Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

Name(s)

Type	Name
Legal Name	Green Life Supply, LLC

Entity Details

Entity Type: Limited Liability Company
Entity #: 10040751
Status: Good Standing
AK Formed Date: 8/15/2016
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 863 6TH AVE, FAIRBANKS, AK 99701
Entity Physical Address: 511 30TH AVE, FAIRBANKS, AK 99701

Registered Agent

Agent Name: NATHAN DAVIS
Registered Mailing Address: 868 6TH AVE, FAIRBANKS, AK 99701
Registered Physical Address: 868 6TH AVE, FAIRBANKS, AK 99701

Officials

AK Entity#	Name	Titles	Percent Owned
	Dayton MacCallum	Member	10
	Jameson Johnson	Member	10
	Nathan Davis	Member	80

Filed Documents

Date Filed	Type	Filing	Certificate
8/15/2016	Creation Filing		
8/22/2016	Initial Report		

Juneau Mailing Address
P.O. Box 110806
Juneau, AK 99811-0806

Physical Address
333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Anchorage Mailing/Physical Address
550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers
Main Phone: (907) 269-8160
FAX: (907) 269-8156

OPERATING AGREEMENT – Green Life Supply, LLC

A Member-Managed Limited Liability Company

Alaska Entity # 10040751

THIS OPERATING AGREEMENT (the "Agreement") is made and entered into this 31 day of July, 2016, by: **Nathan A. Davis, Jameson Johnson,** and **Dayton G. MacCallum** as members and managers of **Green Life Supply, LLC** (hereinafter the "Company").

This Agreement (unless amended) shall continue in full force and effect, and be binding upon each individual and/or business entity as may be subsequently admitted to the Company. The individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member."

ARTICLE I - Company Formation and Registered Agent

1.1 **FORMATION**. The Members have formed a Limited Liability Company subject to the provisions of the Limited Liability Company Act (the "Act") as currently in effect as of this date of this Agreement. Articles of Organization were filed with the State of Alaska Department of Commerce and Economic Development on August 16, 2016, and a Certificate of Organization was subsequently issued. Any additional documentation as may from time to time be required shall be filed with the State of Alaska at the designated office for maintaining such records.

1.2 **NAME**. The name of the Company shall be: **Green Life Supply, LLC**.

1.3 **PRINCIPAL PLACE OF BUSINESS / REGISTERED AGENT**. The name of the registered agent and location of the principal business office of the Company shall be:

Nathan A. Davis 863 6th Ave Fairbanks, AK 99701

or at such other place as the member(s) may from time to time select.

1.4 **TERM**. The Company has commenced doing business in calendar year 2016, and the business shall continue in perpetuity, unless sooner terminated as provided in this Agreement, or by operation of law, or at the direction of the Member(s).

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1.5 **BUSINESS PURPOSE**. The purpose of the Company is to operate the business of ALL OTHER MISCELLANEOUS CROP FARMING and any other lawful act or activity for which a Limited Liability Company may be formed under the Limited Liability statutes of the State of Alaska.

1.6 **NAMES AND ADDRESSES OF MEMBERS**. The name and place of residence of each Member shall be set forth in an exhibit attached to this Agreement.

1.7 **ADMISSION OF ADDITIONAL MEMBERS**. Except as otherwise expressly provided in this Agreement, no additional Members may be admitted to the Company without the prior unanimous written consent of the then-existing Members.

ARTICLE 2 - Capital Contributions

2.1 **INITIAL CONTRIBUTIONS**. The Members shall initially contribute to the Company capital in the form of cash or cash equivalent, with a combined value of $10,000.

2.2 **ADDITIONAL CONTRIBUTIONS / INTEREST**. No Member shall be obligated to make any additional contribution to the Company without the prior unanimous written consent of the Members. Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company, except to the extent, if any, expressly provided in this Agreement.

