

Alcohol & Marijuana Control Office

Initiating License Application

6/12/2021 10:48:14 AM

License Number: 25497**License Status:** Active-Operating**License Type:** Limited Marijuana Cultivation Facility**Doing Business As:** 5 Star Flower**Business License Number:** 2105648**Designated Licensee:** Patrick Baca**Email Address:** ricobaca@yahoo.com**Local Government:** Matanuska-Susitna Borough**Local Government 2:** - No Local Government -**Community Council:** Greater Farm Loop Community Council**Latitude, Longitude:** 61.625000, -149.195000**Physical Address:** 4000 Hazelwood Circle
(Apartment with the attached shop)
Palmer, AK 99645
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10132892**Alaska Entity Name:** Growing Investments, LLC**Phone Number:** 907-355-4120**Email Address:** ricobaca@yahoo.com**Mailing Address:** 7353 E. Aspen Ridge Rd.
Wasilla, AK 99654
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Patrick Baca**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-355-4120**Email Address:** ricobaca@yahoo.com**Mailing Address:** 7353 E. Aspen Ridge Rd.
Wasilla, AK 99654
UNITED STATES**Note:** No affiliates entered for this license.



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:	Growing Investments, LLC	License Number:	25497		
License Type:	Limited Marijuana Cultivation Facility				
Doing Business As:	5 Star Flower				
Premises Address:	4000 Hazelwood Circle				
City:	Palmer	State:	AK	ZIP:	99645

Section 2 – Individual Information

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

Name:	Patrick Baca
Title:	Owner

Section 3 – Violations & Charges

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

Initials

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

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

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

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

Initials

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



Form MJ-20: Renewal Application Certifications

Section 4 – Certifications & Waiver

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

Initials

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

PB

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.

PB

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

PB

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

PB

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

PB

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.

PB

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.

PB

I, Patrick Baca, 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.

PB

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.

Patrick Baca
Signature of licensee

Patrick Baca
Printed name of licensee

Valerie Marting
Notary Public in and for the State of Alaska

My commission expires: 6/22/2022

Subscribed and sworn to before me this 5th day of June, 2021.



LEASE AGREEMENT

This lease agreement entered into on the 29 day of May, 2021, between **Gary Wold**, referred to below as "Lessor," and **Growing Investments, LLC**, referred to as "Lessee," who has applied for a State of Alaska Limited Marijuana Cultivation License for the below described premises:

In consideration of the rent provided for, and of the covenants and agreements contained in this Lease, Lessor demises and leases to Lessee the premises described as: **apartment with the attached shop located at 4000 Hazelwood Circle, Palmer, AK 99645** to have and to hold the premises for a term of one (1) year, beginning at 12:00 noon on the 10 day of May, 2021 and ending at 12:00 noon on the 31 day of May 2022 unless extended between the parties. Lessee shall have the right to extend this agreement for up to an additional one (1) year in one-year increments provided notice is given in writing of intent to extend said lease agreement to Lessor whose address is set forth below within ninety (90) days of the expiration of the current lease agreement. Lessor shall have the right to terminate agreement after one (1) year provided notice is given in writing of the intent to terminate said lease agreement to Lessor whose address is set forth below within ninety (90) days.

The terms and conditions of this Commercial Lease are as follows:

1. **Premises.** Shop building located at **4000 Hazelwood Circle, Palmer, AK 99645**.
2. **Rent.** Lessee agrees to pay Lessor as base rent for the premises: \$1,200.00 per month for the balance of the lease term.
 - a. First months' rent shall be prorated.
 - b. Rent shall be paid on the first of the month as directed by the lessor.
 - c. Lessee shall pay electricity for the portion of the building that is used each month.
 - d. Lessee shall pay a late fee of 5% of the base rent for payment of rent past the fifth (5th) of the month.
 - e. A security deposit of \$1,000.00 be paid by lessee to lessor at the commencement of this lease
 - f. This lease is declared void if lessee is unable to obtain full licensure from AMCO within 365 days of its commencement.
3. **Use of Premises.**
 - a. Lessee shall use the premises for the operation of a Standard Marijuana Cultivation Facility, which is permitted under Alaska state law and properly licensed by the State of Alaska and local governing body.

