

Alcohol & Marijuana Control Office

License Number: 25190

License Status: Active-Operating

License Type: Retail Marijuana Store

Doing Business As: Alaskan coffee pot

Business License Number: 2101719

Designated Licensee: Joe Markey

Email Address: joe_acp@hotmail.com

Local Government: Juneau (City and Borough of)

Local Government 2:

Community Council:

Latitude, Longitude: 58.365850, -134.591830

Physical Address: 2219 Dunn St.
Juneau, AK 99801
UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10128892

Alaska Entity Name: ALASKAN COFFEE POT, LLC.

Phone Number: 907-568-2206

Email Address: joe_acp@hotmail.com

Mailing Address: Box 8001
Port Alexander, AK 99801
UNITED STATES

Entity Official #1

Type: Individual

Name: Joe Markey

SSN: [REDACTED]

Date of Birth: [REDACTED]

Phone Number: 907-568-2206

Email Address: joe_acp@hotmail.com

Mailing Address: Box 8001
Port Alexander, AK 99801
UNITED STATES

Affiliate #1

Type: Individual

Name: Joe Markey

SSN: [REDACTED]

Date of Birth: [REDACTED]

Phone Number: 907-568-2206

Email Address: joe_acp@hotmail.com

Mailing Address: Box 8001
Port Alexander, AK 99801
UNITED STATES



Alaska Marijuana Control Board
Form MJ-20: Renewal Application Certifications

What is this form?

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

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

Section 1 - Establishment Information

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

Licensee:	ALASKAN COFFEE POT, LLC.	License Number:	25190		
License Type:	Retail Marijuana Store				
Doing Business As:	ALASKAN COFFEE POT				
Premises Address:	2219 Dunn St.				
City:	Juneau	State:	AK	ZIP:	99801

Section 2 - Individual Information

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

Name:	JOE MARKEY
Title:	member/manager

Section 3 - Violations & Charges

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

Initials

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

/

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

/

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

--

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

Initials

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

/



Form MJ-20: Renewal Application Certifications

Section 4 - Certifications & Waiver

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

Initials

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



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



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



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



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



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



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



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



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

[Signature]
Signature of licensee

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

Joe Markey
Printed name of licensee

My commission expires: 9/9/2024

Subscribed and sworn to before me this 3rd day of June, 2021.



On February 4, 2021, we received a notice of violation for airing a radio advertisement which was in violation of 3 AAC 306.770(e)(3).

As the NOV confirms:

“The licensee was contacted and the advertisement was immediately removed from the broadcast.”

Licensee was under the impression that after further investigation, the NOV was going to be “refunded.” Original NOV and excerpt of following Email correspondence attached.

Notice of Violation

(3AAC 306.805)

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

Date: 2/4/21

License #/Type: 25190 Marijuana Retail Stores

Licensee: Jake Markey

Address: 2219 Dunn St., Juneau, AK 99801

DBA: Alaskan Coffee Pot

AMCO Case #: AM210083

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

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

On 01-30-2021 AMCO was informed of a radio advertisement aired for Alaskan Coffee Pot. The script aired read: [...]THIS IS YOUR DESTINATION FOR THE BEST SELECTION OF HIGH END MEDICAL AND RECREATIONAL DISPENSABLES.[...]

This is a violation of 3 AAC 306.770(e)(3). Signs, merchandise, advertisements, and promotions

The licensee was contacted and the advertisement was immediately removed from the broadcast.

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

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

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

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: S. Johnson

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Fw: Notice of Violation Alaskan coffee pot

Jake Nolast <Jake_acp@hotmail.com>

Mon 6/14/2021 1:59 PM

To: livingbetternaturally@live.com <livingbetternaturally@live.com>

From: Jake Nolast <Jake_acp@hotmail.com>

Sent: Tuesday, February 16, 2021 9:24 PM

To: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>

Subject: Re: Notice of Violation Alaskan coffee pot

My apologies I will definitely wait patiently I won't email anymore unless I hear from you with whatever is next! Have a great week

From: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>

Sent: Tuesday, February 16, 2021 5:48 PM

To: Jake Nolast <Jake_acp@hotmail.com>

Cc: Johnson, Steven M (CED) <steven.johnson@alaska.gov>

Subject: RE: Notice of Violation Alaskan coffee pot

Mr. Markey,

I appreciate your emails and ask that you be patient and let us review the violation along with what you submitted thoroughly.

I want to make sure we make the right decision.

James

From: Jake Nolast [mailto:Jake_acp@hotmail.com]

Sent: Tuesday, February 16, 2021 8:43 AM

To: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>

Subject: Re: Notice of Violation Alaskan coffee pot

Hi it's Jake Markey

I don't know if there is a timeframe for me to get anything else you might need but I am here and available if you need anything else. I appreciate you all taking the time to deal with this unfortunate matter and realize how busy you all are so if there is anything I can do to help just let me know

Have a great day

Jake Markey

Project manager

Alaskan Coffee Pot

From: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>
Sent: Monday, February 8, 2021 3:40 AM
To: Jake Nolast <Jake_acp@hotmail.com>; Johnson, Steven M (CED) <steven.johnson@alaska.gov>
Cc: Davies, Jason M (CED) <jason.davies@alaska.gov>
Subject: Re: Notice of Violation

If you provide any documents that show what you have stated, we will refund the NOV and make it an advisory.

James

Get [Outlook for iOS](#)

From: Jake Nolast <Jake_acp@hotmail.com>
Sent: Saturday, February 6, 2021 5:49 PM
To: Johnson, Steven M (CED)
Cc: Hoelscher, James C (CED); Davies, Jason M (CED)
Subject: Re: Notice of Violation

Hi my name is Jake Markey I am the project manager for Alaskan Coffee Pot. My brother Joe Markey is the licensee license #25190. We received a notice of violation for a advertising that we had placed on the radio. Now there is no denying that the radio station played the ad that we received the nov on. I would like to deny the fact that we asked them to play it or gave them our permission to play said ad. I met with the radio station on several occasions to discuss what we did or did not want the ads to say and I was VERY clear with them that it could NOT say medical. I am working on getting documents to prove that they did this on their own without our permission. I am not sure if that will help or what I need to do from this point but I just wanted to open up the line of communication so we can solve this as soon as possible.
I can be reached on my cell any time 907-723-5312 or by email

From: Johnson, Steven M (CED) <steven.johnson@alaska.gov>
Sent: Thursday, February 4, 2021 8:55 PM
To: Jake Nolast <Jake_acp@hotmail.com>
Cc: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>; Davies, Jason M (CED) <jason.davies@alaska.gov>
Subject: Notice of Violation

Mr. Markey,

Attached is a Notice of Violation for the advertisement which ran on the radio last month. Any questions or concerns please contact me.

Respectfully,

***Steven M. Johnson
Special Investigator
Enforcement Unit***

Alcohol & Marijuana Control Office

State Office Building, 9th Floor

333 Willoughby Avenue

Juneau, AK 99801

Office (907) 465-2330

Cell (907) 500-2053

steven.johnson@alaska.gov

AMCO RCVD 8/23/21

LEASE AGREEMENT

This lease agreement is entered into this 15th day April, 2019, by and between Diamond One L.L.C., hereinafter referred to as "Lessor", and Joe Markey and Alaskan Coffee Pot L.L.C. hereinafter referred to as "Lessees".

WHEREAS, Lessor owns the following described real property on which is located a two story building the address of which is 2219 Dunn St., Juneau, Alaska, and more specifically described as:

Lot-10 McKinley Subd., Juneau Recording District, First Judicial District, State of Alaska.

WHEREAS, Lessee desires to lease 2219 Dunn Street, a portion of the first floor of the building that is located on the real property from the Lessor;

WHEREAS, the parties desire to enter into a three year lease agreement;

NOW, THEREFORE, it is agreed:

ARTICLE I

LEASE

Section 1.01: Leased Property

Lessor, for and in consideration of the rents, covenants, and conditions herein contained to be performed, kept and observed by Lessee, hereby leases, rents, and demises to Lessee, the following described real property (hereinafter referred to as "Leased Property"):

That portion of the first floor of the Building on the above-referenced property consisting of 1200 Square feet and as referenced in Exhibit "A" attached hereto.

ARTICLE II

LEASE TERM AND EXTENSION OPTION

Section 2.01: Commencement and Expiration

This lease commences on the 15th day of April, 2020 and shall terminate on the 31st day of March, 2023. Lessee shall be provided one (1) Three (3) year lease, in accordance with the terms and conditions of this lease agreement.

Options on the Lease: There are no options on this lease.

Upon termination of this lease, whether by lapse of time or otherwise, Lessee shall promptly and peacefully surrender the Leased Property unless otherwise agreed.

In the event the Lessee Holds over and remains in possession of the leased premises after the expiration of this lease without the execution of a new lease, Lessee shall be deemed to be occupying the leased premises from month-to-month, all other terms of the lease agreement shall remain the same and in full effect. Lessee shall be subject to all the conditions, provisions, and obligations of this lease agreement.

ARTICLE III

RENT

During the term of the Lease, Lessee covenants to and shall pay Lessor the beginning amount of \$3,600.00 rent for April 2020, and each month thereafter. This does not include CBJ sales Taxes and Insurance. Commencing on the first day of the term of this lease, with rent to be prorated if the first day of the term is not the first day of the month and thereafter monthly on the first day of the month. If the lease terminates on a day other than the last day of the month rent shall be prorated.

Section 3.02: Rent Adjustment

- 1.) There shall be a 3% increase to the rent at the beginning of each year that this lease is in effect; first increase will be effective April 1, 2021. The lease rate for:

April 1, 2021 to March 31, 2022 will be \$3.09 (\$3,708.00 per month).
April 1, 2022 to March 31, 2023 will be \$3.19 (\$3,828.00 per month).
- 2.) Lessor agrees to a reduction of the first four months rent payments, rent for the first four months of this lease agreement shall be reduced by one half in order to allow lessee time to permit and open their business.

Section 3.03: City Sales Tax

In addition to the payment of rent as set forth above, Lessee shall pay to Lessor CBJ sales tax on the monthly rent at five 5% or the current prevailing rate.

ARTICLE IV

LESSEE TO PAY TAXES, ASSESSMENTS AND UTILITIES

Section 4.01: Lessee to Pay Taxes

Lessee agrees to pay, prior to delinquency and directly to the taxing authority in which the Leased Property is located, personal property taxes, sales tax, or any other tax assessed upon or against the Lessee. Lessee may be required to provide Lessor with written evidence of payment immediately after taxes are due.

Section 4.02: Payment of Utilities

In addition to rent, Lessee shall be charged for refuse collection, water, and sewer at the rate of \$ 240.00 per month. The above-referenced utilities may be subject to change in the event of cost increases to Lessor for the same beyond the rates currently being paid at the time of execution of this Lease. Upon request, Lessor shall provide Lessee with documentation substantiating the charges and/or any proposed rate increase for the same. All other utilities to the Leased property, including but not limited to electricity, phone, Internet connections, etc., shall be placed into Lessee's name directly and paid for by Lessee.

Lessee shall have access to the property by April 15th 2020 and will be responsible for all Utilities for the month of April 2020.

ARTICLE V

USE OF THE PREMISES AND QUIET ENJOYMENT

Section 5.01: Use

Lessee shall use the Leased Property for the sole purpose of state sanctioned and locally permitted commercial marijuana sales, legal marijuana retail sales. Lessee shall not leave the Leased Property vacant for a period in excess of 30 days, but shall continuously throughout the term of the lease, conduct and carry on the Leased Property the type of business for which the same are leased.

Section 5.02: Lessor's Covenant of Quiet Enjoyment

Lessor covenants and agrees that Lessee, upon paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Property during the term of this lease without hindrance or molestation by Lessor or any person claiming under Lessor, or any other person claiming an interest in the Leased Property; provided, however, that this right of quiet enjoyment is subject to the exceptions set forth in this lease.

Lessor has the right from time to time to come upon and conduct an inspection of the Leased Property. Such inspection shall be reasonable with respect to the time, frequency, and manner of inspection and shall be preceded by written notice to Lessee.