ARTICLE 3 - Profits, Losses and Distributions

3.1 **PROFITS/LOSSES**. For financial, accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company, and as may be amended from time to time in accordance with Treasury Regulation 1.704-1.

3.2 **DISTRIBUTIONS**. The Members shall determine and distribute available funds annually, or at more frequent intervals as they deem fit. "Available funds," as referred to herein, shall mean the net cash of the Company available after appropriate provision is made for expenses and liabilities, as determined by the Members. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-l(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-l(b)(2)(ii)(d).

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ARTICLE 4 - Management

4.1 **MANAGEMENT OF THE COMPANY**. The Members, within the authority granted by the Act and the terms of this Agreement, shall have the complete power and authority to manage and operate the Company and make all decisions affecting its business and affairs. Such authority includes, but is not limited to, all decisions as to: (a) the sale, development, lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets; (d) the borrowing of money and the granting of security interests in the Company's assets; (e) the pre-payment, refinancing or extension of any loan affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; and (g) the employment of persons, firms or corporations for the operation and management of the Company's business.

4.2 **DECISIONS AND DOCUMENTS.** Except as otherwise provided in this Agreement, all decisions and documents relating to the management and operation of the Company shall be made and executed by the Members. If there are two Members, all decisions shall be jointly made. If there are more than two Members, then decisions shall be made by a majority of the Members.

4.3 **THIRD PARTIES.** Third parties dealing with the Company shall be entitled to rely conclusively upon the power and authority of a sole Member, or a majority in interest if more than one Member, to manage and operate the business and affairs of the Company.

4.4 **EXCULPATION.** Any act or omission of a Member, the effect of which may cause or result in loss or damage to the Company or any other individual Member(s), if done in good faith to promote the best interests of the Company, shall not subject the Member to any liability to other members.

4.5 **INDEMNIFICATION.** The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, in any pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for expenses (including attorney's fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred in connection with such action, suit or proceeding, if the person is determined to have acted in good faith and in a manner he/she reasonably believed to be in the best interests of the

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Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "nolo contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he/she reasonably believed to be in the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.6 **RECORDS**. The managing Member(s) shall cause the Company to keep at its principal place of business the following:

(a) a current list in alphabetical order of the full name and current physical address of each Member;

(b) a copy of the Certificate of Organization and any other documentation evidencing compliance with the Act, as well as the Company Operating Agreement and all amendments;

(c) copies of the Company's federal, state and local income tax returns and reports, if any, for the three (3) most recent years;

(d) copies of any financial statements of the Company for the three (3) most recent years.

ARTICLE 5 - Salaries, Reimbursement, and Payment of Expenses

5.1 **ORGANIZATION EXPENSES.** All expenses incurred in connection with organization of the Company will be paid by the Company.

5.2 **SALARY.** No salary will be paid to a Member for the performance of his or her duties under this Agreement unless the salary has been approved in writing by the Members, or if more than two Members, then by a majority of the Members.

5.3 **LEGAL AND ACCOUNTING SERVICES.** The Company may obtain legal and accounting services to the extent reasonably necessary to conduct the Company's business.

ARTICLE 6 - Accounting Reports, Tax Returns, Fiscal Year, Banking

6.1 **METHOD OF ACCOUNTING**. The Company will use the method of accounting as previously determined by the Member(s) for financial reporting and tax purposes, or such other method as may be recommended by the accountant for the Company.

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6.2 **FISCAL YEAR; TAXABLE YEAR.** The fiscal year and the taxable year of the Company is the calendar year.

6.3 **CAPITAL ACCOUNTS.** The Company will maintain a Capital Account for each Member on a cumulative basis in accordance with federal income tax accounting principles.

6.4 **BANKING.** All funds of the Company will be deposited in a separate bank account in a financial institution, the name and location to be selected at the discretion of the Members, or if more than two Members, then as determined by a majority of the Members. Company funds will be invested or deposited with a financial institution, the accounts or deposits of which are insured or guaranteed by an agency of the United States government.