- b. Lessee shall also be responsible for all business costs, charges, and expenses of operating, maintaining, and repairing the premises in relation to the business, including but not limited to net costs and expenses of operating, repairs, lighting, cleaning, painting, and stripping.
- 4. **Quiet enjoyment.** Lessor covenants that Lessee shall peacefully and quietly have, hold, and enjoy the premises for the agreed term, free from interference by the Lessor.
- 5. **Utilities.**
 - a. Lessee shall promptly pay all charges when due for the electricity furnished to the leased premises. Lessor shall promptly pay all charges when due for water and gas furnished to the leased premises.
 - b. It is the intention of Lessor and the Lessee that the rent shall be paid at the rate of \$1,200.00 per month each and every month and throughout the duration of this lease agreement.
- 6. **Repair.** Lessee shall keep the leased grounds free of all cans, bottles, fragments, debris and trash, and in good repair, and the Lessee will keep the downspouts, gutters and drains clean, open and free of obstruction, and in good working order. Lessor shall not be obligated or required to make any repairs or do any work on or about the premises or any part of them. All portions of any building leased shall be kept in good repair by Lessee and at the end of the term, the Lessee shall deliver the demised premises to Lessor in good repair and condition, reasonable wear and tear and damage from fire or other casualty excepted. Lessor reserves the right to enter upon the premises as Lessor may deem necessary or proper, or that Lessor may be lawfully required to make, by giving a 24-hour notice of the inspection.

Lessor shall not be liable for any injury or damage caused by, or growing out of, any defect of the building, or its equipment, drains, plumbing, wiring, electric equipment or appurtenances, or in the premises, or caused by, or growing out of fire, rain, wind, leaks, seepage or other cause. However, this does not relieve lessor of liability if the building is defective because of lessor's actions.

Should the Lessee fail to make repairs agreed to under this Lease, the Lessor may enter the premises (as allowed under state law) and make such repairs and collect the cost from the Lessee. Except as specifically provided in this Lease, the Lessee will not make or permit to be made any alterations, improvements, additions or changes in the premises, nor will the Lessee paint the outside of the building or permit the same to be painted without the written consent of the Lessor before work is contracted or let.

7. **Indemnity.** Lessee agrees to indemnify and hold Lessor harmless from the claims of any and all persons for bodily injury and property damage occurring upon the premises during the term of this Lease or any extension of it, provided the Lessor is not negligent.

Lessor covenants and agrees to indemnify, hold harmless and defend lessee from and against all claims, losses and damages for personal injury or death, damage to property occurring on the premises, or Lessor's failure to pay liens or assessments, arising out of Lessor's use or occupancy of the premises, or otherwise, arising out of Lessor's operation of the businesses or occupancy of the premises which pre-date the commencement of this Lease. This clause includes any Alaska Department of Environmental Authority, federal Environmental Protection Agency, the Alaska Department of Revenue, Internal Revenue Service, or other government entity or agency.

8. **Fire and Other Casualty.** In the event of the total destruction of, or partial damage to, the buildings upon the demised premises by fire or other casualty, Lessor shall proceed with due diligence and dispatch to repair and restore the buildings to the conditions to which they existed immediately prior to the occurrence of such casualty, at Lessor's cost and expense, provided such cost does not exceed the proceeds of insurance collected on the buildings, by reason of such casualty, the application of which insurance proceeds are not prohibited, by reason of any mortgage provision, from being used toward the cost of restoration and repairing the same. If the unexpired portion of the term or any extension of it shall be two years or less on the date of such casualty and the cost of such repair or restoration exceeds 20% of the then replacement value of the damaged leased premises, as estimated by two or more reputable contractors, Lessor may by written notice to the Lessee, within 30 days after the occurrence of such casualty, terminate this Lease. If the insurance proceeds are insufficient to effect such restoration or repairs, Lessor at its option may cancel this Lease by written notice to Lessee within 30 days after the occurrence of such casualty.

In the event the repairing and restoring of the buildings cannot be completed within four months after the date of occurrence of such casualty, as estimated by two or more reputable contractors, the Lessee shall have the right to terminate this Lease upon giving written notice to Lessor within 30 days from the date of occurrence of the casualty. From the date of such damage or destruction until the building has been substantially repaired or restored, an equitable abatement of rent shall be allowed the Lessee. Property Lessee stores in the demised premises shall be at the sole risk of Lessee.

