Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	Alaska Loven It, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10056827
Status: Good Standing
AK Formed Date: 4/20/2017
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2019
Entity Mailing Address: PO BOX 1571, HOMER, AK 99603
Entity Physical Address: 2908 KACHEMAK DRIVE, HOMER, AK 99603

REGISTERED AGENT

Agent Name: Dan Coglianese
Registered Mailing Address: PO BOX 1571, HOMER, AK 99603
Registered Physical Address: 2908 KACHEMAK DRIVE, HOMER, AK 99603

OFFICIALS

☐ Show Former

AK Entity #	Name	Titles	Owned
	Dan Coglianese	Member	50
	Janiese Stevens	Member	50

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
4/20/2017	Creation Filing	Click to View	Click to View
7/31/2017	Initial Report	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

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AK Entity #: 10056827
Date Filed: 07/31/2017
State of Alaska, DCCED

THE STATE of ALASKA

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

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Limited Liability Company

Initial Biennial Report

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Entity Name: Alaska Loven It, LLC
Entity Number: 10056827
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent

Name: Dan Coglianese
Physical Address: 2908 KACHEMAK DRIVE, HOMER, AK 99603
Mailing Address: PO BOX 1571, HOMER, AK 99603

Entity Physical Address: 2908 KACHEMAK DRIVE, HOMER, AK 99603

Entity Mailing Address: PO BOX 1571, HOMER, AK 99603

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Janiese Stevens	PO Box 8593, Kodiak, AK 99615	50	Member
Dan Coglianese	PO Box 1571, Homer, AK 99603	50	Member

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

New NAICS Code (optional):

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

Name: Lynda Gilliland

Alaska Entity #10056827

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

Certificate of Organization

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

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

Alaska Loven It, LLC

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective April 20, 2017.

Chris Hladick
Commissioner

Alaska Business License # **1052906**

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

ALASKA LOVEN IT, LLC

PO BOX 1571 HOMER AK 99603

owned by

ALASKA LOVEN IT, LLC

is licensed by the department to conduct business for the period

April 20, 2017 through December 31, 2017
for the following line of business:

11 - Agriculture, Forestry, Fishing and Hunting

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

AK Entity #: 10056827
Date Filed: 04/20/2017
State of Alaska, DCCED

THE STATE
of ALASKA

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

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Articles of Organization

Domestic Limited Liability Company

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1 - Entity Name

Legal Name: Alaska Loven It, LLC

2 - Purpose

Cultivation

3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

4 - Registered Agent

Name: Dan Coglianese
Mailing Address: PO Box 1571, Homer, AK 99603
Physical Address: 2908 Kachemak Drive, Homer, AK 99603

5 - Entity Addresses

Mailing Address: PO Box 1571, Homer, AK 99603
Physical Address: 2908 Kachemak Drive, Homer, AK 99603

6 - Management

The limited liability company is managed by its members.

7 - Officials

Name	Address	% Owned	Titles
Dan Coglianese			Organizer

Name of person completing this online application

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

Name: Dan Coglianese

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
ALASKA LOVEN IT, LLC

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (this "**Agreement**") is made and entered into effective as of April 20, 2017, by and among the Persons whose signatures appear on the signature page hereof.

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Agreement shall have the meanings (unless otherwise expressly provided herein) as set forth in *Exhibit A*.

ARTICLE 2

FORMATION OF COMPANY

2.1. **Formation.** The Company was formed on April 20, 2017 when the Articles of Organization were executed and filed with the office of the Department of Commerce, Community, and Economic Development of the State of Alaska in accordance with and pursuant to the Act.

2.2. **Name.** The name of the Company is "**Alaska Loven It, LLC**".

2.3. **Principal Place of Business.** The principal place of business of the Company shall be at:

Mailing Address: PO Box 8593, Kodiak, AK 99615
Physical Address: 326 Neva Way, Kodiak, AK 99615.

The Company may locate its places of business at any other place or places as the Members may from time to time deem advisable.

2.4. **Registered Office and Registered Agent.** The Company's initial registered agent and the address of its initial registered office in the State of Alaska are as follows:

Name	Address
Janiese Stevens	Mailing Address: PO Box 8593, Kodiak, AK 99615 Physical Address: 326 Neva Way, Kodiak, AK 99615

The registered office and registered agent may be changed by the Members from time to time by filing an amendment to the Articles of Organization.

2.5. **Term.** The term of the Company shall be perpetual, until the Company is dissolved in accordance with either ARTICLE 13 or the Act.

ARTICLE 3

BUSINESS OF COMPANY

3.1. **Business.** The business of the Company shall be:

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3.1.1. Growing and selling marijuana and activities related thereto pursuant to a State of Alaska License (the "License");

3.1.2. To carry on any lawful business or activity approved by a Majority Interest which may be conducted by a limited liability company organized under the Act; and

3.1.3. To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act.

ARTICLE 4

NAMES AND ADDRESSES OF MEMBERS

The names and addresses of the Members are set forth on attached *Exhibit B*, as amended or restated from time to time.

ARTICLE 5

MEMBERS' RIGHTS AND DUTIES

5.1. **Management.** Subject to ARTICLE 3 and Section 6.3 and except as otherwise expressly provided in this Agreement, the business and affairs of the Company shall be managed by the Members. Except as otherwise expressly provided in this Agreement, the Members shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. Without limiting the generality of the foregoing, the Members shall have power and authority, on behalf of the Company (the "**Included Powers**"):

5.1.1. To acquire property from any Person as the Members may determine, and the fact that a Member is an Affiliate of such Person shall not prohibit the Members from dealing with that Person;

5.1.2. To borrow money from financial institutions, the Members, or Affiliates of the Members on such terms as the Members deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

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

5.1.4. Except as provided herein, to acquire, improve, manage, charter, operate, sell, transfer, exchange, encumber, pledge or dispose of any real or personal property of the Company;

5.1.5. To invest Company funds temporarily in time deposits, short-term governmental obligations, commercial paper or other short-term investments;

5.1.6. To execute instruments and documents, including without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary to the business of the Company;

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

5.1.8. To enter into any and all other agreements with any other Person for any purpose, in such form as the Members may approve;

5.1.9. From time to time open bank accounts in the name of the Company, and the Members shall be the sole signatory thereon, unless the Members determine otherwise; and

5.1.10. To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Unless authorized to do so by this Agreement no employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

5.2. **Reimbursement.** The Members shall be reimbursed by the Company for reasonable out-of-pocket expenses incurred by the Members in connection with the Company's business, including without limitation expenses incurred in the organization of the Company and the placement of the Membership Interests.

5.3. **Limitation on Liability; Indemnification.** Neither the Members nor any Affiliate of the Members shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or gross negligence. The Company shall indemnify and hold harmless the Members, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Person of liability for fraud, misconduct, bad faith or negligence. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a party other than a Member, and (iii) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

ARTICLE 6

RIGHTS AND OBLIGATIONS OF UNIT HOLDERS

6.1. **Limitation of Liability.** Each Unit Holder's liability shall be limited as set forth in this Agreement and the Act.

6.2. **Liability for Company Obligations.** Unit Holders shall not be personally liable for any debts, obligations or liabilities of the Company beyond their respective initial Capital Contributions

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and any obligation of the Unit Holders under Section 8.2 to make additional Capital Contributions, except as otherwise provided by law.