Section 5.03: Hazardous Substances

Lessee shall provide written notice to Lessor immediately upon Lessee becoming aware that the Leased Property or any adjacent property is being or has been contaminated with hazardous or toxic waste or substances. Lessee will not cause nor permit any activities on the Leased Property which directly or indirectly could result in the Leased Property or any other property becoming contaminated with hazardous or toxic waste or substances. For purposes of this lease, the term "hazardous or toxic waste or substances" means any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or similar term, and now or hereafter regulated under any applicable federal, state or local statute, regulation, ordinance or requirement, now or hereafter in effect, pertaining to environmental protection, contamination or cleanup.

Lessee shall comply, at Lessee's expense, with all statutes, regulations and ordinances which apply to Lessee or Lessee's activities on the Leased Property, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction which Lessee is bound by, relating to the use, collection, storage, treatment, control, removal or cleanup of hazardous or toxic substances in, on, under, over or about the Leased Property or in, on, under, over or about any adjacent property that becomes contaminated with hazardous or toxic substances as a result of Lessee's construction, operations or other activities on, or the contamination of, the Leased Property. Lessor may, but is not obligated to, enter upon the Leased Property to inspect it for compliance and to take such actions and incur such costs and expenses to effect such compliance to protect its interest as Lessor desires; and whether or not Lessee has actual knowledge of the existence of hazardous or toxic substances in, on, under, over or about the Leased

Property or any adjacent property. Lessee shall reimburse Lessor on demand for the full amount of all costs and expenses incurred by Lessor in connection with such compliance activities.

ARTICLE VI

Intentionally Left Blank

ARTICLE VII

CONDITIONS, CONDITION OF PREMISES, LESSEE'S DUTY TO REPAIR, ETC.

Section 7.01: Improvements

Any additions, alterations, improvements, fixtures or changes of any kind to the Leased Property shall require the advance written consent of Lessor, such consent not to be unreasonably withheld. Lessee shall bear all costs for the additions, alterations, improvements, fixtures or changes and shall maintain the premises free and clear of all liens or other encumbrances due to such, and may remove such at the termination of the lease provided in the event of removal Lessee shall repair and replace at Lessee's sole expense the Leased Property to as good or better condition so that there is no evidence of removal of Lessee's property. Any additions, alterations, improvements, fixtures or changes approved by Lessor and not removed by Lessee at the termination of this lease shall become the property of Lessor upon termination of this lease, unless Lessor requires Lessee to remove such in which event Lessee shall remove the specified property and Lessee shall repair and replace at Lessee's sole expense the Leased Property to as good and marketable condition as when originally leased by lessee.

Section 7.02: Leased Property

Lessee accepts possession of the Leased Property "as is, where is", subject to its condition and state of repair as of the commencement of Lessee's occupancy of the Leased Property. There are no warranties of any kind, whether expressed or implied. Lessee has inspected the property and is fully knowledgeable as to the condition of the Leased Property.

Section 7.03: Lessee's Duty to Repair and Maintain

(a) Except as otherwise provided in Section 7.03.b, Lessee shall repair and maintain the Leased Property in as good condition as at the inception of this lease, reasonable wear and tear excluded, and shall keep the Leased Property free and clear of all liens or encumbrances due to such repairs and maintenance. This obligation to repair and maintain shall apply to any additions, alterations, improvements, or changes pursuant to this Article VII.

~~(b) Lessor shall repair and maintain the roof, siding, and exterior paint of the Leased Property. Lessor shall also be responsible for snow plowing within the parking area, additional charges to lessee based on a prorated share may be required if snow is removed from the parking area off site.~~

~~(c) Door entry ways and walk ways along building fronts are the responsibility of the lessee, and shall be shoveled and kept clear by lessee.~~

Section 7.04: Liability for Injuries arising from a Defect on the Leased Property

Lessee alone shall be liable for injuries arising from a dangerous condition or defect existing upon the Leased Property. The duty herein imposed upon Lessee includes, but is not limited to, the duty to inspect for latent dangerous conditions. In the event of a claim asserted against Lessor for damages arising from the condition of the Leased Property, Lessor shall have the rights to be held harmless by Lessee and to indemnification from Lessee pursuant to Article XI of this lease, And Lessee shall defend Lessor from any such claim. Except for conditions existing prior to lease.

Section 7.05: Authority to Enter Lease

Both parties represent and warrant they have full power and authority to enter into this lease, that execution of this lease will not constitute or cause a violation of any legal obligation of either party, and that the execution of this lease has been approved by the necessary Partners and no further or additional approvals of any kind are required to execute this lease, and the persons signing below are duly authorized so to do.

ARTICLE VIII

DAMAGES BY CASUALTY

Section 8.01: Damage or Destruction

If the Leased Property shall be destroyed or rendered untenantable, either wholly or in part, by fire flood or earthquake or other unavoidable casualty, shall be the responsibility of Lessor; provided in the event of casualty due to fire, flood or earthquake, Lessor in its sole discretion may terminate the lease with no further liability for any party.

Section 8.02: Business Operation

Lessee agrees that during any period of reconstruction or repair of the Leased Property, it will continue the operation of its business to the extent practicable. Lessor agrees that during such repairs every attempt possible will be made to minimize disruptions to the Lessees Business.

ARTICLE IX

EMINENT DOMAIN

Section 9.01: Interest of Parties in Condemnation

In the event the Leased Property, or any part thereof, shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, the interests of Lessor and Lessee in the award or consideration for such transfer and the effect of the taking or transfer upon this lease shall be as provided by this Article IX.

Section 9.02: Total Taking

(a) Effect on Continuation of Lease

In the event the entire Leased Property is taken, or so transferred, this lease shall terminate with no further liability for either party,

(b) Allocation of Compensation

Any compensation received or payable for the Leased Property as a result of eminent domain proceedings, or a transfer in lieu thereof, constituting a total taking shall be paid to Lessor.

Section 9.03: Partial Taking -- Termination

(a) Effect on Continuation of Lease.

Upon partial taking or transfer of any of the Leased Property, 1) Lessee may terminate this lease, at its option, if it is commercially impracticable for Lessee to continue its operations in the portion of the Leased Property remaining and such termination shall be with no further liability for either party, or 2) the rent shall be renegotiated due to Lessee's loss of use of that part of the Leased Property, provided that if Lessor and Lessee cannot agree as to such renegotiated rent, then Lessor and Lessee shall appoint, and equally bear the cost of, an appraiser to determine the renegotiated basic rent, further provided that if either party objects to the appraiser's determination of rent, the parties will immediately upon demand by either party, appoint and equally bear the cost of, an arbitrator who shall render a decision on rent within sixty days. For purposes of this section, commercially impracticable means extreme and unreasonable hardship, loss, expense, or injury so as to render Lessee's continued occupancy and use of the Leased Property impracticable by objective commercial standard.

(b) Allocation of Compensation.

Any compensation received or payable as a result of eminent domain proceedings, or a transfer in lieu thereof, constituting a partial taking, shall be paid to Lessor.

Section 9.04: Voluntary Conveyance

A voluntary conveyance by Lessor to a public utility, agency, or authority under threat of taking under the power of eminent domain in lieu of formal proceedings shall be deemed a taking within the meaning of this Article.

ARTICLE X

ASSIGNMENT AND SUBLETTING; MORTGAGE

Section 10.01: Assignment and Subletting

Lessee shall not convey, sublet, license, transfer or assign the Leased Property in whole or in part without Lessor's prior written consent, which consent. Any such unauthorized conveyance, assignment, license, transfer or sublease by Lessee shall be void, and shall be deemed a material breach of this lease entitling Lessor to such remedies as may be available to Lessor pursuant to this lease, at law or equity, including but not limited to, terminating this lease and seeking damages for the future rent which would fall due until the normal expiration of the lease.

Section 10.02: Mortgage

Lessee shall not mortgage, pledge or otherwise encumber, in whole or in part, the Leased Property. Any such mortgage, pledge or encumbrance shall be deemed a material breach of the lease entitling Lessor to such remedies as may be available to Lessor pursuant to this lease, at law or equity, including but not limited to terminating the lease and seeking damages for the rent which would fall due until the normal expiration of the lease.

ARTICLE XI

INDEMNITY AND HOLD HARMLESS

Section 11.01: Indemnity and Hold Harmless by Lessee

Lessee shall promptly indemnify and hold harmless Lessor against all claims, damages, liabilities, costs, expenses, actual attorneys' fees, and losses incurred by Lessor as a result of:

(a) Failure of Lessee to perform any covenants or provision of this lease.

(b) Any accident, injury, or damage to person or property which shall be sustained in or about the Leased Property from any cause related to Lessee's possession, use, or occupancy of the Leased Property or the activities of Lessee or its employees, agents, shareholders, officers, directors, or invitee's on or about the Leased Property and caused by the willful and/or negligent acts of Lessee.

(c) Any claim or liability imposed upon Lessor per Section 7.04 of this lease

(d) Failure of Lessee to comply with any federal, state, or local law, statute, ordinance or regulation;

(e) Any lien filed against the Leased Property as the result of any work performed at the instance of Lessee.

(f) Lessee's business or business activities

Section 11.02: Indemnity and Hold Harmless by Lessor

Lessor shall promptly indemnify and hold harmless Lessee against all claims, damages, liabilities, costs, expenses, actual attorneys' fees, and losses incurred by Lessee as a result of:

(a) Failure of Lessor to perform any covenant or provision of this lease; and

(b) Any accident, injury, or damage to person or property which shall be sustained in or about the Leased Property from any cause related to Lessor's willful or negligent ownership, maintenance and operation of the building and property containing the Leased Property.

ARTICLE XII

INSURANCE

Section 12.01: Liability Insurance

(a) Lessee shall maintain throughout the term of this lease, at its sole cost and expense, policies of general public comprehensive liability insurance written by responsible insurance companies licensed to do business in Alaska, insuring Lessee and Lessor (and such other persons, firms or corporations as are designated by Lessor) against liability for personal injury, death or property damage due to (1) Lessee's use or occupancy of the Premises or the Subject property of (2) the condition of the Premises. Said insurance shall afford protection in limits of not less than \$1,000,000 in respect to injury or death to a single person, and to the limit of not less than \$2,000,000 for injury or death to any number of persons and

\$1,000,000 for damage or destruction to property. Lessee shall provide Lessor satisfactory certificate(s) of insurance evidencing the insurance coverage required by this paragraph. Lessee shall obtain a written obligation on the part of the insurance company to notify Lessor at least thirty (30) days in advance of any cancellation of such insurance policy. The certificate(s) of insurance shall be promptly delivered to Lessor prior to the date upon which rent is first due and renewals thereof shall be delivered to Lessor at least thirty (30) days prior to the expiration of the policy term. If Lessee should fail to comply with the foregoing requirements relating to insurance, Lessor may, but is not obligated to, obtain such insurance and Lessee shall pay to Lessor on demand as additional rent hereunder the cost thereof, plus interest at the rate specified in paragraph 7.

Section 12.02: Insurance Premium Increase

Lessee shall not store, use, sell or offer for sale in or upon the Premises any article which may be prohibited by Lessor's casualty and fire insurance policy nor shall Lessee conduct activities prohibited by such policy. Lessee shall pay any increase in premiums for casualty and fire (including all risk coverage) insurance that may be carried by Lessor on the Premises or the Subject property of which the Premises is a part, due to Lessee's storage, use, sale or offer for sale in or upon the Premises of any article, or Lessee's activities or occupancy of the Premises, whether or not Lessor has consented thereto. In such event, Lessee shall also pay an additional premium on the insurance policy that Lessor may carry for its protection against rent loss through fire or casualty.

Section 12.03: General Requirements

(a) All insurance carried by Lessee pursuant to Sections 12.01 and 12.02 shall contain endorsements naming Lessor as an additional insured with respect to liability arising out of the Lessee's use of the Leased Property. All the above required policies shall waive any and all rights of subrogation against Lessor, and Lessor's officers, directors, employees, agents, successors and subsidiaries, provided that any policy claim is not the result of negligence by Lessor, or Lessor's officers, directors, employees, agents, successors or subsidiaries.

(b) Lessee shall maintain the above required insurance coverage's throughout the term of this lease and shall provide Lessor with satisfactory evidence of payment of premiums for these coverage's within fifteen (15) days from the date upon which these premiums become due and payable.

