Department of Commerce, Community, and Economic Development
CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	North Road Buds, LLC

Entity Type: Limited Liability Company

Entity #: 10082771

Status: Good Standing

AK Formed Date: 4/19/2018

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2020

Entity Mailing Address: PO BOX 8704, NIKISKI, AK 99635

Entity Physical Address: 50815 KOSTA RD, NIKISKI, AK 99635

Registered Agent

Agent Name: Sonja Redmond

Registered Mailing Address: PO BOX 3529, SOLDOTNA, AK 99669

Registered Physical Address: 35743 KENAI SPUR HWY, SOLDOTNA, AK 99669

Officials

☐Show Former

AK Entity #	Name	Titles	Owned
	Larry Lewis	Member	10
	Lynn Smith	Member	44
	Vernon Smith	Member	46

Filed Documents

Date Filed	Type	Filing	Certificate
4/19/2018	Creation Filing	Click to View	Click to View
11/13/2018	Initial Report	Click to View	

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Alaska Entity #10082771

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

North Road Buds, LLC

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective April 19, 2018.

Mike Navarre
Commissioner

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing >

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

Confirmation

Your filing is complete. Please print and retain this page for your re

Important entity responsibility information is available by clicking the following link: E

The entity responsibility document should be printed or saved and retained for

Print certificates and filed documents from the entity's detail page. Click here and scroll

Entity Details

Entity Number: 10082771

Legal Name: North Road Buds, LLC

Filing Type: Creation Filing - Domestic Limited Liability Company

Payment Information

Receipt Number: 201800077333

Receipt Date: 4/19/2018 2:12:35 PM

Payer Name: Sonja Redmond

Payment Amount: 250.00

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

Anchorage Mail
550 West
Su

Physical Address

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

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage

Phon

Main Phon
FAX: (9

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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*

COR

FOR DIVISION USE ONLY

Web-4/19/2018 2:11:43 PM

Articles of Organization

Domestic Limited Liability Company

1 - Entity Name

Legal Name: North Road Buds, LLC

2 - Purpose

Any lawful purpose for which a limited liability company may engage in the State of Alaska

3 - NAICS Code

115112 - SOIL PREPARATION, PLANTING, AND CULTIVATING

4 - Registered Agent

Name: Sonja Redmond
Mailing Address: PO Box 3529, Soldotna, AK 99669
Physical Address: 35743 Kenai Spur Hwy, Soldotna, AK 99669

5 - Entity Addresses

Mailing Address: PO Box 8704, Nikiski, AK 99635
Physical Address: 50815 Kosta Rd, Nikiski, AK 99635

6 - Management

The limited liability company is managed by its members.

7 - Officials

Name	Address	% Owned	Titles
Vernon Smith			Organizer
Lynn Smith			Organizer
Larry Lewis			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: Sonja Redmond

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Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

NAME(S)

Type	Name
Legal Name	North Road Buds, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10082771
Status: Good Standing
AK Formed Date: 4/19/2018
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: N/A File Initial Report
Entity Mailing Address: PO BOX 8704, NIKISKI, AK 99635
Entity Physical Address: 50815 KOSTA RD, NIKISKI, AK 99635

REGISTERED AGENT

Agent Name: Sonja Redmond
Registered Mailing Address: PO BOX 3529, SOLDOTNA, AK 99669
Registered Physical Address: 35743 KENAI SPUR HWY, SOLDOTNA, AK 99669

OFFICIALS

AK Entity #	Name	Titles
	Larry Lewis	Organizer
	Lynn Smith	Organizer
	Vernon Smith	Organizer

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FILED DOCUMENTS

Date Filed	Type	Filing
4/19/2018	Creation Filing	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 Mail

550 West
Su
Anchorage

Phon

Main Phon
FAX: (9

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OPERATING AGREEMENT OF

NORTH ROAD BUDS, LLC

AN ALASKA LIMITED LIABILITY COMPANY

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (Agreement) is made and entered on by and among the persons whose signatures appear on the signature page hereof.