ARTICLE 7 – Transfer/Assignment of Interest/Removal of Member

7.1 **SALE OR ENCUMBRANCE PROHIBITED.** Except as otherwise permitted in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of (hereinafter collectively, "transfer") an interest in the Company without the prior written consent of the other Member, or if more than two Members, then by a majority of the non-transferring Members.

7.2 **RIGHT OF FIRST REFUSAL.** Notwithstanding Article 7.1, a Member may transfer all or any part of the Member's interest in the Company (the "Interest") as follows:

(a) The Member desiring to transfer his/her Interest must first provide written notice (the "Notice") to the other Members, specifying the price and terms on which the Member is prepared to sell the Interest (the "Offer").

(b) For a period of thirty (30) days after receipt of the Notice, the non-transferring Members may acquire all, but not less than all, of the Interest at the price and under the terms specified in the Offer. If the other Members desiring to acquire the Interest cannot agree among themselves on the allocation of the Interest among them, the allocation will be proportional to the Ownership Interests of those Members desiring to acquire the Interest.

(c) Closing of the sale of the Interest will occur as stated in the Offer; provided however, that the closing will occur not more than forty-five (45) days after expiration of the 30-day notice period.

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(d) If the other Members fail or refuse to notify the transferring Member of their desire to acquire all of the Interest proposed to be transferred within the 30-day period following receipt of the Notice, then the non-transferring Member(s) will be deemed to have waived their right to acquire the Interest on the terms described in the Offer, and the transferring Member may sell and convey the Interest consistent with the Offer to any other person or entity; provided however, that notwithstanding anything in Article 7.2 to the contrary, should the proposed sale to a third person be at a price or on terms that are more favorable to the purchaser than stated in the Offer, then the transferring Member must first re-offer the sale of the Interest to the remaining Members at the more favorable price and terms; provided further, that if a proposed sale to a third person is not closed within six months after the expiration of the 30-day period describe above, then the provisions of Article 7.2 will again apply to the Interest proposed to be sold or transferred.

7.3 **SUBSTITUTED PARTIES.** Any transfer in which the Transferee becomes a fully-substituted Member is not permitted unless and until:

(1) Documents and instruments of conveyance necessary or appropriate in the opinion of counsel to the Company to effect the transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement; and

(2) The transferor furnishes to the Company an opinion of counsel, satisfactory to the Company, that the transfer will not cause the Company to terminate for federal income tax purposes, or that any such termination would not otherwise adversely impact the best interests of the Company or the other Members.

7.4 **DEATH, INCOMPETENCY, OR BANKRUPTCY OF MEMBER.** In the event of death, adjudicated incompetence, or bankruptcy of a Member, unless the Company exercises its rights under Article 7.5, the successor-in-interest to the Member (whether an estate, personal representative, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction, and credit (the "Economic Rights") unless and until such time as a majority of the other Members as determined on a per capita basis admit the transferee as a fully-substituted Member in accordance with the provisions of Article 7.3.

7.5 **DEATH BUYOUT.** Notwithstanding the foregoing provisions of this Article, the Members covenant and agree that on the death of any Member, the Company, at its option, by providing written notice to the estate of the deceased Member within 180 days of the death of the Member, may purchase, acquire, and

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redeem the Interest of the deceased Member in the Company pursuant to the following provision:

(a) The value of each Member's Interest in the Company will be determined on the date this Agreement is signed, and shall be stated as each individual Member's "capital contribution." The value of each Member's Interest will be re-determined unanimously by the Members annually, unless the Members unanimously decide to re-determine those values more frequently. The purchase price for a deceased Member's interest shall be the value last-determined before the death of such Member; provided however, that if the latest valuation is more than two years before the death of the deceased Member, the provisions of Article 7.5(b) will apply in determining the value of the Member's Interest in the Company.

