# LIMITED LIABILITY COMPANY OPERATING AGREEMENT
# OF
# AXION ENTERPRISES, LLC,
# an Alaskan limited liability company

This Limited Liability Company Operating Agreement is adopted effective as of January 1, 2017, by James M.P. Thornton, an individual (the "**Member**"), the sole initial member of Axion Enterprises, LLC, an Alaskan limited liability company (the "**Company**"). Certain capitalized words used herein have the meanings set forth in Section 2 hereof.

## 1. ORGANIZATION

**1.1 General.** The Company was formed as an Alaska limited liability company by the execution and filing of the Articles of Organization (the "**Articles**") with the State of Alaska Division of Corporations, Business and Professional Licensing (the "**Division**") in accordance with the Act, and the rights and liabilities of the Member shall be as provided in such Act as may be modified in this Agreement. In the event of a conflict between the provisions of the Act and the provisions of this Agreement, the provisions of this Agreement shall prevail unless the Act specifically provides that an operating agreement may not change the provision in question.

**1.2 Business Purpose.** The Company may engage in any lawful business activity in which an Alaskan limited liability company may engage, as determined from time to time by the Member, except that the Company shall not engage in the trust company business or in the business of banking or insurance.

**1.3 Name and Address of Company.** The business of the Company shall be conducted under the name "Secret Garden Cannabis" and its principal executive office shall be located at such address as determined from time to time by the Member.

**1.4 Term.** The term of this Agreement shall be coterminous with the period of duration of the Company as provided in the Articles, which is perpetual, unless sooner terminated as provided in this Agreement.

**1.5 Required Filings.** The Member shall cause to be executed, filed, recorded and/or published, such certificates and documents as may be required by this Agreement or by law in connection with the formation and operation of the Company.

**1.6 Registered Agent.** The Company's initial registered agent shall be as provided in the Articles. The registered agent may be changed from time to time by the Member by causing the filing of the name of the new registered agent in accordance with the Act.

**1.7 Tax Status.** The Company shall be treated as disregarded for Federal income tax purposes for so long as it has only one Member.

## 2. DEFINITIONS

For purposes of this Agreement, the terms defined herein below shall have the following meaning unless the context clearly requires a different interpretation:

**2.1** **"Act"** shall mean the Alaska Revised Limited Liability Company Act, as may be amended from time to time.

**2.2** **"Affiliate"** shall mean with respect to any person or entity: (a) any person or entity directly or indirectly controlling, controlled by, or under common control with such person or entity; (b) any person or entity owning or controlling 10% or more of the outstanding voting securities or beneficial interests of such person or entity; (c) any officer, director, general partner, manager, trustee, or anyone acting in a substantially similar capacity as to such person or entity; (d) any person or entity who is an officer, director, general partner, manager, trustee, or holder of 10% or more of the voting securities or beneficial interests of any of the foregoing; and (e) any person or entity related to such person or entity within the meaning of Code Section 267(b).

**2.3** **"Agreement"** shall mean this Limited Liability Company Operating Agreement of the Company, as the same may be amended and/or amended and restated from time to time.

**2.4** **"Capital Contribution"** shall mean the contribution to the capital of the Company by the Member, as provided in Section 3.1 hereof.

**2.5** **"Company"** shall refer to the limited liability company created pursuant to the Articles as governed by this Agreement.

**2.6** **"Distributions"** shall mean any cash (or property to the extent applicable) distributed to the Member arising from the ownership of an interest in the Company.

**2.7** **"Manager"** shall mean the manager of the limited liability company, and shall be James M.P. Thornton, its sole Member.

**2.8** **"Member"** shall mean James M.P. Thornton.

**2.9** **"Net Income"** and **"Net Losses"** shall mean the net income and net losses, respectively, of the Company as determined for federal income tax purposes.

## 3. CAPITAL

**3.1** **Capital Contributions.** The Member may make contributions from time to time at his or her own discretion, which contributions shall be reflected in the books and records of the Company.

**3.2** **Interest.** The Member shall not receive interest on his contributions to the capital of the Company.

## 4. FINANCIAL

**4.1 Fiscal Year.** The fiscal year of the Company shall end on December 31, unless the Member determines that some other fiscal year would be more appropriate and obtains the consent of the Internal Revenue Service to use that other fiscal year.

**4.2 Expenses of the Company.** The Company shall pay or reimburse to the Member any expenses incurred by the Member on behalf of the Company.

**4.3 Net Income, Net Losses and Distributions.**

**(a) Distributions.** Cash shall be distributed at such times and in such amounts as determined by the Member and when distributed shall be distributed to the Member.

**(b) Allocations of Net Income and Net Losses.** Net Income and Net Losses shall be allocated to the Member.

## 5. MANAGEMENT

**5.1 Management of the Company.** The operations and affairs of the Company shall be administered by the Manager. The Manager shall have all authority, rights, and powers conferred by law and those necessary or appropriate to carry out the purposes of the Company as set forth in Section 1.2.

## 6. LIABILITY, RIGHTS AND AUTHORITY OF THE MEMBER.

**6.1 Liability of Member.** Except as specifically provided in this Agreement or the Act, the Member shall not be liable for the debts, liabilities, contracts, or any other obligations of the Company.