(c) Prior to the commencement of this lease and upon each policy renewal, Lessee shall provide Lessor with certificates of insurance evidencing that Lessee is in compliance with all of the above requirements. Said certificates shall provide that Lessor will be given thirty (30) days prior notice of cancellation or material alteration of any of the required policies pertaining to the Leased Property. Upon request, Lessee shall permit the Lessor, at Lessor's expense, to examine any of the insurance policies specified herein.

(d) All required insurance policies shall be issued by insurance companies authorized to conduct business in Alaska and with an A.M. Best Rating Guide rating of A- VI or better.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.01: No Waiver of Breach

No failure by either Lessor or Lessee to insist upon the strict performance by the other of any covenant, agreement, term, or condition or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such covenant, agreement, term, or condition. No waiver of any breach shall affect or alter this lease, but each and every condition, agreement, and term of this lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

Section 13.02: Successors in Interest

Each and all of the covenants, conditions, and restrictions in this lease shall inure to the benefit of and shall be binding upon the successors in interest of Lessor and the assignees, transferees, tenants, licensees, and other successors in interest of Lessee.

Section 13.03: Governing Law

This lease shall be governed by, construed, and enforced in accordance with the laws of the State of Alaska. Venue shall be in the trial courts at Juneau, Alaska. Those laws shall govern every aspect of the enforcement of this Lease.

Section 13.04: Partial Invalidity

If any term, covenant, condition, or provision in this lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

Section 13.05: Relationship of Parties

Nothing contained in this lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between Lessor and Lessee; and neither the method of computation of rent nor any other provisions contained in this lease nor any acts of the parties shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

Section 13.06: Interpretation

The language in all parts of this lease shall in all cases be simply construed according to its fair meaning and not strictly for or against Lessor or Lessee. Both parties have had the option to retain counsel to negotiate this lease. Unless otherwise required, the following rules of construction shall apply to this lease:

(a) Number and Gender. In this lease, the neuter gender includes the masculine and the feminine, and the singular number includes the plural; the word "person" includes corporation, partnership, limited liability company, firm, or association, wherever the context so requires.

(b) Mandatory and Permissive. "Shall", "will", and "agrees" are mandatory; "may" is permissive.

(c) Headings and Captions. The headings and captions identifying the articles and sections of this lease are for the convenience of reference only and shall in no way be considered in interpreting, construing, or enforcing the terms and provisions of this lease.

Section 13.07: Payment of Rent

All rents and other sums payable by Lessee to Lessor shall be paid in full at the time due.

Section 13.08: Notices

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, or designations desired or required to be given under this lease by either party to the other shall be in writing and shall be sufficiently given if personally served upon the party to receive the same or if sent by certified mail, return receipt requested, postage prepaid, and addressed to the party to receive the same, as shown below, or by facsimile, or to such other address as each respective party may designate from time to time by notice to the other:

Lessee: Joe Markey and Alaskan Coffee Pot L.L.C.
P.O. Box 8001 Port Alexander, Ak. 99836
907-568-2206

Lessor: Diamond One L.L.C. P.O. Box 32403 Juneau, Alaska. 99803
Attn: Richard Harris – Managing Memeber
907-790-4146

Section 13.09: Change of Address

Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this section.

Section 13.10: Good Faith

The terms of this lease impose an obligation of good faith on Lessor and Lessee in the performance and enforcement thereof; and both parties shall do all acts and execute all documents necessary to carry out the terms of this lease.

Section 13.11: Counterparts

This lease plus exhibits may be executed by the parties in counterparts, each of which shall be deemed an original.

Section 13.12: Time of the Essence

Time shall be of the essence in the performance of this lease.

Section 13.13: Lessor Assignment

In the event of a transfer or assignment by Lessor of its interest in this lease, or the Leased Property, to a person assuming in writing Lessor's obligations under this Lease, Lessor shall thereby be released from any further obligation hereunder, and Lessee agrees to look solely to the successor in interest for performance of such obligations and shall attorn to any such successor so long as any security given to Lessor by Lessee to insure performance of Lessee's obligations hereunder is given by Lessor to its successor in interest. Lessor shall thereby be discharged of any further obligation relating thereto.

ARTICLE XIV
LESSEE'S COMPLIANCE WITH LAWS, ETC.

Section 14.01: Lessee's Compliance

Lessee shall comply with all federal, state, and local statutes, ordinances, regulations, and requirements affecting Lessee's use of the Leased Property, Lessee shall secure all necessary federal, state, and local licenses, permits, or authorizations necessary to allow Lessee to use the Leased Property for the use set forth in Section 5.01.

Section 14.02: Waste and Nuisance

Lessee shall not commit waste nor allow the continuance of a nuisance on the Leased Property.

ARTICLE XV

ENTIRE AGREEMENT

Section 15.01: Entire Agreement

This agreement constitutes the entire agreement between the parties hereto. It replaces all previous representations, oral or written, writings, leases, and memoranda between the parties. The agreement shall not be modified, altered, or changed except by written agreement signed by the parties hereto.

ARTICLE XVI

SIGNS

Section 16.01: Lessor's Signs

Lessee shall permit Lessor to place and maintain "For Rent" or "For Lease" or "For Sale" signs in the Leased Property at any time.

Section 16.02: Lessee's Signs

Lessee's signs shall comply with the ordinances, laws, and regulations of the City and Borough of Juneau and the State of Alaska, and shall be approved in writing by Lessor.

ARTICLE XVII

DEFAULT OF LEASE

Section 17.01: Lessee's Default

In addition to other acts of default defined elsewhere in this lease, the following constitutes default by Lessee:

- (a) Lessee shall fail to pay any installment of rent or perform any other obligation hereunder involving the payment of money within five (5) days from the date the same is due. Any payment physically received by Lessor after the 5th day of any month but prior to the 11th day of any month shall have a late fee of \$35/day for each day after the 5th.
- (b) Lessee shall fail to comply with any term, provision or covenant of this Lease, other than those described in subsection (a) above, and not cure, or begin reasonable efforts to cure, the failure within fifteen (15) days after written notice of the default is received by Lessee.

- (c) Lessee, or any guarantor of Lessee's obligations under this Lease, becomes insolvent, makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors.
- (d) Lessee, or any guarantor of Lessee's obligations under this lease, shall file a petition under any provision of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or of any state thereof, or Lessee or any guarantor of Lessee's obligations under this Lease shall be adjudged bankrupt or insolvent in proceedings filed against Lessee or a guarantor of Lessee's obligations under this Lease.
- (e) A receiver or trustee is appointed for the Leased Property or for all or substantially all of the assets of Lessee or of any guarantor of Lessee's obligations under this Lease.
- (f) Lessee shall desert or vacate or shall commence to desert or vacate the Leased Property or any substantial portion thereof or shall remove or attempt to remove, without the prior written consent of Lessee, all or a substantial portion of Lessee's goods, wares, equipment, fixtures, trade fixtures, furniture, or other personal property.
- (g) Lessee shall do or permit to be done anything which creates a lien or encumbrance upon the premises.

Section 17.02: Lessor's Default

In addition to other acts of default defined elsewhere in this lease, the following constitutes default by Lessor:

- (a) Lessor's interference with or failure to allow Lessee use and quiet enjoyment of the Leased Property pursuant to the terms set forth in this Lease.
- (b) Lessor shall fail to comply with any term, provision or covenant of this Lease, other than those described in subsection (a) above, and not cure, or begin reasonable efforts to cure, the failure within fifteen (15) days after written notice of the default is received by Lessor.

Section 17.02: Remedies Upon Default

In the event either Lessor, Lessee, their assigns and/or successors, shall neglect or fail to perform or observe any of the covenants, provisions or conditions of this Lease, within fifteen (15) days of written notice of such default, then the defaulting party shall be liable for any and all damages or remedies available in law or in equity.

The parties to this Lease recognize Lessor's common law rights to distraint and distress, and further stipulate and agree to remedies of distraint and distress in addition and in supplementation to common law rights. In the event of a Lessee default, Lessor may promptly seize and distraint any and all property located upon the Leased Property, subject to release in the event of timely cure, to secure Lessor's rights and remedies in regard to rents, fees, damages and/or losses occasioned by Lessee's default. Regardless of any other provisions of this paragraph Alaska Landlord Tenant Law applies and shall govern all Landlord Tenant issues that now or in the future may arise between the parties of this addendum and underlying lease agreement.

a. In the event of Default by Tenant, Landlord will not remove or take possession of any marijuana or marijuana products.

b. In the event of Default by Tenant, Landlord will notify AMCO at an address to be provided by Tenant."

If this lease is terminated, the Lessee's and any guarantor of Lessee's liability shall survive, and the Lessee and any guarantor of Lessee's liability shall be liable for damages. The enumeration of rights of Lessee is not intended to imply that the rights are mutually exclusive or are in lieu of any or all statutory, common law or other rights.

Section 17.03: Expenses From Default

It is further agreed that, in addition to the items of damage available in law or equity, the parties shall have the right to require compensation from the defaulting party for all expenses incurred by the non-defaulting party in effecting or protecting possession or repossession and in protecting all rights granted by way of this Lease.

Section 17.04: Injunction, Cumulative Remedies

The parties may also restrain or enjoin any breach or threatened breach of any covenant, duty or obligation of the defaulting party. The remedies of parties hereunder shall be deemed cumulative and not exclusive of each other.

Section 17.05: Attorney's Fees

If an action or proceeding is brought in connection with this lease, the successful or prevailing party shall be entitled to recover reasonable attorney's fees, court costs, and other reasonable fees and costs incurred in that action or proceeding (whether at trial, on appeal, and/or in a bankruptcy or similar proceeding) and in enforcing any judgment rendered thereon, in addition to any other relief to which it may otherwise be entitled. For purposes of this Lease, the prevailing party means the party who succeeds either affirmatively or defensively under claims having the greater value or importance, as decided by the court.

ARTICLE XVIII

LESSOR'S CONTRACTUAL SECURITY INTEREST

Section 18.01: Security Interest

In addition to any statutory lien, Lessor shall have at all times a valid security interest to secure payment of all rent and other money becoming due thereunder from Lessee and any damage, cost, expense, liability, or loss which Lessor may suffer by reason of the breach by Lessee of any covenant, agreement or condition contained herein, upon all goods, wares, equipment, fixtures, furniture, work, improvements, alterations, trade fixtures, addition, improvements or alterations and other property of Lessor situated on the Leased Property and the proceeds thereof. Upon default by Lessee, Lessor may, in addition to any other remedies provided herein, enter upon the Leased Property and take possession of the Leased Property and proceeds without liability for trespass or conversion, and sell the same at public or private sale after giving Lessee reasonable notice of the time and place of any sale. Lessor or its assigns may purchase at such sale unless otherwise prohibited by law. Any sale made pursuant to the provision of this paragraph shall be conducted in a commercially reasonable manner. The proceeds from any such disposition, less any and all expenses connected with taking, holding and selling the property (including actual attorney's fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Lessee or disposed of as required by law and the Lessee shall pay any deficiency forthwith. Upon request by Lessor, Lessee agrees to execute and deliver to Lessor a financing statement in a form sufficient to perfect the security interest of Lessor in the Leased Property and proceeds thereof under the provisions of the Uniform Commercial Code as adopted in Alaska

- a.) In the event of Default by Tenant, Landlord will not remove or take possession of any marijuana or marijuana products.
- b.) In the event of Default by Tenant, Landlord will notify AMCO at an address to be provided by Tenant.”

ARTICLE XIX

SUBORDINATION

Section 19.01: Subordination

This lease shall be subject and subordinate to any mortgage(s) or deed(s) of trust that may hereafter be placed on the real property of which the Leased Property are a part, and to any and all advances to be made thereunto, and to the interest thereon and all renewals, replacements and extensions thereof. Lessee will, upon written demand of Lessor, execute any instrument required to subordinate the rights and interest of Lessee under this Lease to the lien of any mortgage(s) or deed(s) of trust at any time placed upon the Leased Property.

ARTICLE XX

MISCELLANEOUS

- 1.) If any added ventilation is required or needed within the space do to smells, vapors , or toxins being produced by the Lessees business all costs to install shall be the responsibility of the lessee.
- 2.) If for any reason Lessees business causes a legal liability to the Lessor, then upon notice from the Lessor this lease is null and void.