Neither Lessor nor Lessee shall be liable to the other for any loss or damage from risks ordinarily insured against under fire insurance policies with extended coverage endorsements, irrespective of whether such loss or damage results from their negligence or that of any of their agents, servants, employees, licensees or contractors to the extent that such losses are covered by valid and collectable insurance on the property at the time of the loss.

9. **Improvements and Fixtures.** Lessee may at its own expense make such alterations, improvements, additions and changes to the premises, provided Lessee shall not, without the written consent of Lessor, tear down or materially demolish any of the improvements on the premises or make any material change or alteration in such improvements which, when completed, would substantially diminish the value of the premises. All shelving, trade fixtures, or other personal property of Lessee which it may have installed or placed at its own expense on the premises may at any time be removed by Lessee provided Lessee shall repair any damage to the premises caused by such removal. Lessee agrees at Lessee's own cost and expense to keep the building on the premises well painted at all times. Lessee may make requests of lessor to make improvements to the premises and/or build to suit. Should lessor accommodate requests, the additional expense of accommodation will be divided up amongst remaining term of lease and added to the amount of rent.
10. **Assignment and Subletting.** Lessee agrees that it will not assign or sublet the leased premises in whole or in part without the written consent of Lessor, which consent shall not be unreasonably withheld. But such assignment or subletting will in no event release Lessee from its responsibility under the terms of this Lease.
11. **Default.** Lessee shall be considered in default under this lease for any of the following actions or occurrences:
- a. Failure of Lessee to pay rent or any other sum due and owing Lessor pursuant to the provisions of this lease within ten (10) days after the expiration of written notice by Lessor to Lessee of such default, complying with Alaska Statute (A.S.) 09.45.105.
 - b. Failure by Lessee to comply with any of the covenants, terms and conditions of this lease within twenty (20) days after receipt from Lessor of notice to correct such failure.
 - c. Failure of Lessee to obtain the release of an attachment, garnishment, execution, or levy against the premises or loaned equipment or the business conducted by lessee on the premises within 72 hours after any such lien attaches.
 - d. Institution of bankruptcy, insolvency, receivership, or trusteeship proceedings, voluntary or otherwise, or an assignment for the benefit of creditors, by lessee.
 - e. Abandonment of the premises by lessee.
12. **Lessor Remedies on Default.** Upon default in the terms and conditions of this Lease, Lessor may avail itself of the Forcible Entry and Detainer statutes of the State of Alaska (A.S. 09.45.060 et. seq.), and such other remedies as may exist in law or equity.

13. **Return of Premises Upon Termination.** Upon termination of this Lease by expiration of the term, or by election as above provided, or otherwise, Lessee shall return the premises to Lessor in the same condition as at the commencement of this Lease, ordinary wear and tear excepted.

14. **Non-Waiver of Eminent Domain and Condemnation.** If there is a partial taking of the demised premises by eminent domain, as the result of which the total leased premises is reduced by not more than 25%, the terms of this Lease will continue and Lessor at Lessor's expense will restore the remaining premises to a complete architectural unit with store front, signs and interior of equal appearance and utility as they had previous to the taking, but there will be a pro-rata reduction in the rent payable each month and Lessee will have no right to any of the proceeds of such taking. If, on the other hand, the taking exceeds 25% of the total leased premises, or in the event the improvements are condemned and ordered torn down or removed by lawful authority, then the terms of this Lease shall cease as of the date possession shall be taken by such authority, the rent will be apportioned as of the date of such taking.

15. ***In the event of default by Lessee, the Lessor (landlord) will not remove from the premises or take possession of marijuana, and AMCO enforcement will be notified immediately by Lessor.***

16. **Miscellaneous.**

- a. **Notices.** All notices which are required to be given pursuant to this Lease shall be deemed sufficient if in writing and sent by either registered or certified mail or hand delivery as follows:

To Lessor: Gary Wold
4000 Hazelwood Circle
Palmer, Ak 99654

To Lessee: Growing Investments, LLC.
7353 E. Aspen Ridge Rd.
Wasilla, AK 99654

- b. **Binding Effects.** This Lease shall be binding and shall inure to the benefit of Lessor and Lessee, their heirs, successors, and assigns.

