground tanks or other equipment whether formerly situated on the Premises or to be placed on the Premises by or at the direction of Lessee.

Lessor shall hold harmless and indemnify Lessee from and against any claim, penalty, loss, damage, charge, liability or expense (including, without limitation, reasonable attorney's fees, both at trial and on any appeal or up to any settlement), threatened, sustained or incurred by reason of, directly or indirectly, the actions or omissions, relating to the Premises, of Lessor, its agents, employees acting in official capacity, invitees and guests.

13. Intentionally Omitted.

14. Liens. Lessee shall at all times keep the Premises, free and clear of all liens and claims for services, labor or materials supplied or claimed to have been supplied to Lessee or to or in connection with the Property, or any part thereof, and free and clear of all attachments, executions, levies, mortgages.

15. Sale.

(1) Subject to the provisions of this Lease, Lessee shall have the right to sell the Improvements situated on the Premises, but only in their entirety and only if the Lessee's interest in this Lease is sold and assigned to the same party, it being the intention of the parties that the leasehold created hereby and title to the Improvements shall at all times be vested in the same party. Any sale of the Improvements shall be subject to the prior written consent of the Lessor, which consent shall not be unreasonably withheld.

16. Option to Lease & Rights to Purchase Property– Exhibit B

As a material consideration and inducement for Lessee engaging in this Ground Lease, Lessee shall have the right to purchase the entire Property, not just the ground leased in this Ground Lease, or, in the alternative, Lease the entire Property on the terms detailed in Exhibit B, and incorporated herein by reference.

17. Default.

A. Events of Default. The occurrence of any one of the following events shall constitute an event of default by Lessee under this Lease:

(1) Lessee shall fail to pay any installment of Rent when due and such failure shall continue for a period of ten (10) days after written notice thereof from Lessor. In the event of a Default by Lessee, Lessor shall not enter any restricted access areas of the future marijuana retail store without either complying with Lessee's required visitor policy, or shall not enter any restricted access areas of the marijuana retail store without first contacting and getting approval from the Alaska Marijuana and Alcohol Control Office ("AMCO") Enforcement Agents (in the event Lessee is unreachable or has abandoned the Premises).

(2) Lessee shall commence (by petition, application, assignment, or otherwise) a voluntary case or other proceeding under the laws of any jurisdiction seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or seeking the appointment of a trustee, self-trusteeship, receiver, assignee, custodian, or other similar official of it or any substantial part of its property; or shall consent (by answer or

Initials
Received 2/7/2020

failure to answer, or otherwise) to any such relief or to the appointment of or taking possession by any such official in any involuntary case or other proceeding commenced against it; or shall generally not pay its debts as they become due; or admit in writing its inability to pay its debts as they become due; or shall take any corporate or other action to authorize any of the foregoing.

(3) An involuntary case or other proceeding shall be commenced against the Lessee under the laws of any jurisdiction seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, custodian, or other similar official of Lessee or any substantial part of Lessee's property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days or a trustee, receiver, custodian, or other official shall be appointed in such an involuntary case and is not removed within sixty (60) days of being appointed.

(4) Lessee shall abandon the Premises.

(5) Lessee shall fail to comply with any term, provision or covenant of this Lease not involving the payment of money, and shall not cure such failure within thirty (30) days after written notice thereof by Lessor to Lessee or, if such failure is not reasonably susceptible of cure within such thirty (30) day period, Lessee shall not commence to cure such failure within such thirty (30) day period or thereafter shall not diligently prosecute such cure to completion within a reasonable period of time.

B. Remedies for Default. In the event of any default by Lessee under this Lease, then, in addition to and without prejudice to any other right or remedy given hereunder or by law and notwithstanding any waiver of any former breach of covenant Lessor may:

(1) Terminate this Lease, and Lessee's right to possession of the Property, by giving to Lessee a notice of intention to terminate this Lease specifying a day not earlier than ten (10) days after the date on which such notice of intention is given and, upon the giving of such notice, the term of this Lease and all right, title, and interest of the Lessee hereunder shall expire as fully and completely on the day so specified as if that day were the date herein specifically fixed for the expiration of the term, whereupon Lessee shall immediately surrender the Property to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Property and expel or remove Lessee and any other person who may be occupying such Property or any part thereof without being liable for prosecution or any claim of damages therefore; and Lessee agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of such termination, whether through inability to relet the Property on satisfactory terms or otherwise.

(2) Terminate this Lease as aforesaid and, upon termination of this Lease.

18. Successors and Assigns. Subject to the limitations hereinabove set forth, this Lease and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties.