6.3. **Member's Approval Required:**

6.3.1. **Approval of Sale of All Assets.** The Company shall not sell, exchange, or otherwise dispose of all, or substantially all, of its assets except in the ordinary course of business without the affirmative vote of the holders of a Majority Interest.

6.3.2. **Termination of Activities.** The Company shall not terminate its activities without the affirmative vote of the holders of a Majority Interest.

6.3.3. **Change of Purpose.** The Company shall not change its purpose without the affirmative vote of the holders of a Majority Interest.

6.4. **Inspection of Records.**

6.4.1. **Inspection of Required Records**. Upon fourteen days written demand made in a record received by the Company, each Member shall have the right to inspect and copy, at such Member's expense during ordinary business hours, the records required to be maintained by the Company pursuant to Section 11.5. The Company may redact any records to protect information specified in Section 6.4.2 unless the Member meets the requirements of Section 6.4.2.

6.4.2. **Inspection of Additional Records**. During ordinary business hours and at a reasonable location specified by the Company, a Member may inspect and copy the following records of the Company if the Member seeks the records for a purpose reasonably related to the Member's interest in the Company; the Member makes a written demand in a record received by the Company, describing with reasonable particularity the records sought and the purpose for seeking the records; and the records sought are directly connected to the Member's purpose:

6.4.2.1. A current and a past list, setting forth the full name and last known mailing address of each member and manager, if any;

6.4.2.2. Excerpts from any meeting of the managers or members, and records of limited liability company action approved by the members or manager without a meeting; and

6.4.2.3. Accounting records of the limited liability company.

6.4.3. **Response to Request for Additional Records**. Within fourteen days after receiving a demand pursuant to Section 6.4.2, the Company will in writing inform the Member that made the demand: what records the Company will provide in response to the demand; when and where the Company will provide the records; and if the Company declines to provide any demanded records, the Company's reasons for declining.

6.4.4. **Rights of Disassociated Unit Holders**. A person dissociated as a Member may inspect and copy the records set forth in Section 11.5 during ordinary business hours in the limited liability company's principal office if the records pertain to the period during which the person was a Member; the person seeks the records in good faith; and the person meets the requirements of Section 6.4.2. Company must respond to a demand made pursuant to this Section in the same manner as provided in Section 6.4.3.

6.4.5. **Confidentiality Agreement**. The Company may require any Member who requests to review the type of records set forth in Section 6.4.2 to sign a confidentiality agreement prior to viewing those records.

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6.4.6. **Restrictions on Access Reasonable**. The Members acknowledge and agree that the provisions of this section do not unreasonably restrict a Member's access to the records of the Company. The Company may impose reasonable restrictions on the use of records and information obtained under Section 6.4.

6.5. **No Priority on Return of Capital.** Except as expressly provided in ARTICLE 9, no Unit Holder shall have priority over any other Unit Holder, either as to the return of Capital Contributions or as to Net Profits, Net Losses, or Distributions; provided, that this Section 6.5 shall not apply to loans made by a Member to the Company.

6.6. **Withdrawal of Unit Holder.** Except as expressly permitted in this Agreement, no Unit Holder shall voluntarily resign or otherwise withdraw as a Unit Holder. Except as otherwise expressly provided herein or approved by a Majority Interest held by Remaining Members, a resigning or withdrawing Member shall become an Economic Interest Owner. The remedy for breach of this Section 6.6 shall be monetary damages (and not specific performance), which may be offset against Distributions to which such Person would otherwise be entitled.

ARTICLE 7

MEETINGS OF MEMBERS

7.1. **Annual Meeting.** Annual meetings are not required, but are strongly recommended. The annual meeting of the Members may be held in the month of November, or at such other time as shall be determined by the Members.

7.2. **Special Meetings.** Special meetings of the Members, for any purpose or purposes, may be called by the Members holding at least ten percent of the Membership Units. The purpose of a Special Meeting shall be stated in the Notice.

7.3. **Place of Meetings.** The Members may designate any place, either within or outside the State of Alaska, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting is called, the place of meeting shall be the principal place of business of the Company specified in ARTICLE 2.

7.4. **Notice of Meeting.** Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered to each Member entitled to vote at such meeting not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the Members calling the meeting. If mailed, such notice shall be deemed to be delivered two calendar days after being deposited in the United States Mail, addressed to the Member, with postage thereon prepaid.

7.5. **Record Date.** For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Distribution, the date on which notice of the meeting is mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.6. **Quorum.** A Majority Interest represented in person or by proxy shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a Majority Interest may adjourn the meeting from time to time for a period not to exceed sixty days without further

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notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Membership Units whose absence would cause less than a quorum.

7.7. **Manner of Acting.** If a quorum is present, the affirmative vote of a Majority Interest shall constitute an act of the Members, unless the vote of a greater or lesser percentage is required by this Agreement.

7.8. **Proxies.** At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with the Members before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

7.9. **Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, executed by Members entitled to vote thereon and delivered to the Members for inclusion in the Company's minutes. Action taken without a meeting is effective when all Members entitled to vote thereon have signed such consents, unless such consents specify a different effective date.

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

7.11. **Telephone Meetings.** Members may participate in a meeting of the Members by means of a conference telephone or similar communications equipment that enables all persons participating in the meeting to hear each other during the meeting. Participation by such means shall constitute presence in person at a meeting.

ARTICLE 8

CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1. **Members' Initial Capital Contributions.** Each Member shall contribute such amount as is set forth in attached *Exhibit B* as such Member's share of the Members' initial Capital Contribution.

8.2. **Additional Contributions.** Each Unit Holder shall be required to make such additional Capital Contributions as shall be determined by the Members from time to time. Written notice consistent with this Agreement shall be given to all Unit Holders. Nothing contained in this Section 8.2 is or shall be deemed to be for the benefit of any Person other than the Unit Holders and the Company, and no such Person shall under any circumstances have any right to compel any actions or payments by the Unit Holders.

8.2.1. **Failure to Make a Capital Contribution.** If a Unit Holder (the "**Non-Contributing Unit Holder**") fails to make a Capital Contribution required pursuant to Section 8.2 on or before thirty days following the receipt of a notice of required contribution given by the Members and such Capital Contribution is made on the Non-Contributing Unit Holder's behalf by

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the Contributing Unit Holders, the contributing Members by Majority Interest may at their option exercise any of the remedies set forth in Section 8.2.1.1 below.

8.2.1.1. **Remedies.** The following remedies are available for exercise by the Contributing Members:

8.2.1.1.1. **Treat Contribution as a Loan.** Each of the Contributing Members may elect to treat the Unit Holders' share of the Non-Contributing Unit Holder's contribution made pursuant to Section 8.2.1 as a loan to the Non-contributing Unit Holder, which loan shall bear interest at a per annum rate equal to the lesser of (i) the US Prime Rate as announced by the Borrowing Benchmarks Section of the Wall Street Journal, which rate is the base rate on corporate loans posted by at least 70% of the 10 largest US Banks, or successor publication, plus Two Percent, or (ii) the maximum rate allowed by applicable law. The principal amount of such loan plus accrued interest shall be due on demand and shall be paid out of the next Distribution that would have otherwise been made to the Non-Contributing Unit Holder.