Section 20.01: Estoppel Certificates

Lessee shall, at the request of Lessor and from time to time, execute, acknowledge and deliver to Lessor a statement in writing certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the date to which rent and any other charges have been paid in advance. Lessee acknowledges that any statement made pursuant to this paragraph will be relied upon by prospective purchasers and lenders.

Any modifications, alterations or changes to this lease agreement beyond the signing of this original lease, can be executed by one or both lessees. All modifications, alterations, or changes will be binding upon all lessees.’

XXI

PARKING

Section 21.01: Parking

Lessee shall be allowed four parking spaces, Lessee will be sharing parking with other tenants within the building and surrounding properties; Lessee agrees to cooperate with the Lessor for best function of the parking area. Lessor reserves the right to designate spaces to individual Lessee’s. There shall be no overnight parking or storage of vehicles within the parking area.

XXII

SECURITY DEPOSIT

Section 22.01: Security Deposit

There shall be a security deposit paid to Lessor in the amount of \$__4,000.00____, to be held by the Lessor to secure the faithful performance of Lessee's obligations pursuant to this Lease. Upon completion and/or termination of this Lease, Lessor shall be required to either return the above-referenced security deposit to Lessee or alternatively, within fifteen (15) days of Lessor recovering possession of the Leased Property, provide a written notice to Lessee accounting for and itemizing the disposition of Lessee's security deposit. Amounts which can be withheld from any such security deposit include any accrued rent and/or any damages that the Lessor has suffered by reason of the Lessee's noncompliance.

XXIII

LESSEE AND LESSOR

Section 23.01: Lessee

The Lessee herein is to be: Joe Markey and Alaskan Coffee Pot L.L.C. _____

Section 23:02: Lessor

Lessor herein is to be: Diamond One L.L.C.

IN WITNESS WHEREOF, these presents are hereby signed by the parties hereto.

LESSEE: Joe Markey
Joe Markey

LESSEE: Joe Markey
Alaskan Coffee Pot L.L.C.
By Joe Markey
Its: Managing member

LESSOR:
Diamond One_L.L.C.
By Richard Harris
Its: Managing member
Richard Harris
for Richard Harris

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	ALASKAN COFFEE POT, LLC.

Entity Type: Limited Liability Company

Entity #: 10128892

Status: Good Standing

AK Formed Date: 3/31/2020

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022

Entity Mailing Address: PO BOX 8001, PORT ALEXANDER, AK 99836

Entity Physical Address: 3 MAIN STREET, PORT ALEXANDER, AK 99836

Registered Agent

Agent Name: Joe Markey

Registered Mailing Address: PO BOX 8001 , PORT ALEXANDER, AK 99836

Registered Physical Address: 3 MAIN STREET, PORT ALEXANDER, AK 99836

Officials

Show Former

AK Entity #	Name	Titles	Owned
	Joe Markey	Manager, Member	100.00

Filed Documents

Date Filed	Type	Filing	Certificate
3/31/2020	Creation Filing	Click to View	Click to View
3/31/2020	Initial Report	Click to View	

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

Alaskan Coffee Pot, LLC.
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

This Limited Liability Company Operating Agreement (the "Agreement") is made and entered into on the 11th day of May, 2020, by and among parties listed in SCHEDULE I, which is attached hereto and incorporated herein by reference, with reference to the recitals set forth below.

RECITALS

On March 31, 2020, Alaskan Coffee Pot, LLC was formed as a limited liability company (hereinafter-called the "LLC") pursuant to the provisions of the Alaska Revised Limited Liability Company Act as set forth in AS 10.50 et seq. of Corporations and Associations Code of the State of Alaska (the "Statute").

Any and all prior operating agreements for Alaskan Coffee Pot, LLC, whether written or oral are null and void. In consideration of the covenants and the promises made herein, the parties hereto hereby agree as follows:

I. DEFINITIONS

For purposes of this agreement, the terms set forth below are defined as follows:

- 1.1. **AFFILIATE**. "Affiliate" means, when used with reference to a specified Person, the Principal of the Person, any Person directly or indirectly controlling, controlled by or under common control with such Person, any Person owning or controlling 10% or more of the outstanding voting interests of such Person, and any sibling(s), child (ren), parent(s) or spouse of such Person.
- 1.2. **AGREEMENT**. "Agreement" means this Limited Liability Company Operating Agreement, as originally executed and as amended from time to time, as the context requires. Words such as "herein", "hereinafter", "hereto", "hereby" and "hereunder", when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.
- 1.3. **ARTICLES OF ORGANIZATION**. "Articles of Organization" means the articles of organization filed with the Alaska Commissioner for the purpose of forming the LLC, and any permitted amendments thereto.
- 1.4. **AVAILABLE CASH FLOW**. "Available Cash Flow" or "Cash Flow" means, with respect to any Fiscal Year or other period, the sum of all cash receipts of the LLC from any and all sources, less all cash disbursements, including without limitation, operating expenses, taxes and insurances, principal and interest payments on loans or loan repayments, tenant improvements, adjusted for any increases or decreases to reasonable allowances for Reserves, contingencies and anticipated obligations. All determinations with respect to the availability of Cash Flow for distribution shall be made by the Manager.

- 1.5 **BUSINESS OF THE LLC.** "Business of the LLC" shall have the meaning set forth in Section 2.6 hereof.
- 1.6 **CAPITAL ACCOUNT.** "Capital Account" of a Member shall have the meaning set forth in Section 3.5 hereof.
- 1.7 **CAPITAL CONTRIBUTION.** "Capital Contribution" shall have the meaning set forth in Article III hereof.
- 1.8 **CODE.** "Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provision or provisions of any succeeding law).
- 1.9 **DEPRECIATION.** "Depreciation" means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery allowable with respect to an asset for such Fiscal Year or other period.
- 1.10 **DISSOLUTION.** "Dissolution" means when used with reference to the LLC, the earlier of (a) the date upon which the LLC is terminated under the Statute, or any similar provision enacted in lieu thereof, or (b) the date upon which the LLC ceases to be a going concern, and when used with reference to any Member, the earlier of (a) the date upon which there is a Dissolution of the LLC or (b) the date upon which such Member's entire interest in the LLC is terminated by means of a distribution or a series of distributions by the LLC to such Member.
- 1.11 **ECONOMIC INTEREST.** "Economic Interest" means a Person's right to share in the Net Profits, Net Loss or similar items of, and to receive distributions from, the LLC, but does not include any other rights of a Member, including, without limitation, the right to vote or to participate in the management of the LLC, or, except as provided in Section 9.4, any right to information concerning the business and affairs of the LLC.
- 1.12 **FISCALYEAR.** "Fiscal Year" means the date of formation until December 31, with respect to the year of organization; from January 1 through the date of dissolution with respect to the year of dissolution; and from January 1 through and including December 31 with respect to all other years.
- 1.13 **INVESTMENT MEMBER.** "Investment Member" means a Member who has made a cash, or cash equivalent, i.e. labor and/or expertise recognized and valued by the Members, capital contribution to the LLC pursuant to this Agreement. Except as stated otherwise in this Agreement, any reference in this Agreement to an allocation of profits and losses, or a distribution, to the Investment Members shall mean that such allocation or distribution is in proportion to the Investment Member's respective Percentage Interest.
- 1.14 **LLC** "LLC" means Alaskan Coffee Pot, LLC
- 1.15 **LLC INTEREST.** "LLC Interest" or "Interest" means an ownership interest in the LLC, which includes the Economic Interest, the right to vote or participate in the management of

the LLC, and the right to information concerning the business and affairs of the LLC, as provided in this Agreement and under the Statute.

1.16 LLC LOANS. "LLC Loans" shall refer to any loans or advances made by any Member to the LLC, but there is no obligation on the part of any Member to make any loans to the LLC. Such LLC Loans shall contain such terms and bear interest at the rate agreed to between the Member and the Manager.

1.17 MAJORITY IN INTEREST OF THE MEMBERS. "Majority in Interest of the Members," will be what is also known as "super majority", unless otherwise provided in the Agreement, which means at least sixty-six 66/100 percent (66.66%) of the interests of the Members in the current profits of the LLC.

1.18 MANAGER. Pursuant to the Articles of Organization, the company is to be managed by a manager.

1.19 MEMBER. "Member" means a Person who:

1.19.1 Has been admitted to the LLC as a member in accordance with the Articles of Organization or this Agreement, or an assignee of an Interest other than an Economic Interest, who has become a Member pursuant to Section 8.1.

1.19.2 Has not resigned, withdrawn or been expelled as a Member or, if other than an individual, been dissolved.

Reference to a "Member" shall be to any one of the Members. Reference to an "Initial Member" shall be to any one of the members referred in Section 3.1.

1.20 NET CAPITAL CONTRIBUTIONS. "Net Capital Contributions" means the aggregate of a Member's Capital Contributions over the aggregate distributions theretofore made to such Member pursuant to Section 5.1.

1.21 NET PROFITS AND NET LOSS. "Net Profits" and "Net Loss" mean, for each Fiscal Year or other period, an amount equal to the LLC's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in the taxable income or loss), with the following adjustments:

1.21.1 Any income of the LLC that is exempt from Federal income tax and not otherwise taken into account in computing Net Profits or Net Loss shall be added to such taxable income or loss;

1.21.2 Any expenditures of the LLC described in Code Section 705(b)(2)(B) or treated as Code Section 705(b)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in

computing Net Profits or Net Loss shall be subtracted from such taxable income or loss;

- 1.21.3** Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by determining the fair market value of the Property at the time of its acquisition as its original basis if acquired from a Member notwithstanding that the adjusted tax basis at the time of acquisition of such Property differs from its fair market value;
- 1.21.4** In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the subsection hereof entitled "Depreciation"; and
- 1.21.5** Notwithstanding any other provision of this subsection, any items of income, gain, loss or deduction which are specifically allocated shall not be taken into account in computing Net Profits or Net Loss.
- 1.22** **PERCENTAGE INTEREST.** The Initial Members' "Percentage Interests" shall be listed after the parties in SCHEDULE I hereto.
- 1.23** **PERIOD OF DURATION.** "Period of Duration" shall have the meaning set forth in Section 2.5 hereof.
- 1.24** **PERSON.** "Person" means an individual, partnership, limited partnership, corporation, trust, estate, association, limited liability company, or other entity, whether domestic or foreign.
- 1.25** **PRINCIPAL.** "Principal" means the natural Person which is in ultimate control of a Member.
- 1.26** **PROPERTY.** "Property" means the equipment, intellectual property, furnishings, and inventory to include wholesale marijuana inventory located at 2219 Dunn St. Juneau, AK 99801 and all interest that the LLC may have in that address, all businesses located therein, and any other property that may be purchased or leased by the LLC.
- 1.27** **REGULATIONS.** "Regulations" means the federal income tax regulations promulgated by the Treasury Department under the Code, as such regulations may be amended from time to time. All references herein to a specific section of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations.
- 1.28** **RESERVES.** "Reserves" means funds set aside from Capital Contributions or gross cash revenues as reserves. Such Reserves shall be maintained in amounts reasonably deemed sufficient by the Manager for working capital and the payment of taxes, insurance, debt

service, repairs, replacements, renewals, or other costs or expenses incident to the Business of the LLC, or in the alternative, the Dissolution of the LLC.

- 1.29 **COMMOSSIONER**. "Commissioner" shall mean the Commissioner of the Department of Community and Economic Development of the State of Alaska.
- 1.30 **STATUTE**. "Statute" shall mean the Alaska Revised Limited Liability Company Act as set forth in AS 10.50 of the Corporations and Associations Code of the State of Alaska (or any corresponding provision or provisions of any succeeding law).
- 1.31 **SIXTY-SIX 66/100 PERCENT INTEREST OF THE MEMBERS**. "Sixty-six 66/100 (66.66) percent of Members," unless otherwise provided in the Agreement, means sixty-six 66/100 (66.66/100%) percent of the Interest of the Members in the current profits of the LLC.
- 1.32 **VOTE**. All decisions for the LLC shall be made by the members of the LLC, by resolution of the members at a duly notice and held membership meeting, unless superseded by another Section of this Agreement, or required by the terms of the Statute, Code or applicable Regulations thereunder.