19. Force Majeure. The period of time during which either party is prevented or delayed in the performance or the making of any improvement or repairs or fulfilling any obligation required under this Lease, other than the payment of Rent or Additional Rent, due to unavoidable delays caused by fire, catastrophe, strikes or labor troubles, civil commotion, Acts of God or beyond such party's reasonable control, shall be added to such party's time for performance thereof, and such party shall have no liability by reason thereof, provided, however, that in no event shall the performance of an obligation under this Lease be deemed prevented or delayed by any of the foregoing reasons (collectively, "force majeure") if

Initial 
Lessor Lessee
Received 2/7/2020

performance can be (or could have been) effectuated by, or any default thereof cured by, the proper payment of money with respect to any such obligation and in no event shall the inability of either party to make available sufficient funds be deemed to be a force majeure. If either Lessor or Lessee shall be able to perform any of the other party's obligations hereunder, claimed by the non-performing party to be subject to force majeure, then the non-performing party's claim of force majeure shall be ineffective against the Lessor or Lessee, as the case may be.

20. Miscellaneous. This Lease and its Exhibits contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters. The covenants and agreements of this Lease cannot be altered, changed, modified or added to, except in writing signed by Lessor and Lessee. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute but one agreement. The paragraph headings herein contained are for purposes of identification only and shall not be considered in construing this Lease.

21. Notices. Any notice, demand or document which any party is required or may desire to give to the other party shall be in writing, and may be personally delivered or given or made by United States registered or certified mail, return receipt requested, or by Federal Express or comparable express delivery service, addressed as follows:

To Lessee:

To Lessor:

Glenn Sackett
PO Box 1673
Cooper Landing 99572

AND

Bryant Thorp
7107 Arctic Blvd
Anchorage AK 99518

Subject to the right of either party to designate a different address for itself by notice similarly given. Any notice, demand or document so given by United States mail shall be deemed to have been given on the fifth day after the same is deposited in the United States mail as registered or certified matter, addressed as above provided, with postage thereon fully prepaid, except that any payments of Rent shall be deemed to have been made only when actually received by Lessor. Any such notice, demand or document not given by registered or certified mail as aforesaid shall be deemed to be given, delivered or made only upon receipt of the same by the party or parties to whom the same is to be given, delivered, or made. Notice to any other office, person, or department of Lessor shall not constitute notice under this Lease.

22. Estoppel Certificates Any party hereto shall deliver to any other party hereto, within fifteen (15) days after receipt of a written request therefore, an estoppel certificate stating the date to which Rent has been paid, the amount of any prepaid Rent, and stating whether such party has any actual knowledge that this Lease is not in full force and effect, whether such party or any other party is in default hereunder, and whether this Lease has been modified or amended.

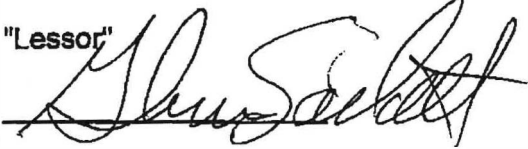
23. Attorneys' Fees. In the event that either Lessor or Lessee fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the party not prevailing in such dispute, as the case may

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Lessor Lessee
Received 2/7/2020

be, shall pay any and all costs and expenses incurred by either party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable counsel fees.

24. Escrow of Taxes and Insurance. Lessor shall ensure all property tax obligations are satisfied throughout the term of this Lease, and Lessee, as stated earlier in this Lease, is responsible for reimbursing Lessor the pro-rata amount of the square footage occupied by the Lessee in **Exhibit A**.

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

"Lessor"


"Lessee"


By: _____

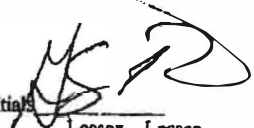
By: _____

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Received 2/7/2020
Lessor Lessee

EXHIBIT A TO GROUND LEASE

Initials 
Lessor Lessee

EXHIBIT B – Purchase and Sale Agreement for Property & Option to Lease Property

Initials 
Lessor Lessee
Received 2/7/2020

OPTION TO LEASE

THIS OPTION AGREEMENT is entered into as of the 4 day of October, by and between Glenn Sackett ("Optionor") and Triple Threat Thorp, LLC ("Optionee"), with reference to the following facts:

A. Optionor is the owner in fee of that certain real property located in the County of 50N R 4W SEC 36 Seward Meridian SW 0003388 US SURVEY 388, in the Kenai Peninsula Borough, State of Alaska, more particularly described in Exhibit A attached hereto (the "Property").

B. Optionor desires to grant to Optionee an option to lease the Property upon the terms and conditions set forth herein, and Optionee desires to acquire such option.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements herein set forth, and other valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

GRANT OF OPTION

Optionor hereby grants to Optionee the exclusive option to lease the Property upon all of the terms, covenants and conditions set forth herein (the "Option").