8.2.1.1.2. **Reduction of Non-Contributing Unit Holder's Units.** Each of the Contributing Members may elect to reduce the Units of the Non-Contributing Unit Holder and increase the Contributing Unit Holders' Units. The amount of the adjustment shall be calculated in proportion to the change in the Unit Holders' balances in their respective Capital Accounts.

8.2.1.1.3. **Lawsuit.** The Contributing Members may choose to commence a lawsuit in a court of competent jurisdiction to enforce the contribution.

8.2.1.2. **Election of Remedies.** To the extent that the remedies are not cumulative or do not result in unjust enrichment, the Contributing Members may elect more than one of the above-named remedies.

8.3. **Capital Accounts.**

8.3.1. **Establishment and Maintenance.** A separate Capital Account will be maintained for each Unit Holder throughout the term of the Company in accordance with the rules of Regulation Section 1.704-1(b)(2)(iv).

8.3.2. **Compliance with Regulations.** The manner in which Capital Accounts are to be maintained pursuant to this Section 8.3 is intended to comply with the requirements of Code Section 704(b) and the Regulations promulgated thereunder. If in the opinion of the Company's tax professionals the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.3 should be modified in order to comply with Code Section 704(b) and the Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.3, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Unit Holders.

8.3.3. **Withdrawal or Reduction of Unit Holders' Contributions to Capital.** A Unit Holder shall not receive out of the Company's property any part of the Unit Holder's Capital Contribution until all liabilities of the Company, except liabilities to Unit Holders on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to

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pay them. A Unit Holder, irrespective of the nature of the Unit Holder's Capital Contribution, has only the right to demand and receive cash in return for the Unit Holder's Capital Contribution.

ARTICLE 9

ALLOCATIONS OF NET PROFITS AND LOSSES

9.1. **Allocation of Net Profit and Loss - In General.**

9.1.1. **Allocation of Net Profit and Loss -- In General.** After giving effect to the special allocations set forth in Section 9.1.2, Net Profit or Net Loss for any fiscal year of the LLC shall be allocated among the Unit Holders in accordance with their respective Units.

9.1.2. **Special Allocations.** The following special allocations shall be made for any fiscal year of the LLC in the following order:

9.1.2.1. **Minimum Gain Chargeback.** If there is a net decrease in LLC Minimum Gain (as defined in Regulation Sections 1.704-2(b) and 1.704(d)) during any LLC fiscal year, each Unit Holder shall be specifically allocated items of LLC income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Unit Holder's share of the net decrease in LLC Minimum Gain, determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(g) (2). The items to be so allocated, and the manner in which those items are to be allocated among the Unit Holder's, shall be determined in accordance with Regulation Sections 1.704-2(f) (6) and 1.704-2(j) (2). This Section 9.1.1 is intended to satisfy the Minimum Gain chargeback requirement in Regulation Section 1.704-2(f) and shall be interpreted and applied accordingly.

9.1.2.2. **Unit Holder Minimum Gain Chargeback.** If there is a net decrease in Unit Holder Minimum Gain during any LLC fiscal year, each partner who has a share of that Unit Holder Minimum Gain, determined in accordance with Regulation Section 1.704-2(i) (5), shall be specifically allocated items of LLC income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Unit Holder's share of the net decrease in Unit Holder Minimum Gain, determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(i)(5). The items to be so allocated, and the manner in which those items are to be allocated among the Unit Holders, shall be determined in accordance with Regulation Sections 1.704-2(i) (4) and 1.704-2(j) (2). This Section 9.1.2.2 is intended to satisfy the Minimum Gain chargeback required in Regulation Section 1.704-2(i)(4) and shall be interpreted and applied accordingly.

9.1.2.3. **Qualified Income Offset.** If any Unit Holder unexpectedly receives any adjustments, allocations, or Distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), that reduces such Unit Holder's Capital Account balance below zero, items of LLC income and gain shall be specifically allocated to such Unit Holder in an amount and in a manner sufficient to eliminate as quickly as possible, to the extent required by Regulation Section 1.704-1(2)(ii)(d), the such deficit Capital Account of the Unit Holder (which deficit Capital Account shall be determined as if all other allocations provided for in this Section 9.1.2.3 have been tentatively made as if this Section 9.1.2.3 were not in this Agreement). This Section 9.1.2.3 is intended to satisfy the qualified income offset required in Regulation Section 1.704-1(b)(2)(ii) and shall be interpreted and applied accordingly.

9.1.2.4. **Nonrecourse Deductions.** The amount of nonrecourse Deductions (as defined in Regulation Section 1.704-2(b)(1) shall for the LLC be determined pursuant to Regulation

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Section 1.704-2(c). Nonrecourse Deductions shall be allocated among the Unit Holders in accordance with their respective Units.

9.1.2.5. **Unit Holder Nonrecourse Deductions.** Any Unit Holder Nonrecourse Deductions (as defined in Regulation Section 1.704-2(b)(1) and (2) shall be specially allocated among the Unit Holders in accordance with Regulation Section 1.704-2(i).

9.1.3. **Other Allocation Rules.**

9.1.3.1. **General.** Except as otherwise provided in this Agreement, all items of LLC income, gain, loss, deduction, and any other allocations not otherwise provided for shall be allocated among the Unit Holders in the same proportions as they share Net Profits or Net Losses, as the case may be, for the year.

9.1.3.2. **Allocation of Recapture Items.** In making any allocation among the Unit Holders of income or gain from the sale or other disposition of a LLC asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Unit Holders who were previously allocated the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

9.1.3.3. **Allocations in Connection with Varying Interest.** If, during a LLC fiscal year, there is (i) a permitted transfer of a LLC Interest under this Agreement during a LLC fiscal year or (ii) the admission of a Member or additional Members, Net Profit, Net Loss, each item thereof, and all other Tax Items of the LLC for such period shall be allocated among the Unit Holders by taking into account their varying interests during such fiscal year in accordance with Code Section 706(d) and using any conventions permitted by Law and selected by the Members.

9.1.3.4. **Items Specially Allocated.** Notwithstanding any other provision of this ARTICLE 9, any items that are specially allocated pursuant to Section 9.1 shall not be taken into account in computing Net Profit or Net Loss.

9.2. **Computation of Net Profit or Loss.** The Net Profit or Net Loss of the Company, for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

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ARTICLE 10

DISTRIBUTIONS

10.1. **Cash Distributions**.

10.1.1. **Nonliquidating Distributions.** Distributions of Distributable Cash, other than Distributions in liquidation shall be made to the Unit Holders upon a vote of a Majority Interest. The Members shall in any case endeavor to distribute at least enough Distributable Cash to allow each of the Unit Holders to make their required tax contributions from the Distributions (the "Tax Distributions"). Provided however, except for any Tax Distributions, any Unit Holder loans to the Company, including additional capital contributions pursuant Section 8.2, will be repaid in full prior to any Distributions to the Unit Holders.

10.1.2. **Distributions in Liquidation**. Notwithstanding Section 10.1.1, Distributions in liquidation of the Company shall be made to each Unit Holder in the manner set forth in 13.4.