## 7. DISSOLUTION AND TERMINATION OF THE COMPANY

**7.1 Events Causing Dissolution.** Notwithstanding any provisions of the Act, the Company shall be dissolved and its affairs shall be wound up only upon the earliest to occur of the following events:

**(a)** The determination of the Member; or

**(b)** Entry of a decree of judicial dissolution pursuant to the Act.

**7.2 Articles of Dissolution.** As soon as possible following the occurrence of any of the events specified in Section 7.1, the Member shall execute Articles of Dissolution in such form as shall be prescribed by the Division and file such Articles as required by the Act.

**7.3 Distribution on Dissolution.** In the event of dissolution, the Member shall take full account of the Company's assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining their fair value, or, if the assets cannot be sold, they shall

be valued and distributed in kind, and shall apply and distribute the proceeds or assets in the following order:

**(a)** To the payment of creditors of the Company;

**(b)** To the creation of any reserves which the Member deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company;

**(c)** To the repayment of any outstanding loans made by the Member to the Company; and

**(d)** To the Member.

## 8. INDEMNIFICATION

**8.1 General.** The Company, its receiver or its trustee, shall indemnify, defend and save harmless the Manager, Member and the Member or any of their Affiliates (each an, "**Indemnitee**") to the fullest extent permitted by applicable law, as the same exists or may hereafter be amended, against all expenses, liabilities and loss (including attorneys' fees, judgments, fines, and amounts paid or to be paid in any settlement approved in advance by the Company, such approval not to be unreasonably withheld) (collectively, "**Indemnifiable Expenses**") actually reasonably incurred or suffered by Indemnitee in connection with any present or future threatened, pending or contemplated investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (collectively, "**Indemnifiable Litigation**") (i) to which Indemnitee is or was a party or is threatened to be made a party by reason of any action or inaction in Indemnitee's capacity as a manager, director, officer or employee of the Company, or (ii) with respect to which Indemnitee is otherwise involved by reason of the fact that Indemnitee is or was serving as a manager, director, officer, employee or agent of the Company, or of any subsidiary or division, or is or was serving at the request of the Company as a manager, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

**8.2 Interim Expenses.** The Company agrees to pay Indemnifiable Expenses incurred by Indemnitee in connection with any Indemnifiable Litigation in advance of the final disposition thereof, provided, however, the Indemnitee shall repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company as authorized hereby or otherwise. The advances to be made hereunder shall be paid by the Company to the Indemnitee within ten (10) days following delivery of a written request therefor by the Indemnitee to the Company.

## 9. MISCELLANEOUS

**9.1 Binding on Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Member.

**9.2 Severability.** If any provision of this Agreement is declared by a court of competent jurisdiction to be void or unenforceable, such provision shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in effect.

**9.3 Notices.** All notices under this Agreement shall be in writing and shall be given to the person entitled thereto, by personal service, or by mail, first class postage prepaid and addressed to the address maintained by the Company for that person or at any other address that he or she specifies in writing.

**9.4 Captions.** Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenient reference. The titles and captions in no way define, limit, extend, or describe the scope of this Agreement nor the intent of any provision hereof.

**9.5 Choice of Law.** This Agreement shall be construed under the laws of the State of Alaska, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any other jurisdiction.

**9.6 Amendment.** This Agreement and the Articles may only be amended in writing by the Member.

**[Signature Page Follows]**

IN WITNESS WHEREOF, the Member has signed this Agreement on the date first above written.

SOLE MEMBER:

James M.P. Thornton

Department of Commerce, Community, and Economic Development

# Division of Corporations, Business and Professional Licensing



## Name(s)

| Type | Name |
|---|---|
| Legal Name | Axion Enterprises, LLC |

## Entity Details

**Entity Type:** Limited Liability Company
**Entity #:** 10047615
**Status:** Good Standing
**AK Formed Date:** 12/27/2016
**Duration/Expiration:** Perpetual
**Home State:** ALASKA
**Next Biennial Report Due:** 1/2/2018
**Entity Mailing Address:** BOX 1611, GIRDWOOD, AK 99587
**Entity Physical Address:** 10330 OLD SEWARD HWY, ANCHORAGE, AK 99515

## Registered Agent

**Agent Name:** Jana Weltzin
**Registered Mailing Address:** 3003 MINNESOTA DRIVE, SUITE 201, ANCHORAGE, AK 99503
**Registered Physical Address:** 3003 MINNESOTA DRIVE, SUITE 201, ANCHORAGE, AK 99503

## Officials

Show Former

| AK Entity # | Name | Titles | Owned |
|---|---|---|---|
| | James M.P. Thornton | Member, Manager | 100 |

## Filed Documents

| Date Filed | Type | Filing | Certificate |
|---|---|---|---|
| 12/27/2016 | Creation Filing | Click to View | Click to View |
| 12/27/2016 | Initial Report | Click to View | |
| 4/24/2017 | Change of Officials | Click to View | |

**Juneau Mailing Address**
P.O. Box 110806
Juneau, AK 99811-0806
**Physical Address**
333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770
**Phone Numbers**
Main Phone: (907) 465-2550
FAX: (907) 465-2974

**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

State of Alaska © 2017