II. INTRODUCTORY MATTERS

- 2.1 **FORMATION OF LLC**. The parties have formed the LLC pursuant to the provisions of the Statute by filing the Articles of Organization with the Commissioner.
- 2.2 **NAME**. The name of the LLC is Alaskan Coffee Pot, LLC. The Members shall operate the Business of the LLC under such name or use such other or additional names as the Members may deem necessary or desirable provided that: no such name shall contain the words "bank," "insurance," "trust," "trustee," "incorporated," "inc.," "corporation," "corp.," or any similar name or variation thereof. The Members shall register such name under assumed or fictitious name statutes or similar laws of the states in which the LLC operates.
- 2.3 **PRINCIPAL OFFICE**. The LLC shall maintain its principal place of business at at 2219 Dunn St. Juneau, AK 99801, or any other location mutually agreed upon by the Members.
- 2.4 **REGISTERED AGENT FOR SERVICE OF PROCESS**. The name and address of the LLC's registered agent for service of process is Joe Markey, P.O. Box 8001, Port Alexander, Alaska 99836.
- 2.5 **PERIOD OF DURATION**. The period of duration of the LLC ("Period of Duration") shall commence on the date of the filing of the Articles of Organization with the Alaska Commissioner and shall continue through and including unless the LLC is terminated or dissolved sooner, in accordance with the provisions of this Agreement.
- 2.6 **BUSINESS AND PURPOSE OF THE LLC**. The purpose of the LLC is to conduct wholesale sales of marijuana and related goods, and at any other location to be opened in

the future, and to engage in all activities reasonably related thereto or as approved by a majority of the Members.

III. MEMBERS AND CAPITAL CONTRIBUTIONS

- 3.1 **NAMES AND ADDRESSES OF MEMBERS.** The names and addresses of the Members are set forth in SCHEDULE I hereto.
- 3.2 **CONTRIBUTIONS.** The Members shall contribute the amounts as set forth after their names in SCHEDULE I hereto.
- 3.3 **ADDITIONAL CONTRIBUTIONS.** Members shall be required to make additional Capital Contributions to the LLC only if such additional Capital Contributions are approved by Members holding, in the aggregate, sixty-six 66/100 (66.66%) or more of the Percentage Interests. If additional Capital Contributions are required, each Member shall be obligated to contribute an amount of additional capital equal to such Member's Percentage Interest times the total Capital Contribution amount required of all Members.
- 3.4 **FAILURE TO MAKE CONTRIBUTIONS.** If a Member does not timely contribute capital when required, that Member shall be in default under this Agreement. In such event, one of the Managers shall send the defaulting Member written notice of such default, giving him/it 14 days from the date such notice is given to contribute the entire amount of the required capital contribution. If the defaulting Member does not contribute the required capital to the Company within said 14-day period, the non-defaulting Members may exercise any of the following remedies, in addition to any and all other rights or remedies available under law or in equity, by written notice to said effect to the defaulting Member within ten (10) days after said 14-day period:
- A. Make for their own account the additional capital contribution requested of the Defaulting Member, thereby increasing their Percentage Interest and reducing the Defaulting Member's Percentage Interest. The change in Percentage Interest shall be determined by the amount the Defaulting Member did not contribute divided by the total of all capital contributions ever requested of the Defaulting Member.
 - B. Borrow the amount of the required additional capital contribution of the Defaulting Member from any lender, including the non-defaulting Members, and lend the money to the Defaulting Member with or without a written note or the Defaulting Member's consent, to make the required additional capital contribution for said Defaulting Member's account, which loan shall be deemed to be a loan by the lender to the Defaulting Member payable by the Defaulting Member to the lender on demand, which loan shall bear interest payable monthly at prime plus 5% if made by a Member, and at a commercially reasonable rate if made by a third party. A Defaulting Member shall be liable to the non-defaulting Members or other lender for all costs and fees, including but not limited to drafting the note, which costs and fees shall be part of the loan

principal, and collection costs incurred by them in connection with collecting from the Defaulting Member the unpaid portion of any such loan.

- C. If neither (A) and/or (B) is sufficient to raise all the additional Capital Contribution requested of the Defaulting Member, the LLC may take immediate legal action against the Defaulting Member to collection such deficiency. A Defaulting Member shall be liable to the LLC for all costs and fees, including but not limited to collection costs incurred by it in connection with collecting from the Defaulting Member the unpaid portion of any such loan.
- D. If more than one non-defaulting Member desires to exercise one of the options in (A) or (B) above, it shall be in proportion to their Percentage Interest.
- E. If option (A) is exercised by the non-defaulting Member, at any time in the future the Defaulting Member may purchase back the Percentage Interest he lost at the cost paid by the non-defaulting Member plus 10%, and plus interest on the cost at Bank of America's prime interest rate charged to its best customers.

3.5 RIGHTS WITH RESPECT TO CAPITAL.

3.5.1 LLC CAPITAL. No Member shall have the right to withdraw, or receive any return of, its Capital Contribution, and no Capital Contribution may be returned in the form of property other than cash except as specifically provided herein.

3.5.2 NO INTEREST ON CAPITAL CONTRIBUTIONS. Except as expressly provided in this Agreement, no Capital Contribution of any Member shall bear any interest or otherwise entitle the contributing Member to any compensation for use of the contributed capital.

3.5.3 ESTABLISHMENT OF CAPITAL ACCOUNTS. A separate capital account ("Capital Account") shall be maintained for each Member.

3.6 GENERAL RULES FOR ADJUSTMENT OF CAPITAL ACCOUNTS. The Capital Account of each Member shall be:

3.6.1 INCREASES. Increased by:

- (i) Such Member's cash contributions;
- (ii) The agreed fair market value of non-cash property contributed by such Member (net of liabilities secured by such contributed property that the LLC is considered to assume or take subject to under Code Section 752);

- (iii) All items of LLC income and gain (including income and gain exempt from tax) allocated to such Member pursuant to Article IV or other provisions of this Agreement; and

3.6.2 **DECREASES.** Decreased by:

- (i) The amount of cash distributed to such Member;
- (ii) The agreed fair market value of all actual and deemed distributions of property made to such Member pursuant to this Agreement (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to under Code Section 752);
- (iii) All items of LLC deduction and loss allocated to such Member pursuant to Article IV or other provisions of this Agreement.

3.7 **SPECIAL RULES WITH RESPECT TO CAPITAL ACCOUNTS**

3.7.1 **TIME OF ADJUSTMENT FOR CAPITAL CONTRIBUTIONS.** For purposes of computing the balance in a Member's Capital Account, no credit shall be given for any Capital Contribution which such Member is to make until such contribution is actually made. "Capital Contribution" refers to the total amount of cash and the agreed fair market value (net liabilities) of non-cash property contributed to the LLC by that Member and any subsequent contributions of cash and the agreed fair market value (net liabilities) of any property subsequently contributed to the LLC by the Member.

3.7.2 **INTENT TO COMPLY WITH TREASURY REGULATIONS.** The foregoing provisions of Section 3.5 and 3.6 and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations Section. To the extent such provisions are inconsistent with such Regulations Section or are incomplete with respect thereto, Capital Accounts shall be maintained in accordance with such Regulations Section.

3.8 **TRANSFEEE'S CAPITAL ACCOUNT.** In the event a Member, or the holder of an Economic Interest, transfers an Interest in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

IV. ALLOCATION OF PROFITS AND LOSSES

Net Profits and Net Loss of the LLC in each Fiscal Year shall be allocated among the Members as follows:

4.1 **NET PROFITS AND LOSSES.** Operating profits and losses from operation, and income from sale of the Property, shall be allocated to Investment Members as follows:

4.1.1 Operating profits and income from sale of the Property shall be allocated as follows:

- a) First, on a cumulative basis, for all accounting periods, amongst the Members in the reverse order as operating losses were previously allocated to them pursuant to this section 4.1.2
- b) Thereafter, to Members in proportion to their Percentage Interest.

4.1.2 Operating losses and losses from sale of the Property shall be allocated as follows:

- a) First, on a cumulative basis, for all accounting periods, amongst the Members in the reverse order as operating profits and income from the sale of the Property were previously allocated to them pursuant to section 4.1.1 until the cumulative operating losses and losses from the sale of the Property allocated pursuant this section 4.1.2(a), for all accounting periods, equals the cumulative operating profits and income from the sale of the Property, for all accounting periods, allocated pursuant to section 4.1.1;
- b) Next, amongst the Members until their Capital Account balances have been reduced to zero; and
- c) Thereafter, to Members in proportion to their Percentage Interest.

4.2 **SECTION 704(c) ALLOCATION.** Any item of income, gain, loss and deduction with respect to any property (other than cash) that has been contributed by a Member to the capital of the LLC and which is required or permitted to be allocated to such Member for income tax purposes under Section 704(c) of the Code so as to take into account the variation between the tax basis of such property and its fair market value at the time of its contribution shall be allocated to such Member solely for income tax purposes in the manner so required or permitted.

V. DISTRIBUTIONS

Except as specifically stated herein, distributions shall be made as determined by the Majority Vote of the Members, and at the time(s) designated by the Majority Vote of the Members, at their sole discretion. All distributions shall be distributed as follows:

- 5.1 **CASH FLOW FROM OPERATIONS**. Cash flow from operations shall be distributed to the Members in proportion to their Percentage Interest. Distributions to the members shall be at times set by the Members and in amounts to be agreed to by the Members, based on the LLC's prior gross sales. All distributions shall be subject to all federal withhold, and unemployment insurance and regular deductions.
- 5.2 **CASH FLOW FROM SALE**. Cash flow from the liquidation of the LLC's inventory shall be distributed first to the Members until they have received their Capital Contributions, thereafter to the Members in proportion to their Percentage Interest.

VI. RIGHTS, DUTIES AND OBLIGATIONS OF MANAGERS AND OFFICERS

- 6.1 **MANAGING MEMBER(S)**. Subject to removal or resignation as hereafter set forth, the LLC shall be managed by Joe Markey, or additional members as may be elected to do so from time to time by a majority Vote of the Members, referred collectively to either as the "Managers", or "Manager" or "Managing Member" or Managing Members"). The Managers shall have such rights, duties and powers as are specified in this Agreement, or conferred upon the Managers by Vote of the Members, as provided herein.
 - 6.1.1 **DUTIES & RIGHTS OF THE MANAGER(S)**. Subject to the limitations contained in Section 6.3 below, the Manager are the general managers and chief executive officer of the LLC and has general supervision, direction, discretion and control of the business of the LLC. The Manager shall preside at all meetings of the Members. The Manager(s) shall have the general powers and duties of management typically vested in a general partner of a partnership. The Manager(s) shall have the right to make decisions, which must be mutually agreed to by all Managers, if there are more than one Manager, with respect to the acquisition and disposition of the Property. However, the authority to borrow money, to allow the Property to be used as collateral for a loan, to refinance loans, to modify existing leases and enter into new leases, to sell or enter into an agreement to sell or grant an option to sell the any real property, or sub-lease and real property is solely vested with the Members, not the Manager(s). The Manager(s) shall have the authority to enter into or commit to day-to-day operational agreements, contracts, commitments or obligation on behalf of the LLC. In addition, any Manager acting alone, and not requiring agreement as required in 6.2.5 or 6.2.6, may decide to receive goods on consignment and may sign an agreement with a vendor therefore; whereas, any purchase of inventory must follow the

process contained in 6.2.5 or 6.2.6 and must be signed by all Managers if there are more than one Manager. The sale of marijuana and related goods at the wholesale store shall be at prices determined by the Manager(s), unless directed otherwise by the majority Vote, as defined herein, of the Members. Unless the Members shall have elected more than one Manager for the LLC, the term "Manager" as used in this Agreement, but other than Section 6.2, shall mean the Person who alone has the powers and duties specified in this Section 6.1.1.

The Manager may NOT delegate any or all of their managerial obligations to other entities without expressed approval of a majority Vote, as defined herein, of the Members.