10.2. **Distributions in Kind**. Non-cash assets, if any, shall be distributed in a manner that reflects how cash proceeds from the sale of such assets for fair market value would have been distributed (after any unrealized gain or loss attributable to such non-cash assets has been allocated among the Unit Holders in accordance with ARTICLE 9).

10.3. **Withholding; Amounts Withheld Treated as Distributions**. The Members are authorized to withhold from Distributions, or with respect to allocations or payments, to Unit Holders and to pay over to the appropriate federal, state, or local governmental authority any amounts required to be withheld pursuant to the Code or provisions of applicable state or local law. All amounts withheld pursuant to the preceding sentence in connection with any payment, Distribution, or allocation to any Unit Holder shall be treated as amounts distributed to such Unit Holder for all purposes of this Agreement.

10.4. **Limitation Upon Distributions**. No Distribution shall be declared and paid unless, after the Distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Unit Holders on account of their contributions.

ARTICLE 11

ACCOUNTING, BOOKS, AND RECORDS

11.1. **Accounting Principles**. The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as the Members determine is in the best interest of the Company and its Unit Holders.

11.2. **Interest on and Return of Capital Contributions.** No Unit Holder shall be entitled to interest on the Unit Holder's Capital Contribution or to return of the Unit Holder's Capital Contribution, except as otherwise specifically provided for herein.

11.3. **Loans to Company.** Nothing in this Agreement shall prevent any Unit Holder from making secured or unsecured loans to the Company.

11.4. **Accounting Period.** The Company's accounting period shall be the calendar year.

11.5. **Records, Audits and Reports.** At the expense of the Company, the Members shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

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11.5.1. A copy of its Articles of Organization and all amendments thereto;

11.5.2. A copy of any limited liability company agreement made in a record and any amendments made in a record to a limited liability company agreement;

11.5.3. Unless contained in its Articles of Organization, a statement in a record of:

11.5.3.1. The amount of cash and a description and statement of the agreed value of the other benefits contributed and agreed to be contributed by each member;

11.5.3.2. The times at which or events on the happening of which any additional contributions agreed to be made by each member are to be made;

11.5.3.3. Any right of any member to receive distributions which include a return of all or any part of the member's contribution; and

11.5.3.4. Any events upon the happening of which the limited liability company is to be dissolved and its activities wound up;

11.5.4. A copy of the limited liability company's federal, state, and local tax returns and reports, if any, for the three most recent years;

11.5.5. A copy of any financial statements of the limited liability company for the three most recent years;

11.5.6. A copy of any record made by the limited liability company during the past three years of any consent given by or vote taken of any member pursuant to this chapter or the limited liability company agreement;

11.5.7. A copy of the three most recent Biennial Reports delivered by the limited liability company to the Department of Commerce, Community, and Economic Development of the State of Alaska. ;

11.5.8. A copy of any filed articles of conversion or merger; and

11.5.9. A copy of any certificate of dissolution or certificate of revocation of dissolution.

11.5.10. A copy of the License.

11.6. **Tax Matters Member.**

11.6.1. **Designation.** Janiese Stevens shall be the "**Tax Matters Partner**" of the Company for purposes of Code Section 6221 *et seq*. and corresponding provisions of any state or local tax law.

11.6.2. **Expenses of Tax Matters Partner; Indemnification.** The Company shall indemnify and reimburse the Tax Matters Partner for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses, and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Unit Holders attributable to the Company. The payment of all such expenses shall be made before any Distributions are made to Unit Holders (and such expenses shall be taken into consideration for purposes of determining Distributable Cash) or any discretionary Reserves are set aside by any Members. Neither the Tax Matters Partner nor any Unit Holder shall have any obligation to provide funds for such purpose.

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11.6.3. **Limitation on Liability; Indemnification.** Neither the Tax Matters Partner nor any Affiliate of the Tax Matters Partner shall be liable, responsible or accountable in damages or otherwise to the Company or the Unit Holders for any act or omission by any such Person performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or gross negligence. The Company shall indemnify and hold harmless the Tax Matters Partner, and each director, officer, partner, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Person of liability for fraud, misconduct, bad faith or gross negligence. No Unit Holder shall have any personal liability with respect to the satisfaction of any required indemnification of the above mentioned Persons.

Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (i) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (ii) the legal action is initiated by a party other than a Unit Holder, and (iii) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

11.7. **Returns and Other Elections.** The Members shall cause the preparation and timely filing of all tax and information returns required to be filed by the Company pursuant to the Code and all other tax and information returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Unit Holders within a reasonable time after the end of the Company's fiscal year. Except as otherwise expressly provided to the contrary in this Agreement and except as determined by a vote of a Majority Interest, all elections permitted to be made by the Company under federal or state laws shall be made by the Tax Matters Partner.

ARTICLE 12

TRANSFERABILITY, BEQUEATHS, AND GIFTS

12.1. **Transfers In General.** Except as otherwise expressly provided in this Agreement, a Unit Holder shall not have the right to Transfer all or any part of his or her Units. Each Unit Holder hereby acknowledges the reasonableness of the restrictions on Transfer of Units imposed by this Agreement in view of the Company's purposes and the relationship of the Unit Holders. Accordingly, the restrictions on Transfer contained herein shall be specifically enforceable.

12.2. **Transfers to Immediate Family of Unit Holders.** Unit Holders may freely transfer their Units including full voting rights, if any, to their lineal descendants, or trust or other entity established for the sole benefit of Unit Holder, spouse, or lineal descendants. Unit Holders who are trusts may freely transfer their Units, including full voting rights, if any, to their beneficiaries.

12.3. **Transfers to Other Unit Holders.** Unit Holders may freely transfer their Units including full voting rights, if any, to any other Unit Holder.

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12.4. **Transfer to Janiese's Relation.** Unit Holder, Janiese Stevens may Transfer Units to her cousin's wife, Sinia Maile.

12.5. **Transfer to Entity.** A Unit Holder may Transfer his or her Units to a wholly-owned entity.

12.6. **Compliance with License**. All Transfers, including any Transfer that is permitted pursuant to this Agreement, that would invalidate or impair the License or its use is null and void. Prior to any Transfer, the LLC must receive confirmation from either the State authority or agency administering the License or the attorney for the Company, that a purported Transfer will not invalidate or impair the License or its use. The parties to a Transfer permitted pursuant to this Agreement will timely and in good faith take such actions and execute and deliver such documents to maintain the License in full force and effect.

12.7. **Transfer Not in Compliance.** Transfer of any Units in violation of this Agreement shall be void. The Units, which are the subject matter of such void Transfer shall, immediately upon discovery of the Transfer by the Members, become subject to purchase by the Remaining Members on the terms and conditions set forth in this Agreement. In such event, the period set out below within which the Remaining Members would have the right to acquire the Transferred Units shall measure from the date upon which the Members discover the Transfer.

12.8. **Termination of a Unit Holder.**

12.8.1. **Termination.** A Unit Holder shall be a "**Terminated Unit Holder**" in the event of any of the following:

12.8.1.1. **Entity Dissolution.** If the Unit Holder is an entity, involuntary dissolution, under the laws governing said entity unless cured within thirty days of receipt of notice from the Remaining Members or voluntary dissolution of the entity. A trust shall not constitute an entity for purposes of this Section 12.8.1.1; or

12.8.1.2. **Trust.** If a Unit Holder is a trust, termination of the trust and/or any distribution of the Units owned by the trust to a beneficiary other than the trustor, the surviving spouse of the trustor, or a lineal descendant of the trustor.