ARTICLE II

TERM AND MANNER OF EXERCISE

2.1 (a) The Option shall be exercisable by Optionee at any time during the next 1 years ("Option Period").

(b) If Optionee fails to exercise the Option on or before the last date for such exercise specified above, the option and this Agreement shall be null and void and of no further force or effect. If Optionee timely exercises the Option, this Agreement shall become a contract for the lease of the Property on the terms and conditions herein set forth.

ARTICLE III

OPTION LEASE – Consideration

3.1 Concurrently with the execution of this Agreement, and in consideration for the rights granted to Optionee during the Option Period, Optionee shall pay to Optionor \$1.00 for the Option to Lease the Property, which the parties agree is good and valid consideration.

ARTICLE IV

TERMS OF LEASE

In the event Optionee exercises the Option, Optionee shall lease and Optionor shall sell the Property on the terms set forth in **Exhibit B** attached hereto.

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.1 As an inducement to Optionor to enter into this Agreement, Optionee represents, warrants and covenants that it is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation; that it has the corporate power and authority to enter into this Agreement, and to consummate the transaction herein contemplated; and that the execution and delivery hereof and the performance by Optionee of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which Optionee is a party or by which Optionee is bound.

5.2 As an inducement to Optionee to enter into this Agreement, Optionor represents, warrants and covenants as of the date hereof as follows:

(a) Optionor is a corporation, duly organized, validly existing and in good standing under the laws of Alaska; and it has the requisite corporate power and authority to (i) enter into this Option Agreement, and (ii) sell the Property. The execution and delivery hereof and the performance by Optionor of its obligations hereunder will not violate or constitute an event of default under the terms and provisions of any agreement, document or instrument to which Optionor is a party or by which Optionor is bound;

(b) This Agreement is a valid and binding obligation of Optionor;

(c) There are no leases, subleases, licenses, tenancy or occupancy agreements, service contractors, union contracts or other agreements to which Optionor or the Property is bound, whether written or unwritten, covering or affecting the Property which will affect the Property on the Close of Escrow other than the matters shown on the Title Report and approved herein or otherwise in writing by Optionee;

(d) Optionor has not received actual notice from any governmental authority that existing uses of the Property are not in full compliance with all applicable zoning laws (and applicable variances) and any other local, municipal, regional, state or federal requirements or that the improvements on the Property do not comply with all applicable building, safety, health, zoning, environmental, subdivision and other laws, ordinances and regulations;

(e) To the knowledge of Optionor as of the date hereof, there is no action, proceeding or investigation whether in the nature of eminent domain or otherwise, pending or threatened, with respect to the ownership, maintenance or operation of the Property, and Optionor has no knowledge of any litigation or threatened litigation affecting title to the Property or its use or operation;

(f) Optionor has not granted any options or any other rights to acquire fee title or other interests in the Property, other than as set forth in this Option Agreement; and

ARTICLE VI

COMMISSIONS

Selling office commission to be zero.

ARTICLE VII

ASSIGNMENT

Optionee may assign this Agreement or any of their rights hereunder for any purpose whatsoever without the written consent of the Optionor.

RISK OF LOSS

In the event that, prior to the Close of Escrow, the Property, or any part thereof, is destroyed or materially damaged, Optionee shall have the right, exercisable by giving notice to Optionor within fifteen (15) days after receiving written notice of such destruction or damage, to terminate this Agreement, in which case Optionor shall refund the Option Price to Optionee and, upon Optionee's receipt thereof, neither party shall have any further rights or obligations hereunder.

ARTICLE VIII

MISCELLANEOUS

8.1 Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof, and no prior or contemporaneous written or oral agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto.

8.2 Time of Essence. Time is of the essence of this Agreement.

8.3 Attorneys' Fees. Should any action be brought arising out of this Agreement, including without limitation any action for declaratory or injunctive relief, the prevailing party shall be entitled to reasonable attorneys' fees and costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 or the Bankruptcy Code or any successor statutes, and any judgment or decree rendered in any such actions or proceeding shall include an award thereof.

8.4 Binding Effect. The provisions of this Agreement shall inure to the benefit of and be binding upon Optionor and Optionee and their respective successors and permitted assigns.

8.5 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8.6 Further Acts. Each party shall, at the request of the other, execute, acknowledge (if appropriate) and deliver whatever additional documents, and do such other acts, as may be reasonably required in order to accomplish the intent and purposes of this Agreement.

8.7 Counterparts. This Agreement may be executed in counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same agreement.