- c. **Integrated Contract.** This lease contains the entire agreement and understanding between the parties hereto. From the date on which the form of this lease begins, this lease automatically supersedes and terminates all prior leases between lessee and lessor or the predecessors of lessee pertaining to the premises and loaned equipment. No amendment, addition, alteration, modification, or waiver of any

provision of this lease shall be of any effect unless in writing and signed by the parties hereto.

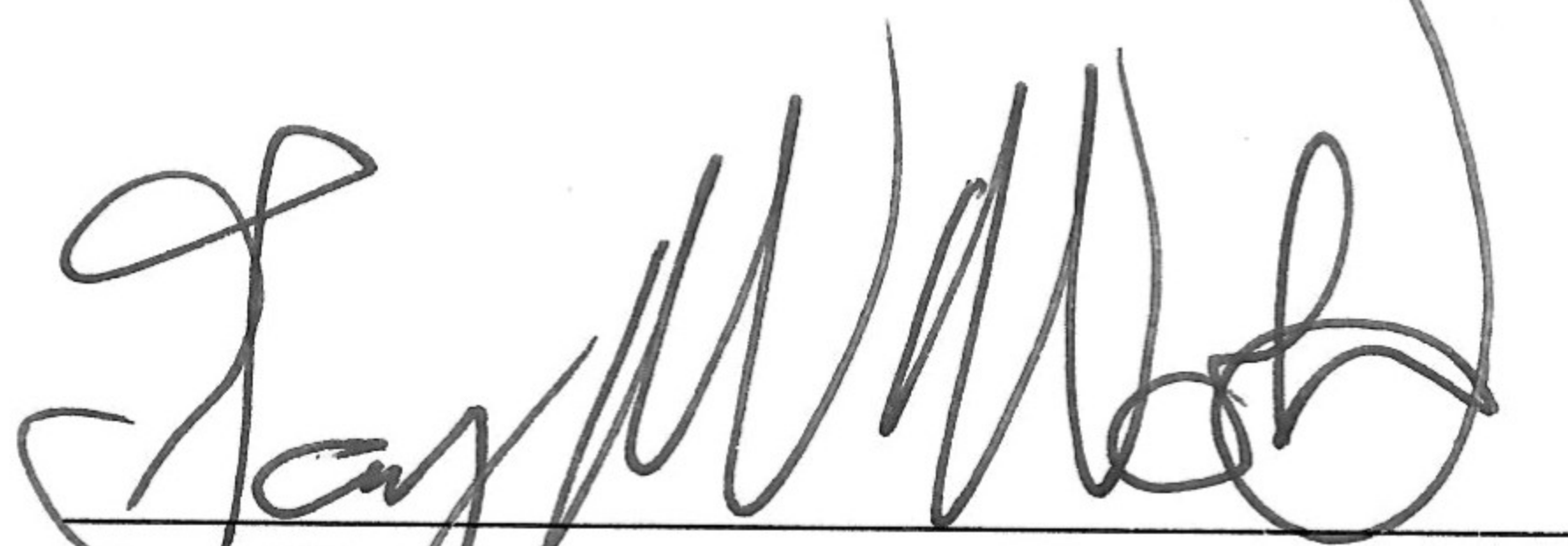
- d. **Attorney's Fees.** In any proceedings to enforce this Lease, the prevailing party shall pay all reasonable costs, attorneys' fees and expenses that shall be made and incurred in enforcing the agreements of this lease.
- e. **Applicable Law and Termination of Lease.** This Lease shall be interpreted according to the law of the State of Alaska, and any legal proceedings to enforce it shall be venued in the courts of the State of Alaska, Third Judicial District at Palmer, Alaska. After a Lease Agreement is mutually executed and in the event lessee, despite its best efforts, is unable to obtain a State marijuana license (or renewal of said license) and local use permits approvals for this site location, lessee shall, at lessee's election, be released from the terms of the lease and the security deposit and all Payments to the Landlord will be forfeited as its sole financial remedy cancelling this Lease Agreement.