12.8.1.3. **Bankruptcy of a Unit Holder.** The filing of a voluntary or involuntary petition with respect to a Unit Holder under the Federal Bankruptcy Code or comparable state law (if such proceeding is not terminated within thirty days of filing), or the making of an assignment for the benefit of a Unit Holder's creditors, or the insolvency of a Unit Holder; or

12.8.1.4. **Involuntary Transfer.** Any Transfer or encumbrance of any Units owned by a Unit Holder other than as permitted by this Agreement as a result of insolvency of the Unit Holder or otherwise.

12.8.2. **Notice**. The Terminated Unit Holder shall immediately upon the occurrence of any event enumerated in Section 12.8.1 provide notice to the Remaining Members of the occurrence of such event.

12.8.3. **Management Authority.** The existence of a Terminated Unit Holder shall not dissolve or terminate the LLC. Its business shall continue without interruption. The Terminated Unit Holder who was a Member shall be deemed to have delegated to the Remaining Members, the Terminated Unit Holder's entire right and interest to participate in the management of the

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LLC, and thenceforth all decisions and actions concerning the LLC shall be made and taken by the Remaining Members alone on behalf of the LLC.

12.8.4. **Remaining Members' Options.** The Remaining Members shall have the option to purchase, all, but not less than all, of the Units of the Terminated Unit Holder. The Purchase Price for the Units purchased pursuant to this Section 12.8.4 shall be established in accordance with Section 12.12.5 below.

12.8.5. **Exercise of Option.** The Remaining Members may exercise the option to purchase the Units of the Terminated Unit Holder by delivering written notice thereof (the "**Exercise Notice**") to the Terminated Unit Holder within sixty days after receipt of notice required by Section 12.8.2 from the Terminated Unit Holder. If the Terminated Unit Holder fails to provide the notice required by Section 12.8.2, the Remaining Members shall provide the Exercise Notice within sixty days after the Remaining Members receive actual knowledge of the occurrence of an event enumerated in Section 12.8.1. Failure to give the Exercise Notice within the required period shall be deemed to be a decision not to exercise the option, and shall terminate the Remaining Members' option rights.

12.9. **Mandatory Buy/Sell.**

12.9.1. **Offer to Sell.** At any time, for any reason a Unit Holder (the "**Offering Unit Holder**") may offer to sell all of the Offering Unit Holder's Units to the other Members for a specified price per Unit payable on terms specified in the offer ("**Offer to Sell**"). The Offer to Sell shall be made by delivering notice thereof to all Members and depositing ten percent of the requested Purchase Price with a licensed escrow company as a security deposit. The Offer to Sell must allow at least sixty days, but not more than ninety days, to respond.

12.9.2. **Extent of Purchasers' Rights.** Each Member shall have the right to purchase that Member's pro rata share, of all, but not less than all, of the Offering Unit Holder's Units at the price per Unit and on the terms as specified in the Offer to Sell. Provided, however, if any Member does not purchase that Member's pro rata share, the other Members shall have the opportunity to purchase the remaining Units pursuant to the general terms set forth in Section 12.12 below.

12.9.3. **Acceptance of Offer.** The Purchasing Members shall exercise the right by giving written notice to the Offering Unit Holder and the other Members, within the time period stated in the Offer to Sell. Failure of any Member to give notice in said manner within the required time period shall be deemed to be a decision not to exercise the offer. If no Members either singly or collectively accept the Offer to Sell, the Members shall be deemed to have made a binding irrevocable offer to sell all of the Members' Units to the Offering Unit Holder for a price equal to the per Unit price in the Offer to Sell multiplied by the number of Units being offered, and upon the same terms and conditions. The Offering Unit Holder shall accept the second offer and the closing of the transaction shall be concluded within thirty days after the expiration of the initial offer period.

12.9.4. **Payment of Purchase Price.** The Purchase Price shall be payable in accordance with the specific terms and conditions of the Offer to Sell. At the time of such payment, the Purchasing Members and Offering Unit Holder shall execute and deliver all documents necessary to evidence the Transfer of the Units as the other party(ies) may reasonably request.

12.10. **Death of Member – Sale by Heirs.**

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12.10.1. **Procedure.** In the event of the death of a Unit Holder, it is understood that the Remaining Members shall be free to carry on the business of this LLC, subject to the following conditions.

12.10.2. **Heirs to Inherit.** The deceased Unit Holder's heirs may inherit all Units owned by the deceased Unit Holder and all rights accompanying those Units. As used herein, the term "heirs" is limited to the persons set forth in Sections 12.2and 12.4.

12.11. **Purchase Option in the Event of Purported Spousal Transfer.** In the event of a purported Spousal Transfer to a Unit Holder's Spouse (but excluding the transfer of said Spouse's community property interest in said Units to a Spouse), the Unit Holder shall give to the LLC and the Remaining Members, within the thirty days after the purported Spousal Transfer a notice of Transfer of Units. The Remaining Members may together or separately purchase in proportion to their Membership Interests the Units subject to this paragraph. Upon the exercise of the Remaining Members option to purchase, the Spouse shall sell the Units covered by this paragraph to the Remaining Members, on the terms and conditions stated in this Agreement.

12.12. **General Terms.** Any purchase and sale required by this Agreement may, at the option of the parties to the purchase and sale, be made upon such terms and at such rate of interest as may be agreed between the parties. In the absence of a mutual agreement, the purchase and sale shall be on the following terms and conditions:

12.12.1. **Members Rights to Participate.** In any situation under this Agreement in which there is more than one Remaining Member and the Remaining Members are provided an offer to purchase or sell an interest pursuant to this Agreement, all of the Remaining Members may purchase or sell (as the case may be) the offered Units in proportion to their Membership Interests, calculated without regard to the Transferring Unit Holder's Units. If one of the Remaining Members fails to purchase (or sell) that Remaining Member's full share, the balance may be purchased (or sold) by the other Remaining Members in proportion to their Membership Interests calculated without regard to the non-purchasing Member's Membership Interests.

12.12.2. **Hold Harmless.** In all cases in which any Member or Members elect to buy the LLC interest of a Selling Unit Holder, the Purchasing Members shall make reasonable provisions to hold the Selling Unit Holder harmless from any personal guarantees and personal liabilities of the Selling Unit Holder which were incurred in connection with the LLC, in compliance with the LLC Agreement, and otherwise in compliance with law. The Selling Unit Holder may immediately upon sale terminate all personal guarantees of LLC obligations.

12.12.3. **Income Prior to Closing.** The Selling Unit Holder shall be entitled to that Unit Holder's pro rata share of income through the date of closing unless otherwise specified in the offer.

12.12.4. **Fair Market Value.** The Fair Market Value of the LLC shall be determined as follows:

12.12.4.1. **Agreed-to-Value.** For thirty days after any event, which requires the establishment of the Fair Market Value of the LLC, the Remaining Members and the Transferring Unit Holder, or the Unit Holder's agent or authorized representative, shall attempt in good faith to reach an agreement concerning the Fair Market Value.