8.8 Amendments. This Agreement may not be changed or modified except by an instrument in writing executed by the party asserted to be bound thereby.

8.9 Notices. All communications, notices and demands of any kind which either party may be required or may desire to give to or serve upon the other, shall be made in writing and delivered by personal service to any officer of the other party or sent by registered mail, postage paid, return receipt requested, to the following addresses:

To Optionor: _____

To Optionee: Bryan Thorp
7107 Arctic
Anch AK 99518

Either party may change its address by giving the other party written notice of its new address as herein provided.

8.10 Headings. Any headings in this Agreement are solely for the convenience of the parties and are not part of this Agreement.

8.11 Governing Law. This Agreement and the transaction herein contemplated shall be construed in accordance with and governed by the laws of the State of Alaska.

IN WITNESS WHEREOF, Optionor and Optionee have executed this Agreement on the day and year first above written.

“OPTIONEE”
By: [Signature]

“OPTIONOR”
By: [Signature]

Exhibit A - Legal Description

(Property)

50N R 4W SEC 36 Seward Meridian SW 0003388 US SURVEY 388, in the Kenai Peninsula Borough, Alaska, and all improvements thereon (the "Property"). Approximately 2.5 acres, including all improvements thereon, including, but not limited to:

- *Rental Cabins on Property;*
- *Log Cabin (small);*
- *Log Cabin (large) ;*
- *Commercial Structure for bar and grill;*
- *Landscaping, wells, septic system, etc..*

Lease terms Exhibit B

LEASE

This Real Estate Lease Agreement (" Lease") is dated 10/5/19, by and between Glenn Sackett, ("Landlord"), and Triple Threat Thorp, LLC, a Alaska Limited Liability Company, ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant (the "Premises") the leased building and associated parking areas located at 50N R 4W SEC 36 Seward Meridian SW 0003388 US SURVEY 388, in the Kenai Peninsula Borough, Alaska, and all improvements thereon (the "Property" or "Premise"). Approximately 2.5 acres, including all improvements thereon.

TERM. The Lease begins on 5/15/20 and shall be a Ten-Year (10) Term, with automatic renewals for an additional five (5) year term. In the event either party opts not to renew this Lease, said non-renewing party shall notice the other not less than six (6) calendar months prior to expiration of the initial term. Either party may terminate the Lease upon substantial breach of this Agreement and prior to written notice to the other party giving a ten (10) day notice to cure the defect to avoid the termination.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of \$5,000.00 ("Rental Rate") per month for use and possession of the entire Property and all improvements. If payment is not received by the 10th day of the month a late charge of \$20.00 per day thereafter will be charged. Landlord shall give Tenant written notice of the past due lease payment. On the 15th the Landlord may give notice of breach, as stated above and Tenant shall agree to vacate the premise if the breach is not remedied within ten (10) days.

However, Landlord shall remit to the mortgage company that holds a mortgage on the Property \$1600.00 of the Rental Rate every month to ensure the mortgage is timely paid off, as it is vital to Tenant's (or sub tenant's use) use of the Property that the Property be free and clear of any financial institution's encumbrances.

As material inducement to enter into this long-term Lease, Landlord agrees to transfer the beer and wine license associated with the business of Sackett's Kenai Grill & Smokehouse within 30 days of execution of this Lease. Additionally, Tenant shall have the right to use the Business Name "Sackett's Kenai Grill & Smokehouse" for One (1) year and the right to utilize the business signage indicating said business name for one year.

Exhibit B

Received 2/7/2020

Received by AMCO 5.27.21

USE OF PREMISES. Tenant, or its subtenant, may use the Premises may use the Property for any lawful purpose including, but not limited to retail sales of marijuana and marijuana products, a and marijuana product productions.

UTILITIES AND SERVICES

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

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

REAL ESTATE TAXES. Tenant shall pay pro-rata share of the property's real estate taxes and assessments for the Premises.

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

PROPERTY INSURANCE. Tenant shall procure property insurance for the Property in a manner that is commercially reasonable and sufficient to protect the value of the Improvements on the Property.

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

Marijuana Control Office and ensure Enforcement for AMCO removes all marijuana and marijuana product from facility.

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

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

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

REMODELING OR STRUCTURAL IMPROVEMENTS. Tenant shall have the obligation to conduct any construction or remodeling (at Tenant's expense) that may be required to use the Premises as specified above. Tenant may also construct such fixtures on the Premises (at Tenant's expense) that appropriately facilitate its use for such purposes. Such construction shall be undertaken and such fixtures may be erected using good workmen's craftsmanship

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

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

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the state, county, municipal and other authorities,

and the fire insurance underwriters. However, Tenant shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature.