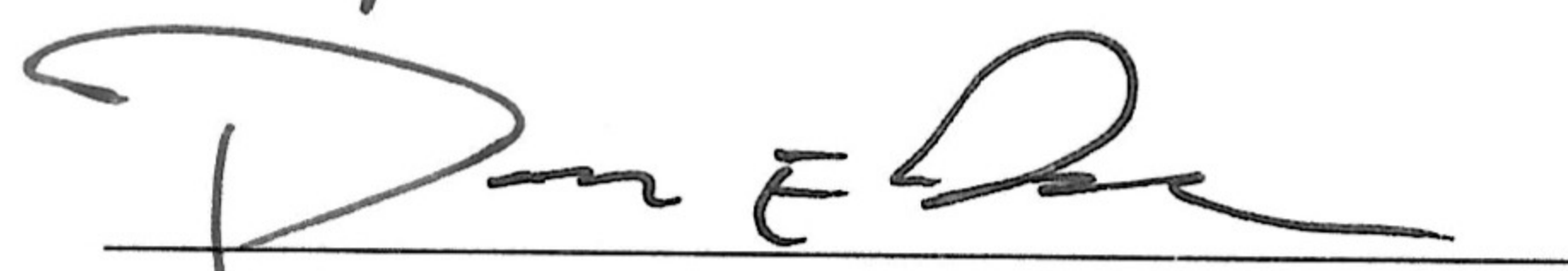
Likewise, if after the Lessee's operation is up and running and in the future there are changes in the Law that make the business of lessee illegal, lessee shall be released from the terms of the lease agreement with forfeiture of the security deposit and all payments. Lessee agrees to give a thirty (30) day notice prior to terminating lease.

The parties have executed this Lease on the date below written.

5/29/2021
Date:

5/29/2021
Date:


Gary Wold, Lessor


Patrick Baca
Member/Manager
Growing Investments, LLC
Lessor

Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Growing Investments, LLC

Entity Type: Limited Liability Company

Entity #: 10132892

Status: Good Standing

AK Formed Date: 5/18/2020

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022

Entity Mailing Address: 7353 E. ASPEN RIDGE RD., WASILLA, AK 99654

Entity Physical Address: 4000 HAZELWOOD CR, PALMER, AK 99645

Registered Agent

Agent Name: Patrick Baca

Registered Mailing Address: 7353 E. ASPEN RIDGE RD., WASILLA, AK 99654

Registered Physical Address: 7353 E. ASPEN RIDGE RD., WASILLA, AK 99654

Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	Patrick Baca	Manager, Member	100.00

Filed Documents

Date Filed	Type	Filing	Certificate
5/18/2020	Creation Filing	Click to View	Click to View
5/18/2020	Initial Report	Click to View	

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Growing Investments, LLC.
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

This Limited Liability Company Operating Agreement (the "Agreement") is made and entered into on the 18 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

the 18th day of May, 2020, Growing Investments, 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 Growing Investments, 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 **FISCAL YEAR.** "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 Growing Investments, 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 4000 Hazelwood Circle Palmer, AK 99645 all interest that the LLC may have in that address, all wholesale 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 Growing Investments, 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 4000 Hazelwood Circle, Palmer, AK 99645 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 Patrick Baca, 7353 E. Aspen Ridge Rd. Wasilla, AK 99654
- 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 TRANSFeree'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 Patrick Baca 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.** Patrick Baca 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

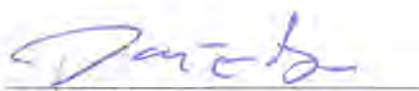
of the Managers and others and are only estimates and opinions and are not guaranteed by the Manager or any other person.

- 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 Growing Investments, LLC, an Alaskan limited liability company, have executed this Agreement, effective as of the date written above.

Growing Investments, LLC

MEMBERS



Patrick Baca
Member/manager

5/18/20

Member	Percentage of Interest	Capital Contribution	Signature
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Patrick Baca
7353 Aspen Ridge Rd
Wasilla, AK 99654

100.00% \$TBD)

Patrick Baca 5/18/20

100%

Growing Investments, LLC SCHEDULE I

Growing Investments, LLC.

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