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12.12.4.2. **Board of Valuation.** If no Fair Market Value has been agreed to within the thirty day period referred to above, then the Fair Market Value shall be established by the FMV Appraiser.

12.12.5. **Purchase Price**. The Transferring Unit Holder, agent, or authorized representative, and the Purchasing Members, as a group, shall each appoint, at their own cost, a Qualified Appraiser within fifteen days. If only one Qualified Appraiser is so appointed within this 15-day period, that single appointed Qualified Appraiser shall serve as the FMV Appraiser and shall unilaterally establish the Fair Market Value by issuing an opinion in writing. In the event more than one Qualified Appraiser is appointed, the appointed Qualified Appraisers shall together appoint a third Qualified Appraiser who shall serve as the FMV Appraiser and shall establish the Fair Market Value. The appointment of a Qualified Appraiser shall be made by a written instrument delivered to the other party. The FMV Appraiser shall take into account such generally accepted factors for valuation of a limited liability company as the FMV Appraiser may deem appropriate. The cash proceeds of any life insurance policy received as the result of the death of a Unit Holder shall not be included as an LLC asset for purposes of valuating the LLC. Within sixty days of selection of the FMV Appraiser, the FMV Appraiser shall report in writing on the Fair Market Value. The date of this report shall be deemed the date of establishment of the Fair Market Value. The cost of the FMV Appraiser shall be paid by the LLC. The cost of each Qualified Appraiser who is not a FMV Appraiser shall be paid by the party who selected that Qualified Appraiser. Once the Fair Market Value of the LLC has been determined by the FMV Appraiser, the value of the Transferring Unit Holder's Units shall be determined by dividing the Fair Market Value by the number of Units outstanding to reach the "**Per Unit FMV**". The Per Unit FMV shall be then multiplied by the number of Units held by the Transferring Unit Holder to reach the "**Total Unit FMV**". The FMV Appraiser shall then determine the appropriate minority or transferability discounts (the "**Discounts**"). In the event that the FMV Appraiser lacks expertise in determining discounts, a discount appraiser shall be selected using the same methodology as the selection of the FMV Appraiser. The cost of the discount analysis shall be paid by the Company. The Discounts are then applied to the Total Unit FMV to reach the "**Purchase Price**".

12.12.6. **Terms and Note.** There will be a down payment of twenty percent of the Purchase Price paid on Closing (the "**Down Payment**"). The balance of the Purchase Price shall be evidenced by a promissory note, which shall provide that upon default of any payment of interest or principal, the full amount of the note shall become due and payable immediately, and the Transferring Unit Holder shall be entitled to costs and reasonable attorney's fees ("**Promissory Note**"). The Promissory Note shall also permit the Purchasing Members to prepay the principal in full or in part at any time. The remaining balance on the Promissory Note shall be paid in equal annual payments of principal, plus interest on the declining principal balance at an annual rate equal to the US Prime Rate as announced by the Borrowing Benchmarks Section of the Wall Street Journal, which rate is the base rate on corporate loans posted by at least 70% of the ten largest US Banks, or successor publication, plus one percent, amortized over five years, to be made commencing three hundred sixty-five days following the down payment. If any of the Purchasing Members is not an individual, the Promissory Note shall be guaranteed by the principals of that Purchasing Member. The declining balance will be secured by the Company assets.

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12.12.7. **Cash Payment**. The Purchasing Members shall, in their sole and unfettered discretion, always have the option to pay the Purchase Price in cash at Closing.

12.12.8. **Closing.** Subject to the terms and conditions of this Agreement, the Transfer will be completed at a closing (the "**Closing**"). The Closing shall occur within thirty days of the date that the FMV Appraiser transmits or delivers the Purchase Price to the Transferring Unit Holder and the Purchasing Members, or in the event that this Transfer is one in which the Purchase Price is determined without the use of Section 12.12.5, once all conditions precedent have been met, any party to the Transfer may give the other party(ies) written notice of a Closing date, which is not less than sixty days and not more than ninety days thereafter. At Closing, the Selling Unit Holder or his/her/its agent shall deliver to the Purchasing Members an unconditional assignment of the Selling Unit Holder's Units and the Purchasing Members shall deliver to the Selling Unit Holder the Down Payment and Promissory Note. Each party shall pay its own attorneys' fees. All other transactional costs shall be equally divided by the parties.

ARTICLE 13

DISSOLUTION AND TERMINATION

13.1. **Dissolution.** The Company shall be dissolved upon the occurrence of any of the following events:

13.1.1. upon the expiration of any term specified in this Agreement or in the Articles of Organization; or

13.1.2. by the written agreement of Majority Interest.

13.2. **Effect of Bankruptcy, Death, or Incompetency of Unit Holder.** The bankruptcy, death, dissolution, liquidation, termination, or adjudication of incompetency of a Unit Holder shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian, or conservator of such Unit Holder shall have all the rights of such Unit Holder for the purpose of settling or managing the Unit Holder's estate or property. The transfer by such trustee, receiver, executor, administrator, committee, guardian, or conservator of any Units shall be subject to all of the restrictions, hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated, or incompetent Unit Holder.

13.3. **Allocation of Net Profit and Loss in Liquidation.** The allocation of Net Profit, Net Loss, and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of ARTICLE 9 and shall be credited or charged to the Capital Accounts of the Unit Holders in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

13.4. **Winding Up, Liquidation and Distribution of Assets.** Upon dissolution, the Members shall immediately proceed to wind up the affairs of the Company. The Members shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to the Unit Holders in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority:

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13.4.1. First, to repay all outstanding debts and liabilities of the LLC other than loans made by Unit Holders to the LLC;

13.4.2. Next, to pay the interest due on any loans made by the Unit Holders to the LLC;

13.4.3. Next, to repay the principal of such loans;

13.4.4. Next, to set up any Reserves, which the Members reasonably deem necessary for contingent, unmatured, and unforeseen liabilities or obligations of the LLC;

13.4.5. Next, to the Unit Holders having positive Capital Account balances, to each such Unit Holder in the proportion that the Unit Holder's positive Capital Account balance bears to the positive Capital Account balances of all such Unit Holders until all such proceeds have been distributed or all Unit Holders' Capital Account balances have been reduced to zero, whichever occurs first; and

13.4.6. Finally, remaining proceeds shall be distributed among the Unit Holders, to each in proportion to the Percentage Interest.

13.5. **Reserves.** Any remaining Reserves retained under subparagraph 13.4.4 shall be distributed to the Unit Holders, at such time as the Members determine their retention is no longer necessary, in the same manner as they would have been distributed had they not been retained.

13.6. **No Obligation to Restore Negative Capital Account Balance on Liquidation.** Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g), if any Unit Holder has a negative Capital Account balance (after giving effect to all Contributions, Distributions, allocations, and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Unit Holder shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Unit Holder's Capital Account shall not be considered a debt owed by such Unit Holder to the Company or to any other Person for any purpose whatsoever. (See Section 8.2.)

13.7. **Termination.** Except as provided herein, the Members shall comply with the Act or any other applicable law when winding up the affairs of the Company and making the final Distribution of its assets. Upon completion of the winding up, liquidation, and Distribution of the assets, the Company shall be deemed terminated.