ACKNOWLEDGEMENT OF USE FOR MARIJUANA COMMERCIAL ACTIVITIES AND WAIVER OF ANY DEFENSES OF ILLEGALITY DUE TO FEDERAL LAW OR VOID FOR PUBLIC POLICY: Landlord is aware of and agrees this premise shall be used for marijuana state and local licensed commercial activities. The parties are aware that marijuana cultivation and marijuana sale is illegal under federal law and therefore waive all defenses of non-performance of this contract related to defenses such as void for public policy and illegality under federal law.

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

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

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

LANDLORD:

Glenn Sackett

TENANT:

Triple Threat Thorp, LLC
c/o Jana Weltzin, Esq.
901 Photo Ave
2nd Floor
Anchorage, Alaska 99503

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

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

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

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

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

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

Tenant – Triple Threat Thorp, LLC

By:  _____ Date: 10.5.19
Bryant Thorp – Managing Member

Landlord – Glenn Sackett

By:  _____ Date: 11-1-19
Glenn Sackett



Welcome

[View/Pay Your Taxes](#)

Account Detail

EXHIBIT B

[Search Results](#)

[View Assessment](#)

[Map It](#)

[Print this Page](#)

KPB Tax Information

PIN	Property Type	Last Update
11903002	Real Property	2/3/2020 1:23:18 AM

Mailing Address:
 SACKETT GLENN
 PO BOX 673
 COOPER LANDING, AK 99572-0673

Location:
 16021 STERLING HWY

TAG
 67 - KPB ROAD MAINTENANCE

[Change of Address](#)

Legal Description

T 50N R 4W SEC 36 Seward Meridian SW 0003388 US SURVEY 3388

KPB Tax Bills

Tax Year	Net Tax	Total Paid	Penalty/Fees	Interest	Amount Due
2019	\$2,838.34	\$2,838.34	\$0.00	\$0.00	\$0.00
2018	\$2,064.86	\$2,064.86	\$0.00	\$0.00	\$0.00
2017	\$1,975.32	\$1,975.32	\$0.00	\$0.00	\$0.00
2016	\$2,124.00	\$2,124.00	\$0.00	\$0.00	\$0.00
2015	\$2,008.96	\$2,008.96	\$0.00	\$0.00	\$0.00
2014	\$2,008.36	\$2,008.36	\$0.00	\$0.00	\$0.00
2013	\$1,989.48	\$1,989.48	\$0.00	\$0.00	\$0.00
2012	\$1,155.82	\$1,155.82	\$0.00	\$0.00	\$0.00
2011	\$1,172.34	\$1,172.34	\$0.00	\$0.00	\$0.00
2010	\$1,188.86	\$1,188.86	\$0.00	\$0.00	\$0.00
2009	\$1,216.00	\$1,276.80	\$0.00	\$0.00	\$0.00
2008	\$1,168.20	\$1,168.20	\$0.00	\$0.00	\$0.00
Total					\$0.00

Pay Online

No payment due for this account.

Cart: \$0.00

PAYMENT INFORMATION

Please note that a *convenience fee* does apply for credit card payments.

- E-Check transactions are free.
- Credit card fee is 2.35% of the tax amount paid.

NOTE: Convenience fees are charged and collected by our payment processor- FIS Global.

QUICK LINKS

- Finance Department
- Sales Tax Division
- Assessing Department
- Land Management Department
- GIS Department
- Mill Rate Info
- Property Tax Calendar
- Holiday Schedule
- Lender Download
- KPB Code regrading Delinquency charges- Go to 5.12.080. Taxes- Payments due and delinquent when.

Browser Compatibility

This site is best viewed using Google Chrome, Mozilla Firefox OR Internet Explorer 10

The Kenai Peninsula Borough Finance Department makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. If you have any questions, please contact us at (907) 714-2304 or taxquestions@borough.kenai.ak.us

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

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

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	7107 Ventures, LLC

Entity Type: Limited Liability Company

Entity #: 10055175

Status: Good Standing

AK Formed Date: 3/30/2017

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2023

Entity Mailing Address: 7107 ARCTIC BLVD, ANCHORAGE, AK 99518

Entity Physical Address: 7107 ARCTIC BLVD, ANCHORAGE, AK 99518

Registered Agent

Agent Name: Jana Weltzin

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

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

Officials

Show Former

AK Entity #	Name	Titles	Owned
	Bryant D. Thorp	Manager, Member	100.00

Filed Documents

Date Filed	Type	Filing	Certificate
3/30/2017	Creation Filing	Click to View	Click to View
3/30/2017	Initial Report	Click to View	
12/07/2018	Biennial Report	Click to View	
6/04/2019	Agent Change	Click to View	
10/20/2020	Biennial Report	Click to View	

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

Certificate of Organization

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

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

7107 Ventures, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective **March 30, 2017**.

A handwritten signature in cursive script, appearing to read "Chris Hladick".