(b) If the Members have failed to value the deceased Member's Interest within the prior two-year period, the value of such Member's Interest in the Company on the date of death, in the first instance, will be determined by mutual agreement of the surviving Members and the personal representative of the estate of the deceased Member. If the parties cannot reach an agreement on the value within 30 days after the appointment of the personal representative of the deceased Member, then the surviving Members and the personal representative each must select a qualified appraiser within the next succeeding 30 days. The appraisers so selected will each then independently determine a fair market value for the Interest. If the Members and personal representative are still unable to agree on a value within 30 days of being selected, then the two appraisers will select a third appraiser within 30 days of reaching an impasse. The third appraiser shall review the values ascribed to the Interest by the first two appraisers, and then solely determine a fair value for the Interest of the decedent. That amount will be final and binding on all parties and their respective successors, assigns, and representatives. The costs and expenses of the third appraiser and any costs and expenses of the appraiser retained but not paid for by the estate of the deceased Member will be offset against the purchase price paid for the deceased Member's Interest in the Company.

(c) Closing of the sale of the deceased Member's Interest in the Company will be held at the office of the Company on a date designated by the Company, not later than 90 days after final determination of fair market value of the deceased Member's Interest in the Company. If no personal representative has been appointed within 60 days after the deceased Member's death, the surviving Members have the right to apply for and have a personal representative appointed.

(d) At closing, the Company will pay the purchase price for the deceased Member's Interest in the Company. If the purchase price is less than $10,000, the

purchase price will be paid in cash; if the purchase price is $10,000 or more, the purchase price will be paid as follows:

(1) $10,000 in cash, bank cashier's check, or certified funds;

(2) The balance of the purchase price shall be paid by the Company executing and delivering its promissory note for the balance, with interest at the prime interest rate stated by primary banking institution utilized by the Company (or its successors and assigns), at the time of the deceased Member's death. Interest will be payable monthly, with the principal sum being due and payable in three equal annual installments. The promissory note will be unsecured and will not have a prepayment penalty.

(e) At closing, the deceased Member's estate or personal representative must assign to the Company all of the deceased Member's Interest in the Company free and clear of all liens, claims, and encumbrances, and further agrees to execute all other instruments as may reasonably be necessary to vest in the Company all of the deceased Member's right, title, and interest in the Company and its assets.

(f) On completion of the purchase of the deceased Member's Interest in the Company, the Ownership Interests of the remaining Members will increase proportionately to their then-existing Ownership Interests.

7.6 ASSIGNMENT BY UNANIMOUS CONSENT OF MEMBERS.

Notwithstanding any of the above provisions of this Article 7, a Member may, with unanimous consent of all of the other remaining members, freely assign the Member's interest in the Company, and upon the terms and conditions as may be agreed upon in a separate writing signed by all members.

7.7 INVOLUNTARY REMOVAL OF MEMBER FOR CAUSE

A Member may be involuntarily removed from the Company if a Member holding a majority interest in the Company, or a combination of Members holding a majority interest (majority percentage of ownership interest) in the Company finds that any of the following circumstances exist:

(a) The Member to be removed committed a felony crime, as such crimes are defined under the laws of the State of Alaska, on the Company's business premises or during the course and scope of Company business;

(b) The Member to be removed negligently, recklessly, knowingly, or intentionally, **and** without the consent of the other Members, shared proprietary Company information with someone outside the Company.

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"Proprietary Company information" includes but is not limited to information regarding the methods and means of producing the Company's products, information regarding the design, construction, and operation of the Company's production facilities, and information regarding the Company's business practices other than such information that is generally available to the Company's customers or the general public.

(c) The Member to be removed accepted employment by, or agreed to provide consulting or other services to, any third party, whether such party is an individual or an entity of some sort, **and** such employment or services involves or is related to the production, sale, or marketing of cannabis products.