13.8. **Certificate of Cancellation.** When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefore and all of the remaining property and assets have been distributed to the Unit Holders, the Members shall file a certificate of cancellation as required by the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

13.9. **Return of Contribution Nonrecourse to Other Unit Holders.** Except as provided by law or as expressly provided in this Agreement, upon dissolution each Unit Holder shall look solely to the assets of the Company for the return of the Unit Holder's Capital Contribution. If the property remaining after the payment or discharge of liabilities of the Company is insufficient to return the contributions of Unit Holders, no Unit Holder shall have recourse against any other Unit Holder.

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ARTICLE 14

INDEPENDENT ACTIVITIES OF MEMBERS

Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to the business of the Company, and neither the Company nor any of the Unit Holders shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom. Provided however, no Member shall violate the Member's implied contractual duty of good faith and fair dealing.

ARTICLE 15

SPOUSAL INTEREST

To the extent that any Units of the LLC issued to a Unit Holder represent the community property of the Unit Holder and spouse, they shall remain such community property regardless of the fact that the Units covered by this Agreement may at some time list the name of the Unit Holder only as a Unit Holder. Any Units of the LLC now held as the separate property of the Unit Holder shall remain the separate property of that Unit Holder as long as title to said Units shall remain in the name of that Unit Holder alone. Notwithstanding the foregoing, for purposes of this Agreement and voting rights, the LLC and other Unit Holders recognize only the participation of the named Unit Holder.

ARTICLE 16

MISCELLANEOUS PROVISIONS

16.1. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Alaska, except its conflict of laws provisions.

16.2. **Amendments.** This Agreement may not be amended except by the unanimous written agreement of all of the Members. The terms and provisions of this Agreement constitute the entire agreement between the parties and supersede and replace all prior agreements between the parties hereto. There are no collateral agreements or representations or warranties other than as expressly set forth or referred to in this Agreement.

16.3. **Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. To the extent that there is any inconsistency between this Agreement and the Act, this Agreement shall control.

16.4. **Subchapter S Election**.

16.4.1. **Actions Revoking S Status.** If the Company has elected to be taxed as a Sub-Chapter S Corporation, the Members shall refrain from taking any action, which would cause the Company to lose its status as an S corporation, unless the Members unanimously agree to such action. Any transfer of Units that would cause the Company to lose its status, as an S corporation, will be void and have no effect.

16.4.2. **Mandatory Dividends.** If the Company has elected to be taxed as a Sub-Chapter S Corporation, the Company will make minimum distributions to the Unit Holders in an amount necessary to cover the Unit Holders' tax liabilities for their pro-rata shares of the Company's

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income to be reported on their individual income tax returns calculated based on the income tax liability of the Unit Holder in the highest tax bracket.

16.4.3. **Termination of Taxable Year in the Event of the Sale and Purchase of all of a Unit Holder's Units.** All of the Unit Holders shall make a special election under the Internal Revenue Code, to effectively close the books of the Company on the date.

16.5. **Headings.** The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

16.6. **Waivers.** The failure of any Person to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

16.7. **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

16.8. **Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

16.9. **Heirs, Successors and Assigns.** Each of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors, and assigns.

16.10. **Creditors And Third Parties.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or third parties.

16.11. **Voting**. All votes, of every kind, should be determined based on the terms of this Agreement.

16.12. **Counterparts/Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. This Agreement and any amendments hereto, to the extent delivered by means of a facsimile machine or Internet mail in portable document format or similar format (any such delivery, an "Electronic Delivery"), shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

16.13. **Investment Representation.** The Units have not been registered under the Securities Act of 1933, the Securities Act of Alaska or any other state securities laws (collectively, the "**Securities Acts**") because the Company is issuing the Units in reliance upon the exemptions from the registration requirements of the Securities Acts, and the Company is relying upon the fact that the Units are to be held by each Unit Holder for investment.

Accordingly, each Unit Holder hereby confirms that the Units have been acquired for such Unit Holder's own account, for investment and not with a view to the resale or distribution thereof and may not be offered or sold to anyone unless there is an effective registration or other

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qualification relating thereto under all applicable Securities Acts or unless Unit Holder delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification is not required. The Unit Holders understand that the Company is under no obligation to register the Units or to assist any Unit Holder in complying with any exemption from registration under the Securities Acts.

16.14. **Notice**. Except as otherwise provided herein, written notice required to be given under the terms of this Agreement shall be delivered either personally or by mail to the Unit Holder at the address listed on Exhibit B hereto, as updated from time to time on the books of the Company, or if to the Company to the then current registered agent. If mailed, such notice shall be deemed to be delivered three business days after being deposited in the United States Mail, addressed to the Unit Holder, with postage thereon prepaid.

16.15. **Disputes; Deadlock in Voting**. If there is a dispute between the Members concerning the interpretation or implementation of this Agreement or a deadlock in voting with respect to any Material Decision which cannot be resolved by participation of all Members, or if there are other irreconcilable differences between the Members, the Members shall resolve the dispute in accordance with the dispute resolution provisions set forth in Section 16.16 below. Subject to the provision of the Act regarding judicial dissolution, initiating a dispute resolution process and prosecuting the same to conclusion, sale, award, or judgment shall not be an event of dissolution or grounds for any kind of accounting, liquidation, or distribution of assets.

16.16. **Dispute Resolution.** The Members shall attempt to resolve all disputes arising out of this Agreement in accordance with this Section. Upon the written request of a Member the dispute shall be submitted to a court of competent subject matter jurisdiction located in Kodiak or Anchorage, Alaska.

16.17. **Attorney Fees.** In the event that any action or proceeding (at law or in equity) shall be commenced by any party hereto for any breach of the agreement or to enforce any provision hereof, the prevailing party or parties shall be entitled to recover from the other party or parties all reasonable attorney's fees and other costs in connection therewith (including all appeals).

ARTICLE 17

REPRESENTATION

IN DRAFTING THIS AGREEMENT TREN WICKSTROM OF MULLAVEY, PROUT, GRENLEY & FOE, LLP, HAS REPRESENTED THE COMPANY, AND NOT THE INDIVIDUAL MEMBERS. EACH OF THE MEMBERS MUST SEEK THEIR OWN SEPARATE INDEPENDENT LEGAL ADVICE, AS WELL AS INDEPENDENT TAX ADVICE REGARDING THIS AGREEMENT AND ALL MATTERS PERTAINING TO THE LLC .

[***Signatures on Following Page***]

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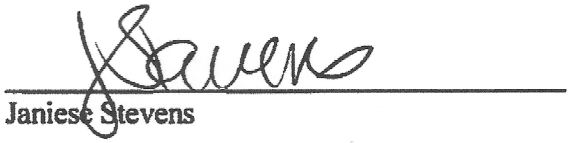
Executed by the undersigned Members effective as of the date first above written.

MEMBERS:



Janiese Stevens

Dan Coglianese

Spousal Consent

The undersigned Spouses hereby consent to and agree to be bound by the terms of this Agreement; including, without limitation, the transferability provisions contained in ARTICLE 12.