Chris Hladick
Commissioner



THE STATE

of **ALASKA**

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

FOR DIVISION USE ONLY

Articles of Organization

Domestic Limited Liability Company

Web-3/30/2017 9:12:03 AM

1 - Entity Name

Legal Name: 7107 Ventures, LLC

2 - Purpose

To cultivate and to retail miscellaneous crops, and any other lawful purpose

3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

4 - Registered Agent

Name: Jana Weltzin

Mailing Address: 3003 Minnesota Dr., Suite 201, Anchorage, AK 99503

Physical Address: 3003 Minnesota Dr., Suite 201, Anchorage, AK 99503

5 - Entity Addresses

Mailing Address: 7107 ARCTIC BLVD, Anchorage, AK 99518

Physical Address: 7107 ARCTIC BLVD, Anchorage, AK 99518

6 - Management

The limited liability company is managed by a manager.

7 - Officials

Name	Address	% Owned	Titles
Bryant D. Thorp			Organizer

Name of person completing this online application

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Jana D. Weltzin



THE STATE of ALASKA

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

AK Entity #: 10055175
Date Filed: 10/20/2020
State of Alaska, DCCED

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Domestic Limited Liability Company

2021 Biennial Report

For the period ending December 31, 2020

Web-10/20/2020 11:56:15 AM

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

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

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

Entity Name: 7107 Ventures, LLC

Entity Number: 10055175

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 7107 ARCTIC BLVD, ANCHORAGE, AK 99518

Mailing Address: 7107 ARCTIC BLVD, ANCHORAGE, AK 99518

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

Name: Jana Weltzin

Physical Address: 901 PHOTO AVE, ANCHORAGE, AK 99503

Mailing Address: 901 PHOTO AVE, ANCHORAGE, AK 99503

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

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

Table with 5 columns: Full Legal Name, Complete Mailing Address, % Owned, Manager, Member. Row 1: Bryant D. Thorp, 7107 ARCTIC BLVD, ANCHORAGE, AK 99518, 100.00, X, X

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

Purpose: To cultivate and to retail miscellaneous crops, and any other lawful purpose

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

New NAICS Code (optional): [Empty box]

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means

you have read this and understand it.

Name: Jana Weltzin

OPERATING AGREEMENT

**7107 Ventures, LLC
an Alaska limited liability company**

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**OPERATING AGREEMENT
OF
7107 Ventures, LLC
an Alaska limited liability company**

THIS OPERATING AGREEMENT (this “Agreement”) is entered into to be effective as of May 5, 2017 (the “Effective Date”), by and among each of the persons listed on **Exhibit A** and executing this Agreement, or a counterpart thereof, as Members of 7107 Ventures, LLC, an Alaska limited liability company (the “Company”).

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

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

1.2. *Name and Known Place of Business.* The Company shall be conducted under the name of 7107 Ventures, LLC and the known place of business of the Company shall be at 7107 Arctic Blvd., Anchorage, AK 99518 or such other place as the Members may from time to time determine.

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

1.4. *Treatment as a Partnership.* It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a partnership for federal income tax purposes, but that the Company shall not be operated or treated as a

partnership for purposes of the federal Bankruptcy Code. No Member shall take any action inconsistent with this intent.

Section II Definitions

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

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

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

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

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

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

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

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

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

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

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

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

“*Majority of the Members*” means one or more of the Members, regardless of the Percentage Interest held by the Members.

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

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

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

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

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

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

Section III Capital Contributions

3.1. *Capital Contributions.*

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

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

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

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

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

Section IV

Distributions

4.1. *Distributions.* Except as otherwise provided in this Agreement, distributions shall be made to the Interest Holders at such times and in such amounts as determined by the Members. Distributions will be made to Interest Holders *pro rata*, in proportion to their Percentage Interests.

4.2. *General.*

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

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

4.2.3. *Varying Interests; Distributions in Respect to Transferred Interests.* If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, all distributions on or before the date of such transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making distributions, and allocating Profits, Losses, and other items of income, gain, loss, and deduction pursuant to **Exhibit B** hereof, the Company shall recognize the

transfer not later than the end of the calendar month during which it is given notice of such, provided that if the Company does not receive a notice stating the date such Interest was transferred and such other information as it may reasonably require within thirty (30) days after the end of the Fiscal Year during which the transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the person who, according to the books and records of the Company, on the last day of the Fiscal Year during which the transfer occurs, was the owner of the Interest. Neither the Company nor any Interest Holder shall incur any liability for making allocations and distributions in accordance with the provisions of this Section, whether or not any Interest Holder or the Company has knowledge of any transfer of ownership of Interest.