- 6.1.2** **ELECTION.** In the event there is a vacancy in the position of Manager, a new Manager shall be chosen by a majority Vote of the Members. In voting for Manager, each Member shall have the number of votes equal to its Percentage Interest in the LLC. The candidate for each Manager position who obtains the required votes shall succeed to that Manager position. Each Manager shall hold office until the Manager resigns or shall be removed or otherwise disqualified to serve.
- 6.1.3** **SUBORDINATE OFFICERS.** The Manager may appoint a secretary, a chief financial officer, and such other officers of the LLC as the Business of the LLC may require, each of whom shall hold office for such period, have such authority and perform such duties as determined by the Manager.
- 6.1.4** **REMOVAL AND RESIGNATION.** Any Manager or other officer of the LLC may be removed, with or without cause, by a unanimous vote of the Members. Any Manager or other officer of the LLC may resign at any time without prejudice to any rights of the LLC under any contract to which the Manager or other officer of the LLC is a party, by giving written notice to the Members, or to the Manager, as applicable. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 6.2** **CO-MANAGERS.** If at any time during the Period of Duration, the Members by unanimous vote decide to have more than only one Manager, or more than two Managers, then the Managers shall be elected by majority Vote, as defined herein, of the Members, and shall be subject to removal pursuant to the provisions of Section 6.1.4. Each Manager shall also have the right to resign provided in Section 6.1.4, and any vacancy in a Manager position shall be filled pursuant to the provisions of Section 6.1.2. The following provisions of this Section shall govern the manner in which the Co-Managers shall manage the Business of the LLC since the Members have elected more than one Manager.

- 6.2.1** The Managers shall share in the duties described in Section 6.1.1, and, any and all acts contemplated by the Managers shall be approved as provided in Sections 6.2.5 or Section 6.2.6.
- 6.2.2** Meetings of the Managers shall be held at the principal office of the LLC, unless some other place is designated in the notice of the meeting. Any Manager may participate in a meeting through use of a conference telephone or similar communication equipment so long as all Managers participating in such a meeting can hear one another. Accurate minutes of any meeting of the Managers shall be maintained by the officer designated by the Managers for that purpose.
- 6.2.3** Meetings of the Managers for any purpose may be called at any time by any Manager. At least forty-eight (48) hours notice of the time and place of a special meeting of the Managers shall be delivered personally to the Managers or personally communicated to them by an officer of the LLC by telephone, email, text message or facsimile. If the notice is sent to the Manager by email, it shall be addressed to him at his last known email address as it is shown on the records of the LLC, with confirmation of receipt of same, and must be sent at least four (4) days prior to the time of the holding of the meeting. Such emailing, telephoning or texting delivery as provided above shall be considered due, legal and personal notice to such Manager.
- 6.2.4** With respect to meetings which have not been duly called or noticed pursuant to the provisions of Section 6.2.3, all transactions carried out at the meeting are as valid as if had at a meeting regularly called and noticed if: all Managers are present at the meeting, and sign a written consent to the holding of such meeting, or if a majority of the Managers are present and if those not present sign a waiver of notice of such meeting or a consent to holding the meeting or an approval of the minutes thereof, whether prior to or after the holding of such meeting, which waiver, consent or approval shall be filed with the other records of the LLC, or if a Manager attends a meeting without notice and does not protest prior to the meeting or at its commencement that notice was not given to him or her.
- 6.2.5** Any action required or permitted to be taken by the Managers may be taken without a meeting and will have the same force and effect as if taken by a vote of Managers at a meeting properly called and noticed, if authorized by a writing signed individually or collectively by all, but not less than all, the Managers. Such consent shall be filed with the records of the LLC.
- 6.2.6** A majority of the total number of incumbent Managers shall be necessary to constitute a quorum for the transaction of business at any meeting of the Managers, and except as otherwise provided in this Agreement or by the Statute, any action shall require a vote of a majority of the Managers present

at any meeting at which there is a quorum. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Managers, if any action taken is approved by a majority of the required quorum for such meeting.

6.3 **LIMITATIONS ON RIGHTS AND POWERS.** In addition to any limitations already set forth above, except by Majority Vote of Members, which is evidenced in writing, neither the Manager nor any other member or officer of the LLC shall have authority to:

- 6.3.1** Receive or permit any Member or Principal to receive any fee or rebate, or to participate in any reciprocal business arrangements that would have the effect of circumventing any of the provisions hereof;
- 6.3.2** Materially alter the Business of the LLC or deviate from any approved business plan of the LLC as set forth in this Agreement;
- 6.3.3** Permit the LLC's funds to be commingled with the funds of any other Person except as otherwise provided in this Agreement;
- 6.3.4** Do any act in contravention of this Agreement;
- 6.3.5** Do any act which would make it impossible to carry on the Business of the LLC;
- 6.3.6** Confess a judgment against the LLC;
- 6.3.7** Admit any person as a Member, except as otherwise provided in this Agreement;
- 6.3.8** Attempt to dissolve, without selling the Property, or withdraw from the LLC; and
- 6.3.9** Invest or reinvest any proceeds from the operation of the LLC, or the sale, refinancing or other disposition of any Property, except for short-term investment of reserves.
- 6.3.10** Order or contract for any goods or article exceeding the value of as may be determined from time to time by a majority Vote, as defined herein, of the Members.

6.4 **COMPENSATION OF MEMBERS.** Except as expressly permitted by this Agreement or any other written agreement, the LLC shall pay no compensation to any Member or any Principal of any Member for their services to the LLC. Notwithstanding the foregoing, Members shall be not compensated for working in the LLC's wholesale sales.

- 6.5 **EXPENSE REIMBURSEMENT.** The LLC shall reimburse the Managers and officers for any expenses paid by them that is to be borne by the LLC. The LLC shall reimburse the Members for any expenses paid by them that is to be properly borne by the LLC, as approved from time to time by the Managers. Any single charge of over that amount set by the Majority Vote of the Members or any cumulative amounts, to be determined from time to time by the Majority Vote, as defined herein, of the Members, shall be paid within thirty (30) days, shall first be approved by the Managers.

VII. MEMBERS' MEETINGS

- 7.1 **PLACE OF MEETINGS.** Meetings of the Members, if any, shall be held at the principal office of the LLC, unless some other appropriate and convenient location, either within or without the state where the Articles of Organization were filed, shall be designated for that purpose from time to time by the Manager. Members may attend meetings via telephone.
- 7.2 **MEETINGS.** Meetings of the Members may be called at any time by the Manager or by one or more Members holding in the aggregate more than ten percent (10%) of the Percentage Interests. Upon receipt of a written request, which request may be emailed or delivered personally to the Manager, by any Person entitled to call a meeting of Members, the Manager shall cause notice to be given to the Members that a meeting will be held at a time requested by the Person or Persons calling the meeting, which time for the meeting shall be not less than ten (10) nor more than sixty (60) days after the receipt of such request. If such notice is not given within twenty (20) days after receipt of such request, the Persons calling the meeting may give notice thereof in the manner provided in this Agreement.
- 7.3 **NOTICE OF MEETINGS.** Except as provided for in Section 7.2, notice of meetings shall be given to the Members in writing not less than ten (10) nor more than sixty (60) days before the date of the meeting by the Manager. Special meetings of the Members for any purpose may be called at any time by any Member. At least forty-eight (48) hours' notice of the time and place of a special meeting of the Members shall be delivered personally to the Members or personally communicated to them by a Member, or Manager, by telephone, email, or text message. If the notice is sent to the Member by email, it shall be addressed to him or her at his or her last known email address as it is shown on the records of the LLC, with confirmation of receipt of same, and must be sent at least four (4) days prior to the time of the holding of the meeting. Such emailing, telephoning or texting delivery as provided above shall be considered due, legal and personal notice to such Member. Notice of any meeting of Members shall specify the place, the day and the hour of the meeting, the general nature of the business to be transacted.
- 7.4 **VALIDATION OF MEMBERS' MEETINGS.** The transactions of a meeting of Members which was not called or noticed pursuant to the provisions of Section 7.2 or 7.3 shall be valid as though transacted at a meeting duly held after regular call and notice, if Members holding in the aggregate sixty-six 66/100 (66 66/100%) of the Percentage Interests are present, and if, either before or after the meeting, each of the members entitled to vote but not present (whether in person or by proxy, as that term is used in the Statute) at the meeting signs a waiver of notice, or a consent to the holding of such meeting, or an

approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the LLC. Attendance shall constitute a waiver of notice, unless objection shall be made.

7.5 ACTIONS WITHOUT A MEETING.

7.5.1 Any action which may be taken at any meeting of Members may be taken without a meeting and without prior notice if a consent in writing, setting forth the action so taken, shall be signed by Members holding in the aggregate the number of votes equal to or greater than the Vote, unless a lesser vote is provided for by this Agreement or the Statute; provided, however, that any action which by the terms of this Agreement or by the Statute is required to be taken pursuant to a greater vote of the Members may only be taken by a written consent which has been signed by Members holding the requisite number of votes.

7.5.2 Unless the consents of all Members have been given in writing, notice of any approval made by the members without a meeting by less than unanimous written consent shall be given at least ten (10) days before the consummation of the action authorized by such approval. Any Member giving a written consent may revoke the consent by a writing received by the LLC prior to the time that written consents of Members required to authorize the proposed action have been filed with the LLC. Such revocation is effective upon its receipt by the LLC.

7.6 QUORUM AND EFFECT OF VOTE. Each Member shall have a number of votes equal to the Percentage Interest held by such Member, provided that if, pursuant to the Statute or the terms of this Agreement, a Member is not entitled to vote on a specific matter, then such Member's number of votes and Percentage Interest shall not be considered for purposes of determining whether a quorum is present, or whether approval by Vote of the Members has been obtained, in respect of such specific matter. Members holding an aggregate of more than fifty percent (50%) of the Percentage Interests shall constitute a quorum at all meetings of the Members for the transaction of business, and the Majority Vote, as defined herein, of Members shall be required to approve any action.

**VIII. RESTRICTIONS ON TRANSFER OR CONVERSION
OF LLC INTEREST, ADDITIONAL CAPITAL CONTRIBUTIONS;
ADMISSION OF NEW MEMBERS**

8.1 TRANSFER OR ASSIGNMENT OF MEMBER'S INTEREST. The Interest of each Member and the Economic Interest of a Person who is not a Member constitutes personal property of the Member or Economic Interest Holder. Each Member and each Economic Interest holder has no interest in the Property.

8.1.1 All Member's Interest or an Economic Interest may be transferred or assigned only as provided in this Agreement.

8.1.2 No transfer, hypothecation, encumbrance or assignment ("Transfer") of a Member's Interest, or any part thereof, in the LLC will be valid without the consent of Majority Vote, as defined herein, of the Members, other than the Member proposing to dispose of its Interest, including a Transfer, for no value, to one or more of the following persons:

- (a) Any Member.
- (b) Any immediate family member or trust in which the beneficiaries are immediate family members, or an entity consisting of such Members, family members and/or trusts.
- (c) Any entity in which all of the holders of a legal or equitable interest are presently existing Members or one or more authorized transferees described in this Section 8.1.2.

8.1.3 A Transfer of an Economic Interest may only be done after the other Members are given the right of first refusal detailed below, this includes the interest belong to a deceased's estate. Any holder of a mere Economic Interest shall have no right to participate in the management of the business and affairs of the LLC or to become a member thereof.

8.2 **RIGHT OF FIRST REFUSAL.** A member may withdraw from the Company by giving the Company written notice of intent to transfer to the Company such member's ownership, but must first provide to the company the first right of refusal. The Company shall have no obligation to repurchase the member's ownership interest, but if the transfer is approved by all of the members, the Company shall repurchase the ownership interest. The purchase price for the interest of the company owned by the withdrawing member shall be the book value of the interest on the notice date, as determined by the certified public accountant or firm of accountants then serving the Company, according to the generally-accepted principles of accounting, however, no allowance of any kind shall be made for the good will, trade name or other intangible assets of the Company. The determination of the accountant as to the book value when made, verified and delivered to the Company, shall be binding upon the Company and all parties bound by the terms hereof. Unless otherwise agreed by the parties, the Company shall repurchase the member's ownership interest by paying the purchase price within sixty (60) day if paying with cash, or by paying equal monthly installments amortized over 36 months at an interest rate of 5% per annum, with the first installment to be payable within sixty (60) days of the agreement. If the company elects to not repurchase the withdrawing member's interest, then the withdrawing member's interest shall then be available to be purchased by one or more of the remaining members individually, of collectively. Again, the purchase price for the interest of the company owned by the withdrawing member shall be the book value of the interest on the notice date, as determined by the certified public accountant or firm of accountants then serving the Company, according to the generally-accepted principles of accounting, however, no allowance of any kind shall be made for the good will, trade name or other intangible assets

of the Company. The determination of the accountant as to the book value when made, verified and delivered to the Company, shall be binding upon the Member or Members seeking to purchase the withdrawing members interest in the company and all parties bound by the terms hereof. If more than one remaining member is seeking to purchase the withdrawing member's interest in the company, then the withdrawing members interest shall be allocated to those remaining members based on the percentage of each remaining offering Member's pro rata interest that each owns in the Company.