(d) The Member to be removed recklessly or intentionally engaged in conduct or committed an act or omission that resulted in severe damage to the Company's interests. "Severe damage to the Company's interests" includes but is not limited to:

i. Damage or destruction of the Company's product in a manner that results in damages or loss exceeding $2,000.00.

ii. Damage or destruction of the Company's production facilities or other business premises in a manner that results in damages or loss exceeding $2,000.

iii. Harm to a third-party that creates liability on the part of the Company in an amount that exceeds $1,000.00.

(e) The Member to be removed recklessly, knowingly, or intentionally engaged in repeated acts or omissions that harm the interests of the Company, after having been notified by a majority of the other Members that such acts or omissions were harmful to the interests of the Company.

If a Member is removed pursuant to this section (Involuntary Removal of Member) the Member's ownership interest shall be purchased as described in Section 7.5 (Death Buyout) above.

ARTICLE 8 - Dissolution and Winding Up of Company

8.1 **DISSOLUTION.** The Company will be dissolved on the happening of any of the following events:

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(a) Sale, transfer, or other disposition of all or substantially all of the property of the Company;

(b) By agreement of all of the Members;

(c) By operation of law; or

(d) By the death, incompetence, expulsion, or bankruptcy of a Member, or the occurrence of any event that terminates the continued membership of a Member in the Company, unless there are then remaining at least the minimum number of Members required by law and all of the remaining Members, within 120 days after the date of the event, elect to continue the business of the Company.

8.2 **WINDING UP.** Upon dissolution of the Company (if the Company is not continued as provided above), the Members must take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed, after any gain or loss realized in connection with the liquidation has been allocated in accordance with Article 3 of this Agreement, and the Members' Capital Accounts have been adjusted to reflect the allocation and all other transactions through the date of the distribution, in the following order:

(a) To payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities to persons or organizations other than Members;

(b) To payment and discharge of any Company debts and liabilities owed to Members; and

(c) To Members in the amount of their respective adjusted Capital Account balances on the date of distribution.

ARTICLE 9 - General Provisions

9.1 **AMENDMENTS.** Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and become effective only upon the written and unanimous approval of all Members.

9.2 **GOVERNING LAW.** This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of Alaska.

9.3 **ENTIRE AGREEMENT; MODIFICATION.** This Agreement constitutes the entire understanding and agreement between the Members with respect to the

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subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the Members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Member unless in writing and signed by all the Members.

9.4 **ATTORNEY FEES.** In the event of any suit or action to enforce or interpret any provision of this Agreement (or that is based on this Agreement), the prevailing party is entitled to recover, in addition to other costs, reasonable attorney fees in connection with the suit, action, or arbitration, and in any appeals. The determination of who is the "prevailing party" and the amount of reasonable attorney fees to be paid to the prevailing party will be decided by the court or courts, including any appellate courts, of by the Arbitrator if the matter is submitted to arbitration..

9.5 **FURTHER EFFECT.** The parties agree to execute other documents as may be necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

9.6 **SEVERABILITY.** If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

9.7 **CAPTIONS.** The captions used in this Agreement are for the convenience of the parties only and will not be interpreted so as to enlarge, reduce, modify or alter the terms and provisions of this Agreement.

9.8 **NOTICES.** All notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, directed to the address designated for each Member, or to such other address as a Member may specify by notice given in conformance with these provisions to the other Members.

IN WITNESS WHEREOF, the parties to this Agreement execute this Operating Agreement as of the date and year first above written.

MEMBERS:

Nathan A. Davis

_____ / Signature Date: 7-31-16

Jameson Johnson

_____ / Signature Date: 8-21-16

Dayton G. MacCallum

_____ / Signature Date: 7-31-16

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Alaska Business License # **1041284**

Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

GREEN LIFE SUPPLY LLC

863 6T AVE FAIRBANKS AK 99701

owned by

GREEN LIFE SUPPLY, LLC

is licensed by the department to conduct business for the period

August 22, 2016 through December 31, 2017
for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting
42 - Trade

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Chris Hladick