Section V Management

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

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

5.2.1. In the ordinary course of business, to acquire property from and sell property to any person as the Manager may determine after a majority approval vote of all members interest. The fact that a Manager is directly or indirectly affiliated or connected with any such person shall not prohibit dealing with that Person;

5.2.2. Subject to approval by a Majority of the Members under Section 5.3.4, to use credit facilities and borrow money for the Company from banks, other lending institutions, the Interest Holders, or Affiliates of the Interest Holders, on such terms as approved by the Members, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt or other obligation shall be contracted or liability incurred by or on behalf of the Company by the Member;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.8. *Reports.* Within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was a Member at any time during the Fiscal Year a complete accounting of the affairs of the Company for the Fiscal Year then ended. In addition, within seventy-five (75) days after the end of each Fiscal Year of the Company, the Members shall cause to be sent to each Person who was an Interest Holder at any time during the Fiscal Year, the tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the Members shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

5.9. *Title to Company Property.*

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

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

Section VI Members

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

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

6.3. *Notice of Meetings.* Except as provided in this Agreement, written notice stating the date, time, and place of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered not less than three (3) nor more than fifty (50) days before the date of the meeting, either personally or by mail, electronic mail, facsimile, or overnight or next-day delivery services by or at the direction of the person or persons calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) days after being deposited in the United States mail, postage prepaid, addressed to the Member at his or her address as it appears on the books of the Company. If transmitted by way of electronic mail or facsimile, such notice shall be deemed to be delivered on the date of such electronic mail or facsimile transmission to the electronic mail address or fax number, if any, for the respective Member which has been supplied by such Member to the Company and identified as such Member's electronic mail address or facsimile number. If transmitted by overnight or next-day delivery, such notice shall be deemed to be delivered on the next business day after deposit with the delivery service addressed to the Member at his or her address as it appears on the books of the Company. When a meeting is adjourned to another time or place, notice need

not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty (30) days. At the adjourned meeting the Company may transact any business which might have been transacted at the original meeting.

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

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

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

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

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

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

6.10. *Action by Members without a Meeting.* Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, circulated to all the Members with an explanation of the background and reasons for the proposed action, signed by that percentage or number of the Members required to take or approve the action. Any such

written consent shall be delivered to the Members of the Company for inclusion in the minutes or for filing with the Company records. Action taken by written consent under this Section shall be effective on the date the required percentage or number of the Members have signed and delivered the consent to all Members, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the written consent is circulated to the Members.

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

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

Section VII Transfers and Withdrawals

7.1. *Transfers.* Except as otherwise provided in this Section VII no Member may Transfer all, or any portion of, or any interest or rights in, the Membership Rights owned by the Member, and no Interest Holder may Transfer all, or any portion of, or any interest or rights in, any Interest without the prior written consent of the other Members, which consent may be withheld in the Members' sole and absolute discretion. Any sale or foreclosure of a security interest will itself constitute a Transfer independent of the grant of security. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this Section shall be deemed invalid, null, and void, and of no force or effect. Any Person to whom Membership Rights or an Interest are attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive allocations or distributions from the Company, or have any other rights in or with respect to the Membership Rights or Interest.

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

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

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

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

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

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

78. *Distributions on Withdrawal.* Upon the occurrence of an Event of Withdrawal with respect to a Member, the withdrawn Member shall not be entitled to receive a withdrawal distribution but the withdrawn Member (or the withdrawn Member's

personal representatives, successors, and assigns) shall be entitled to receive the share of distributions, including distributions representing a return of Capital Contributions, and the allocation of Profits and Losses, to which the withdrawn Member otherwise would have been entitled if the Event of Withdrawal had not occurred, during the continuation of the business of the Company and during and on completion of winding up. If the Event of Withdrawal violated this Agreement, the distributions paid to the withdrawn Member shall be offset by any damages suffered by the Company or its Members as a result of the Event of Withdrawal.

Section VIII Dissolution and Termination

8.1. *Dissolution.*

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

8.1.1.1. Upon the written consent of a Majority of the Members;

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

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

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

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

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

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

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

8.3.3. *Remainder.* The balance of the proceeds shall be distributed to the Interest Holders in accordance with the positive balance in their Capital Accounts, determined as though all of the Company assets were sold for cash at their fair market value as of the date of distribution. Any such distributions shall be made in accordance with the timing requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).