8.3 **VOID TRANSFERS.** Any Transfer of an Interest which does not satisfy the requirements of Section 8.1 and 8.2 shall be null and void.

8.4 **ADMISSION OF NEW MEMBERS.** A new Member may be admitted into the LLC only if authorized by Section 8.1.2 or upon the Vote of the Members, and only if such admission does not violate any of the loan documents with any lender of record.

IX. BOOKS, RECORDS, REPORTS AND BANK ACCOUNTS

9.1 **MAINTENANCE OF BOOKS AND RECORDS.** The LLC shall cause books and records of the LLC to be maintained in a manner determined by the Members in their discretion, and the Manger shall give reports to the Members in accordance with prudent business practices and the Statute. There shall be kept at the principal office of the LLC, as well as at the office of record of the LLC specified in Section 2.4, if different, the following LLC documents:

9.1.1 A current list of the full name and last known business or residence address of each Member and each holder of an Economic Interest in the LLC set forth in alphabetical order, together with the Capital Contributions and share in Net Profits and Net Loss of each Member and holder of an Economic Interest;

9.1.2 A current list of the full name and business or residence address of each Manager;

9.1.3 A copy of the Articles of Organization and any amendments thereto, together with any powers of attorney pursuant to which the Articles of Organization and any amendments thereto were executed;

9.1.4 Copies of the LLC's federal, state and local income tax or information returns and reports, if any, for the six most recent Fiscal Years;

9.1.5 A Copy of this Agreement and any amendments thereto, together with any powers of attorney pursuant to which this Agreement and any amendments thereto were executed;

- 9.1.6 Copies of the financial statements of the LLC, if any, for the six most recent Fiscal Years;
- 9.1.7 The LLC's books and records as they relate to the internal affairs of the LLC for at least the current and past four Fiscal Years;
- 9.1.8 Originals or copies of all minutes, actions by written consent, consents to action and waivers of notice to Members and Member Votes, actions and consents; and
- 9.1.9 Any other information required to be maintained by the LLC pursuant to the Statute.
- 9.2 **ANNUAL ACCOUNTING.** Within 180 days after the close of each Fiscal Year of the LLC, the LLC shall cause to be prepared and submitted to each Member a balance sheet and income statement for the preceding Fiscal Year of the LLC (or portion thereof) in a manner determined by the Members in discretion, and provide to the Members all information necessary for them to complete federal and state tax returns. The tax return will satisfy the conditions for 'conformity' referred to in this paragraph.
- 9.3 **INSPECTION AND AUDIT RIGHTS.** Each Member has the right upon reasonable request, for purposes reasonably related to the interest of that Person, to inspect and copy during normal business hours any of the LLC books and records required to be maintained in accordance with Section 9.1. Such right may be exercised by the Person or by that Person's agent or attorney. Any Member may require a review and/or audit of the books, records and reports of the LLC. The determination of the Members as to adjustments to the financial report, books records and returns of the LLC, in the absence of fraud or gross negligence, shall be final and binding upon the LLC and all of the Members.
- 9.4 **RIGHTS OF MEMBERS AND NON-MEMBERS.** Upon the request of a Member for purposes reasonably related to the interest of that Person, the Manager shall promptly deliver to the Member at the expense of the LLC, a copy of this Agreement and a copy of the information listed in Sections 9.1.2 and 9.1.4 of this Agreement.
- 9.5 **BANK ACCOUNTS.** The bank accounts of the LLC shall be maintained in such banking institutions as the Members shall determine with such signatories as the Members shall authorize.
- 9.6 **TAX MATTERS HANDLED BY MANAGERS.** Joe Markey shall be designated as "Tax Matters Partner" (as defined in Code Section 6231), to represent the LLC (at the LLC's expense) in connection with all examinations of the LLC's affairs by tax authorities, including resulting judicial and administrative proceedings, and to expend LLC funds for professional services and costs associated therewith. In her capacity, as "Tax Matters Partner", the designated Person shall oversee the LLC tax affairs in the overall best interests of the LLC. The "Tax Matters Partner" shall not, without the vote of a Majority in Interest of the Members (i) agree to extend the statute of limitations for determination of tax

liability or (ii) initiate a federal tax proceeding in any court other than the United States Tax Court.

9.7 **FEDERAL INCOME TAX ELECTIONS MADE BY MEMBERS.** Subject to the authority of the Tax Matters Partners, the Members, by majority Vote, as defined herein, on behalf of the LLC, may make all elections for federal income tax purposes, including but not limited to, the following:

9.7.1 **USE OF ACCELERATED DEPRECIATION METHODS.** To the extent permitted by applicable law and regulations, the LLC may elect to use an accelerated depreciation method on any depreciable unit of the assets of the LLC;

9.7.2 **ADJUSTMENT OF BASIS OF ASSETS.** In case of a transfer of all or part of the Interest of any Member, the LLC may elect, pursuant to Code - Sections 734, 743 and 754 of the Code to adjust the basis of the assets of the LLC.

9.7.3 **ACCOUNTING METHOD.** For financial reporting purposes, the books and records of the LLC shall be maintained in accordance with such method of accounting applied in a consistent manner as is selected by the Members, by majority Vote, as defined herein, and shall reflect all transactions of the LLC and be appropriate and adequate for the purposes of the LLC.

9.8 **OBLIGATIONS OF MEMBERS TO REPORT ALLOCATIONS.** The Members are aware of the income tax consequences of the allocations made by this Agreement and hereby agree to be bound by the provisions of this Section 9.8 in reporting their shares of the LLC income and loss for income tax purposes.

X. TERMINATION AND DISSOLUTION

10.1 **DISSOLUTION.** The LLC shall be dissolved upon the occurrence of any of the following events:

10.1.1 When the Period of Duration of the LLC expires;

10.1.2 The written approval by a Sixty-six 66/100 Percent (66.66%) Interest of the Members to dissolve the LLC;

10.1.3 Sale of all assets of the LLC without a 1031 exchange, unless a promissory note is received in connection with such sale or there is unanimous agreement among Members to continue the LLC.

The death, withdrawal, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the Member's continued membership in the LLC, shall not cause a dissolution or termination of the LLC.

- 10.2** **STATEMENT OF INTENT TO DISSOLVE.** As soon as possible after the occurrence of any of the events specified in Section 10.1 above, the LLC shall execute a Statement of Intent to Dissolve in such form as prescribed by the Commissioner.
- 10.3** **CONDUCT OF BUSINESS.** Upon the filing of the Statement of Intent to Dissolve with the Commissioner, the LLC shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but the LLC's separate existence shall continue until the Articles of Dissolution have been filed with the Commissioner or until a decree dissolving the LLC has been entered by a court of competent jurisdiction.
- 10.4** **DISTRIBUTION OF NET PROCEEDS.** The Members shall continue to divide Net Profits and Losses and Available Cash Flow during the winding-up period in the same manner and the same priorities as provided for in Articles IV and V hereof. The proceeds from the liquidation of Property shall be applied in the following order:
- 10.4.1** To the payment of creditors, in the order of priority as provided by law, but not to Members on account of their contributions;
- 10.4.2** To the payment of loans or advances that may have been made by any of the Members or their Principals for working capital or other requirements of the LLC.
- 10.4.3** To the Members and Manager in accordance with Article V hereof.

Where the distribution pursuant to this Section 10.4 consists both of cash (or cash equivalents) and non-cash assets, the cash (or cash equivalents) shall first be distributed, in a descending order, to fully satisfy each category starting with the most preferred category above. In the case of non-cash assets, the distribution values are to be based on the fair market value thereof as determined in good faith by the liquidator.

XI. INDEMNIFICATION OF THE MEMBERS, MANAGERS, AND THEIR AFFILIATES

11.1 **INDEMNIFICATION OF MANAGERS, MEMBERS AND THEIR PRINCIPALS.**

The LLC, and each of its Members, jointly and severally, shall indemnify and hold harmless the Members, the Managers, their Affiliates and their respective officers, directors, employees, agents and Principals (individually, an "Indemnitee") from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and, including, but not limited to, any loan application, loan, or loan guarantee, in which the Indemnitee was involved or may be involved, or threatened to be involved, as a party or otherwise, arising out of or incidental to the Business of the LLC, except by reason of fraud, gross negligence or willful misconduct, regardless of whether the Indemnitee was, is or continues to be a

Manager, Member, an Affiliate, or an officer, director, employee, agent or Principal of the Member at the time any such liability or expense is paid or incurred, to the fullest extent permitted by the Statute and all other applicable laws.

- 11.2 EXPENSES.** Expenses incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding shall be paid by the LLC upon receipt by the LLC of proper substantiation thereof. However, the Indemnitee shall repay such amount if it shall be determined that such Person is not entitled to be indemnified as authorized in Section 11.1.
- 11.3 INDEMNIFICATION RIGHTS NON-EXCLUSIVE.** The indemnification provided by Section 11.1 shall be in addition to any other rights to which those indemnified may be entitled under any agreement, vote of the Members, as a matter of law or equity or otherwise, both as to action in the Indemnitee's capacity as a Manager, Member, as an Affiliate or as an officer, director, employee, agent or Principal of a Member and as to any action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.
- 11.4 ERRORS AND OMISSIONS INSURANCE.** The LLC may, but is not required to, purchase and maintain insurance, at the LLC's expense, on behalf of the Managers, Members and such other persons as the Members shall determine, against any liability that may be asserted against, or any expense that may be incurred by, such Person in connection with the activities of the LLC and/or the Members' acts or omissions as the Members of the LLC regardless of whether the LLC would have the power to indemnify such Person against such liability under the provisions of this Agreement.
- 11.5 ASSETS OF THE LLC.** Any indemnification under Section 11.1 shall first be satisfied out of the assets of the LLC. If this is not sufficient each Member shall be personally liable, individually and severally for the "Deficiency". The Manager shall first attempt to collect the Deficiency from each Member in an amount equal to the Deficiency times each Member's Percentage Interest ("Full Share"). If any Member(s) has not paid his/their Full Share, such further deficiency shall be satisfied by the other Members proportionally. Finally, any Member who paid more than his Full Share shall have right of contribution against his co-defendants and the other Members, which right shall include all attorney's fees and costs associated with the collection of such contribution.

XII. COMPETITION/OTHER BUSINESSES

- 12.1 COMPETING WHOLESALE SALES.** Upon execution of this Agreement and until the dissolution of the LLC, no Member shall engage or invest in any activity involving the competing wholesale sales of marijuana or related goods in South Central Alaska. As an inducement for all the Members to enter into this Agreement, during the existence of the LLC and so long as Member is a Member of the LLC, no Member shall, directly or indirectly, engage or invest in, own, manage, operate, finance, control or participate in the ownership, management, operation, financing or control of, be employed by, associated with or in any manner connected with, lend his name or any similar name to, lend his credit

to, or render services or advice to, any business insofar as it is engaged in a wholesale business similar to that of the LLC, whose business does or would compete in whole or in part with that of the LLC anywhere in the South Central Alaska area. All Members acknowledges that this covenant is reasonable with respect to its duration, geographical area and scope.

Furthermore, no Member shall, directly or indirectly, either for himself or any other Person, (A) induce or attempt to induce any current or future employee of the LLC to leave its employ (B) in any way interfere with the relationship between the LLC and any current or future employee, or (C) induce or attempt to induce any customer, supplier, licensee or business relation of the LLC to cease doing business or to reduce or restrict the amount of business done with it, or in any way interfere with the relationship between any customer, supplier, licensee or business relation of the LLC and the LLC.

No Member will, at any time during the existence of LLC, disparage the LLC or any of its Members.

In the event of a breach by a Member of any covenant set forth above, the term of such covenant will be extended by the period of the duration of such breach.

In the event that any clause in this section is non-effective in law or incapable of being implemented, wholly or partially, or has forfeited its legal effectiveness or feasibility, such circumstance shall be without prejudice to the validity of the remaining clauses of this section. The non-effective or non-implementable clause is to be substituted by an appropriate arrangement that, inasmuch as legally possible, most closely resembles what the parties hereto had intended or, consistent with the meaning and object of this section, would have intended if such parties had considered such circumstance when preparing this section.