_____

[spouse of Janiese Stevens]

_____

[spouse of Dan Coglianese]

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Executed by the undersigned Members effective as of the date first above written.

MEMBERS:

_____
Janiese Stevens

_____
Dan Coglianese

Spousal Consent

The undersigned Spouses hereby consent to and agree to be bound by the terms of this Agreement; including, without limitation, the transferability provisions contained in ARTICLE 12.

_____
[spouse of Janiese Stevens]

_____
[spouse of Dan Coglianese]

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EXHIBIT A

DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"**Act**" means the Alaska Limited Liability Company Act, as may be revised or amended from time to time (AS 10.50 et seq.).

"**Affiliate**" means any related or associated Entity as well as any Entity with common owners.

"**Agreement**" means this Limited Liability Operating Agreement.

"Articles of Organization" means the articles of formation pursuant to which the Company was formed, as originally filed with the Department of Commerce, Community, and Economic Development of the State of Alaska on April 20, 2017, and as amended from time to time.

"**Capital Account**" means the capital account established and maintained for each Unit Holder pursuant to Section 8.3.

"**Capital Contribution**" means the total amount of money and the fair market value of property (net of liabilities secured by such property that the LLC is considered to assume or take subject to under Code Section 752) actually contributed to the LLC by each Unit Holder pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Unit Holder shall include the Capital Contribution made by a predecessor holder of the interest of the Unit Holder.

"**Closing**" shall have the meaning given to it in Section 12.12.8.

"**Code**" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

"**Company**" means **Alaska Loven It, LLC**.

"**Contributing Members**" means those Members who are Contributing Unit Holders.

"**Contributing Unit Holder**" means a Unit Holder who makes a Capital Contribution as required pursuant to Section 8.2.

"**Discounts**" shall have the meaning given to it in Section 12.12.5.

"**Distributable Cash**" means all cash received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and other sums paid or payable to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; and (iii) Reserves.

"**Distribution**" means the transfer of money or property by the Company to one or more Unit Holders without separate consideration.

"**Down Payment**" shall have the meaning given to it in Section 12.12.5.

"**Economic Interest**" means a Unit Holder's share of Net Profits, Net Losses, and other Tax Items of the Company and Distributions of the Company's assets pursuant to this Agreement and

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the Act, but shall not include any right to participate in the management or affairs of the Company, right to the books and records of the Company, or the right to vote on, consent to, or otherwise participate in any decision of the Members.

"**Economic Interest Owner**" means the owner of an Economic Interest who is not a Member.

"**Entity**" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any other organization that is not a natural Person.

"**Exercise Notice**" shall have the meaning given to it in Section 12.8.5.

"**Fair Market Value**" shall mean the amount at which the Company would change hands between a willing buyer and a willing seller neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.

"**FMV Appraiser**" shall mean the individual charged in Section 12.12.5 with determine the Fair Market Value.

"**Included Powers**" shall have the meaning given to it in Section 5.1.

. "**LLC**" means **Alaska Loven It, LLC**.

"**Majority Interest**" means, at any time, more than fifty percent of the then outstanding Membership Units entitled to vote.

"**Material Decision**" means any decision which if unmade could lead to the occurrence of irreparable injury to the Company or the continued irreparable injury to the Company, and/or any decision which if unmade could lead to the business and affairs of the Company no longer being able to be conducted to the advantage of the Unit Holders generally.

"**Member**" means each Person who executes a counterpart of this Agreement as a Member and each Person who may hereafter become a Member.

"**Membership Interest**" means a Member's total interest as a member of the Company, including that Member's share of the Company's Net Profits, Net Losses, Distributable Cash, or other Distributions, its right to the extent provided in the Act, to inspect the books and records of the Company and its right, to the extent specifically provided in this Agreement, to participate in the business, affairs, and management of the Company and to vote or grant consent with respect to matters coming before the Company.

"**Membership Unit**" is a Unit that has equity, voting rights, and profits.

"**Net Losses**" shall have the meaning ascribed to it in Section 9.1.

"**Net Profits**" shall have the meaning ascribed to it in Section 9.1.

"**Non-Contributing Unit Holder**" shall have the meaning given to it in Section 8.2.1.

"**Offering Unit Holder**" shall have the meaning given to it in Section 12.9.1.

"**Offer to Sell**" shall have the meaning given to it in Section 12.9.1.

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"**Percentage Interest**" means with respect to any Unit Holder the percentage determined based upon the ratio that the number of Units held by such Unit Holder bears to the total number of outstanding Units.

"**Per Unit FMV**" shall have the meaning given to it in Section 12.12.5.

"**Person**" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such where the context so permits.

"**Purchase Price**" shall have the meaning given to it in Section 12.12.5.

"**Purchasing Members**" shall mean each Member who desires to purchase and/or purchases the Units of a Selling Unit Holder.

"**Qualified Appraiser**" means someone who is a professional appraiser or Certified Public Accountant who is qualified by experience and ability to appraise the value of the Limited Liability Company.

"**Regulations**" includes proposed, temporary and final Treasury regulations promulgated under the Code and the corresponding Sections of any regulations subsequently issued that amend or supersede such regulations.

"**Remaining Members**" means those Member(s) who remain, or will remain, Members after the Selling Unit Holder who was a Member has ceased being a Member.

"**Reserves**" means, with respect to any fiscal period, funds set aside or amounts allocated during such period to be held for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company's business. Reserves shall be maintained in amounts deemed sufficient by the Members from time to time.

"**Securities Act**" shall have the meaning given to it in Section 16.13.

"**Selling Unit Holder**" means any Unit Holder, or the survivors or legal representative of any deceased or disabled Unit Holder, who is selling Units.

"**Spousal Transfer**" means any transfer of Units to a Spouse who is not a Unit Holder, including but not limited to a transfer pursuant to a Decree of Dissolution, Property Settlement Agreement, Separation Agreement, or other marital transfer/domestic LLC or division of property in contemplation of a dissolution or marital separation.

"**Spouse**" means a spouse, a state registered domestic partner (as the term is defined in Alaska law), or participant in a committed intimate relationship.

"**Terminated Unit Holder**" shall have the meaning given to it in Section 12.8.1.

"**Total Unit FMV**" shall have the meaning given to it in Section 12.12.5.

"**Transfer**" means to sell, assign, exchange, gift, dispose of, bequeath, or otherwise transfer, purport to transfer, or attempt to transfer with or without consideration whether or not by operation of law.

"**Transferring Unit Holder**" means any Unit Holder who ceases being a Unit Holder, or who has ceased to be a Unit Holder for any reason.

"**Unit Holder**" means a Member or an Economic Interest Owner.

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"**Units**" means the Company ownership interest issued to any Member under this Agreement as reflected in attached *Exhibit B*, as amended from time to time or any Company interest owned by an Economic Interest Owner.

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EXHIBIT B

MEMBERS/UNITS/MEMBERSHIP INTEREST/CAPITAL CONTRIBUTIONS
TO
ALASKA LOVEN IT, LLC

Name of Initial Member	**Number of Units/ Membership Interest**	**Capital Investment**
Janiese Stevens PO Box 8593 Kodiak, AK 99615	1,500/50%	cash
Dan Coglianese PO Box 1571 Homer, AK 99603	1,500/50%	cash

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