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

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

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

Section IX

Other Interests of an Interest Holder

Any Interest Holder may engage in or possess interests in other business ventures of every nature and description, independently or with others. Neither the Company nor any Interest Holder shall have any right to any independent ventures of any other Interest Holder or to the income or profits derived therefrom. The fact that an Interest Holder, a member of his or her Family, or an Affiliate is employed by, or owns, or is otherwise

directly or indirectly interested in or connected with, any person, firm, or corporation employed or retained by the Company to render or perform services, including without limitation, management, contracting, mortgage placement, financing, brokerage, or other services, or from whom the Company may buy property or merchandise, borrow money, arrange financing, or place securities, or may lease real property to or from the Company, shall not prohibit the Company from entering into contracts with or employing that person, firm, or corporation or otherwise dealing with him or it, and neither the Company nor any of the Interest Holders as such shall have any rights in or to any income or Profits derived therefrom.

Section X Indemnity

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

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

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

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

Section XI Miscellaneous

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

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

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

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

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

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

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

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

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

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

Section XII Arbitration

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

hereto expressly and irrevocably consent to the jurisdiction of the Alaska Courts for such purpose. The arbitrator shall conduct all proceedings pursuant to the then existing Commercial Arbitration Rules of the AAA, to the extent such rules are not inconsistent with the provisions of this Article III. The AAA Uniform Rules of Procedure shall not apply to any arbitration proceeding relating to the subject matter or terms of the documents. In the event a dispute is submitted to arbitration pursuant to this Section, the prevailing party shall be entitled to the payment of its reasonable attorneys' fees and costs, as determined by the arbitrator. Each of the parties shall keep all disputes and arbitration proceedings strictly confidential, except for disclosures of information required by applicable law or regulation.

Section XIII Agreement of Spouses of Members

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

Section XIV Representation

The parties hereby acknowledge that (i) JDW, LLC (the "Firm") has represented 7107 Ventures, LLC in connection with the drafting of this Operating Agreement; (ii) that each of the signatories has been advised to seek independent counsel in connection with such matters; and (iii) that the Firm does not represent any Member individually either directly or indirectly, but rather represents the Company. Payment of the Firm's fees by the Company shall not alter or amend any of the relationships.

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

Signatures of the Members follow on Page 21.

MANAGER & ~~SOLE MEMBER:~~



Bryant Thorp

7107 VENTURES, LLC
OPERATING AGREEMENT

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Received by AMCO 5.27.21

EXHIBIT A

Members, Capital Contributions, and Interest

<u>Member</u>	<u>Initial Capital Contribution</u>	<u>Current Capital Account</u>	<u>Percentage Interest</u>
Bryant Thorp	TBD		100.00%
TOTAL		\$	100.00%

EXHIBIT B

Tax Matters

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

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

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

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

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

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

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

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

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

of the Interest Holder's liabilities that are assumed by the Company under Regulation Section 1.704-1(b)(2)(iv)(c);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1. *Profits.*

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

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

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

2.2. *Losses.*

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

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

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

2.3. *Loss Limitations.*

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

232. *Cash Method Limitation.* If the Company is on the cash method of accounting and more than 35% of the Company's Losses in any year would be allocable to Interest Holders who are limited entrepreneurs (within the meaning of § 464(e)(2) of the Code), then except as otherwise provided in Section 2.2.1, the Losses in excess of 35% otherwise allocable to those Interest Holders shall be specially allocated among the other Interest Holders in the ratio that each shares in Losses. If any Losses are allocated to an Interest Holder under this Subsection, then notwithstanding any other provision of this Agreement, all subsequent Profits shall be allocated to the Interest Holders pro rata based on Losses allocated to them pursuant to this Subsection until each Interest Holder has been allocated an amount of Profits pursuant to this Subsection in the current and previous Fiscal

Years equal to the Losses allocated to that Interest Holder pursuant to this Subsection in previous Fiscal Years.

2.4. *Section 704(c) Allocations.*

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

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

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

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

25.2. *Member Nonrecourse Debt Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, each Interest Holder with a share of that Member Nonrecourse Debt Minimum Gain (determined under Regulation Section 1.704-2(i)(5)) as of the beginning of the Fiscal Year shall be specially allocated items of

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

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

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

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

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

2.6. *Varying Interests; Allocations in Respect to Transferred Interests.* Profits, Losses, and other items shall be calculated on a monthly, daily, or other basis permitted under Code Section 706 and the Regulations. If any Interest is sold, assigned, or transferred in compliance with the provisions of this Agreement, profits, losses, each item thereof, and all other items attributable to such Interest for such period shall be divided and allocated

between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Company.

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

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

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

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

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

EXHIBIT C

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

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

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

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