The rights and remedies of Members shall be cumulative (and not alternative). In the event of any breach or threatened breach by a Member of any covenant, obligation or other provision set forth in this section, the non-defaulting Members shall be entitled (in addition to any other remedy that may be available) to (a) a decree or order of specific performance to enforce the observance and performance of such covenant, obligation or other provision, and (b) an injunction restraining such breach or threatened breach. The non-defaulting Members shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or proceeding. In addition, the non-defaulting Members shall be entitled to offset against any and all amounts owing to such defaulting Member under this Agreement or otherwise any and all amounts that the non-defaulting Members can claim as damages hereunder.

XIII. AMENDMENTS

- 13.1 AMENDMENT, ETC., OF OPERATING AGREEMENT.** This Agreement may be adopted, altered, amended, or repealed and a new operating agreement may be adopted only by a Majority Vote, as defined herein, of the Members.

- 13.2 **AMENDMENT, ETC., OF ARTICLES OF ORGANIZATION.** Notwithstanding any provision to the contrary in the Articles of Organization or this Agreement, in no event shall the Articles of Organization be amended without the Majority Vote, as defined herein, of the Members.

XIV. MISCELLANEOUS PROVISIONS

- 14.1 **COUNTERPARTS.** This Agreement may be executed in several counterparts, and all counterparts so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.
- 14.2 **SURVIVAL OF RIGHTS.** This Agreement shall be binding upon, and, as to permitted or accepted successors, transferees and assigns, inure to the benefit of the Members and the LLC and their respective heirs, legatees, legal representatives, successors, transferees and assigns, in all cases whether by the laws of descent and distribution, merger, reverse merger, consolidation, sale of assets, other sale, operation of law or otherwise.
- 14.3 **SEVERABILITY.** In the event any Section, or any sentence within any Section, is declared by a court of competent jurisdiction to be void or unenforceable, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.
- 14.4 **NOTIFICATION OR NOTICES.** Except for notices to be given under Articles-VI and VII, for purposes of meetings of Managers and meetings of Members, any notice or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given if personally delivered, emailed with confirmation of receipt or text messages, addressed to the parties' email addresses or cell phones set forth below. Notices given in the manner provided for in this Section 14.4 shall be deemed effective on the third day following sending same or on the day of delivery by hand.
- 14.5 **CONSTRUCTION.** The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the Members, regardless who requested this Agreement to be drafted or assisted in its being drafted.
- 14.6 **SECTION HEADINGS.** The captions of the Articles or Sections in this Agreement are for convenience only and in no way define, extend or describe the scope or intent of any of the provisions hereof, shall not be deemed part of this Agreement and shall not be used in construing or interpreting this Agreement.
- 14.7 **GOVERNING LAW.** This Agreement shall be construed according to the laws of the State of Alaska.

- 14.8 **ADDITIONAL DOCUMENTS.** Each Member, upon the request of another Member or the Manager, agrees to perform all further acts and execute, acknowledge and deliver all documents which may be reasonably necessary, appropriate or desirable to carry out the provisions of this Agreement, including but not limited to acknowledging before a notary public any signature heretofore or hereafter made by a Member.
- 14.9 **PRONOUNS AND PLURALS.** Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine and neuter forms, and the singular forms of nouns, pronouns and verbs shall include the plural and vice versa.
- 14.10 **TIME OF THE ESSENCE.** Except as otherwise provided herein, time is of the essence in connection with each and every provision of this Agreement.
- 14.11 **FURTHER ACTIONS.** Each of the Members agrees to execute, acknowledge and deliver such additional documents, and take such further actions, as may be reasonably required from time to time to carry out each of the provisions, and the intent, of this Agreement, and every agreement or document relating hereto, or entered into in connection herewith.
- 14.12 **WAIVER OF JURY. WITH RESPECT TO ANY DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY RELATED AGREEMENT, EACHMEMBER HEREBY IRREVOCABLY WAIVES ALL RIGHTS IT MAY HAVE TO DEMAND A JURY TRIAL. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE MEMBERS AND EACH MEMBER ACKNOWLEDGES THAT NONE OF THE OTHER MEMBERS NOR ANY PERSON ACTING ON BEHALF OF THE OTHER PARTIES HAS MADE ANY REPRESENTATION OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE MEMBERS EACH FURTHER ACKNOWLEDGE THAT IT HAS HAD THE OPPORTUNITY TO BE REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. EACH MEMBER FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.**
- 14.13 **THIRD PARTY BENEFICIARIES.** There are no third-party beneficiaries of this Agreement except Affiliates and Principals of the Members and any other Persons as may be entitled to the benefits of Section 11.1 hereof.
- 14.14 **ELECTIONS RE TAXES.** The Members, in their discretion, may cause the LLC to make or not make all elections required or permitted to be made for income tax purposes, except as otherwise specified in this Agreement.
- 14.15 **PARTITION.** The Members agree that the LLC's interest in the Property and any other property in which the LLC may own or have an interest in is suitable for partition. The

Members hereby acknowledge that another Member hereto may bring an action for partition of any property the LLC may at any time have an interest in.

- 14.16 ENTIRE AGREEMENT.** This Agreement and the Articles of Organization constitute the entire agreement of the Members with respect to, and supersedes all prior written and oral agreements, understanding and negotiations with respect to, the subject matter hereof.
- 14.17 WAIVER.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.
- 14.18 ATTORNEYS' FEES.** In the event of any litigation, arbitration or other dispute arising as a result of or by reason of this Agreement, the prevailing party in any such litigation, arbitration or other dispute shall be entitled to, in addition to any other damages assessed, its reasonable attorneys' fees, and all other costs and expenses incurred in connection with settling or resolving such dispute. The attorneys' fees which the prevailing party is entitled to recover shall include fees for prosecuting or defending any appeal and shall be awarded for any supplemental proceedings until the final judgment is satisfied in full.

In addition to the foregoing award of attorneys' fees to the prevailing party, the prevailing party in any lawsuit or arbitration procedure on this Agreement shall be entitled to its reasonable attorney's fees incurred in any post judgment proceedings to collect or enforce the judgment. This attorney's fees provision is separate and several and shall survive the merger of this Agreement into any judgment.

- 14.19 DISPUTE RESOLUTION.** Any and all disputes shall be submitted to American Arbitration Association (AAA).
- 14.20 INDEPENDENT COUNSEL.** Each Member warrants and represents that such Member has been advised that such Member should be represented by counsel of such Member's own choosing in the preparation and/or analysis of this Agreement; that such Member is fully aware that other Members' counsel has not acted or purported to act on such Member's behalf; that such Member has in fact been represented by independent counsel, or has had the opportunity to be so represented but has chosen to take the risk of not being represented by counsel; and that such Member has read this Agreement with care and believes that such Member is fully aware of and understands the contents hereof and its legal effect. Each Member further acknowledges that any counsel which has participated in the preparation of this Agreement at the request of the Manager does not represent any other Member and/or the LLC and that, in the event of any dispute between the Manager and the Members and/or the LLC, such counsel may represent the Manager.

XV. INVESTMENT REPRESENTATIONS

Each Member hereby represents and warrants to, and agrees with, the Manager, the Members and the LLC as follows:

- 15.1 INVESTMENT RISK.** Such Member acknowledges that his or her investment in the LLC is a speculative investment which involves a substantial degree of risk of loss by such Member of his or her entire investment in the LLC; such Member understands and takes full cognizance of the risk factors related to the investment in the LLC, and such Member acknowledges that the LLC is newly organized and has no financial or operating history. Furthermore, such Member acknowledges that there are substantial risks incident to the jewelry wholesale business, and investment in the LLC therefore would be subject to such risks. Such Member further represents that he or she is an experienced investor in unregistered and restricted securities or in servicing and repair or recreational vehicles businesses.
- 15.2 PREEXISTING RELATIONSHIP OR EXPERIENCE.** Such Member has a preexisting personal or business relationship with the LLC or one or more of its officers or controlling persons, or by reason of his or her business or financial experience, or by reason of the business or financial experience of his or her financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by the LLC or any affiliate or selling agent of the LLC, such Member is capable of evaluating the risks and merits of an investment in the LLC and of protecting its own interest in connection with this investment.
- 15.3 NO ADVERTISING.** Such Member has not seen, received, been represented with, or been solicited by any leaflet, public promotional meeting, article or any other form of advertising or general solicitation with respect to the sale of the Percentage Interest.
- 15.4 INVESTMENT INTENT.** Such Member is acquiring the Percentage Interest for investment purposes for its own account only and not with a view to, or for sale in connection with, any distribution of all or any part of the Percentage Interest. No other person will have any direct or indirect beneficial interest in or right to the Percentage Interest.
- 15.5 RESTRICTIONS ON TRANSFERABILITY.** Such Member acknowledges that there are substantial restrictions on the transferability of the Percentage Interest pursuant to this Agreement, that there is no public market for the Percentage Interest and none is expected to develop, and that, accordingly, it may not be possible for him or her to liquidate his or her investment in the LLC.
- 15.6 INFORMATION REVIEWED.** Such Member has received and reviewed all information he or she considers necessary or appropriate for deciding whether to purchase the Percentage Interest. Such Member has had an opportunity to ask questions and receive answers from the LLC and its Manager and employees regarding the terms and conditions of purchase of the Percentage Interest and regarding the business, financial affairs, and other aspects of the LLC and has further had the opportunity to obtain all information (to the extent the LLC possesses or can acquire such information without unreasonable effort or expense) which such Member deems necessary to evaluate the investment and to verify the accuracy of information otherwise provided to such Member. Any projections which may have been delivered to the Members are based on estimates, assumptions and forecasts

of the Managers and others and are only estimates and opinions and are not guaranteed by the Manager or any other person.

15.7 TAX CONSEQUENCES. Each Member acknowledges that the tax consequences to such Member of investing in the LLC will depend on such Member's particular circumstances, and neither the LLC, the Manager, the Members, nor the partners, shareholders, members, managers, agents, officers, directors, employees, Affiliates, or consultants of any of them will be responsible or liable for the tax consequences to him or her of an investment in the LLC. He or she will look solely to, and rely upon, his or her own advisors with respect to the tax consequences of this investment.

15.8 RETURN OF CAPITAL. Each Member acknowledges that upon the execution of this Agreement, such Member is required to make his Capital Contribution, as set forth on Schedule I, to the LLC, and forward such payment to the Manager.

IN WITNESS WHEREOF, the Members of Alaskan Coffee Pot, LLC, an Alaskan limited liability company, have executed this Agreement, effective as of the date written above.

Alaskan Coffee Pot, LLC

MEMBERS/ Managers

Joe Markey
Member/manager

Alaskan Coffee Pot, LLC SCHEDULE I

Member	Percentage of Interest	Capital Contribution	Signature
---------------	-------------------------------	-----------------------------	------------------

Joe Markey
PO BOX 8001
Port Alexander, AK 99836
(907) 568-2206
Joe_acp@hotmail.com

100.00% \$TBD)

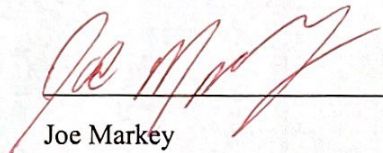
100%

8. **RETURN OF CAPITAL.** Each Member acknowledges that upon the execution of this Agreement, such Member is required to make his Capital Contribution, as set forth on Schedule I, to the LLC, and forward such payment to the Manager.

IN WITNESS WHEREOF, the Members of Alaskan Coffee Pot, LLC, an Alaskan limited liability company, have executed this Agreement, effective as of the date written above.

Alaskan Coffee Pot, LLC

MEMBERS/ Managers


5-11-20

Joe Markey
Member/manager

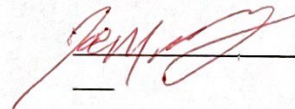
Alaskan Coffee Pot, LLC SCHEDULE I

Member	Percentage of Interest	Capital Contribution	Signature
--------	---------------------------	-------------------------	-----------

Joe Markey
PO BOX 8001
Port Alexander, AK 99836
(907) 568-2206
Joe_acp@hotmail.com

100.00%

\$TBD)

 5-11-20