ARTICLE 1

Definitions

1.01. **Definitions.** The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

a. "Act" means the Alaska Limited Liability Company Act (AS 10.50).

b. "Articles of Organization" shall mean the Articles of Organization of **NORTH ROAD BUDS, LLC** as filed with the Corporations Section of the State of Alaska as the same may be amended from time to time.

c. "Capital Account" as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question pursuant to Article VIII.

d. "Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Member whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement.

e. "Capital Interest" shall mean the proportion that a Member's positive Capital Account bears to the aggregate positive Capital Accounts of all Members whose Capital Accounts have positive balances as may be adjusted from time to time.

f. "Company" shall refer to **NORTH ROAD BUDS. LLC.**

g. "Distribution Cash" means all cash, revenues, and funds received by the Company from Company operations. 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 all other sums paid to lenders;

ii. All cash expenditures incurred incident to the normal operation of the Company's business;

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iii. Such Reserves as the Members deem reasonably necessary to the proper operation of the Company's business.

h. "Economic Interest" shall mean a Member's or Economic Interest Owner's share of one or more of the Company's Net Profits, Net Losses, and distributions of the Company's assets pursuant to this Operating Agreement and the Alaska Limited Liability Act (AS 10.50), but shall not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision of the Members or Managers, if any.

i. "Economic Interest Owner" shall mean the owner of an Economic Interest who is not a member.

j. "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association, or any foreign trust, or foreign business organization.

k. "Fiscal Year" shall mean the Company's fiscal year, which shall be ending Dec. 31.

l. "IRC" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

m. "Gifting Member" shall mean any member or Economic Interest Owner who gifts, bequeaths, or otherwise transfers for no consideration (by operation of law or otherwise, except for bankruptcy) all or any part of its Membership Interest or Economic Interest.

n. "Majority Interest" shall mean one or more Interests of Members which taken together exceed 50 percent of the aggregate of all Capital Interests.

o. "Manager" shall mean one or more managers, and shall have the same meaning as "Managing Member." Specifically, "Manager" shall mean the person elected to manage the Company pursuant to this Agreement, if any. At any time that the Members shall have elected to have more than one Manager, all such persons so elected shall be referred to as the Managers. References to the Manager in the singular or as him, her, it, itself, or other like references shall also, when the context so requires, be deemed to include the plural or the masculine or feminine reference, as the case may be.

p. "Member" shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members. To the extent a Manager has purchased Membership Interests in the Company, he or she will have all the rights of a Member with respect to such Membership Interests, and the term "Member" as used in this

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Operating Agreement shall include a Manager to the extent he or she has purchased such Membership Interests in the Company. If a Person is a Member immediately before the purchase or other acquisition by such Person of an Economic Interest, that Person shall have all the rights of a Member with respect to the purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

q. "Membership Interest" shall mean a Member's entire interest in the Company, including the Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to the Operating Agreement and the Alaska Limited Liability Act (AS10.50).

r, "Net Profits" and Net Losses" shall mean the income, gain, loss, deductions, and credits of the Company in the Aggregate or separately state, as appropriate, determined in accordance with generally accepted accounting principles employed under the method of accounting at the close of each fiscal year on the Company's information tax return filed for federal income tax purposes.

s. "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

t. "Persons" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of the "Person" when the context so permits.

u. "Reserves" shall mean, for any fiscal period, funds set aside or amounts allocated during such period to reserves that shall be maintained in amounts deemed sufficient by the Members 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.

v. "Selling Member" shall mean any Member or Economic Interest Owner which sells, assigns, pledges, hypothecates or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

w. "Alaska Limited Liability Act" shall mean the Alaska Limited Liability Company Act, et seq.

x. "Transferring Member" shall collectively mean a Selling Member and a Gifting Member.

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y. "Treasury Regulations" shall include proposed, temporary, and final regulations promulgated under the IRC in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede those regulations.

ARTICLE II

Formation of Company

2.01 **Formation.** On 4-19, 2018, **Vern Smith** organized an Alaska Limited Liability Company by executing and filing articles of organization pursuant to the Alaska Limited Liability Act (AS 10.50)

2.02 **Name.** The name of the Company is **North Road Buds, LLC.**

2.03 **Principal Place of Business.** The physical principal place of business of the Company within the State of Alaska shall be 50815 Kosta Rd. Nikiski, AK 99635, with the mailing address PO Box 8704, Nikiski, AK 99635 The Company may locate its places of business and registered office at any other place or places as the Members may from time to time deem advisable.

2.04 **Registered Office and Registration Agent.** The Company's initial registered office shall be at the office of its registered agent at 35743 Kenai Spur Hwy, Soldotna, AK 99669, and name of its initial agent at such address shall be **Sonja Redmond.** The registered office and registered agent may be changed from time to time by filing the address of the new registered office and/or the name of the new registered agent with the Alaska Corporations Section pursuant to the Alaska Limited Liability Act.

2.05 **Term.** The term of the Company shall be perpetual unless the Company is dissolved in accordance with either the provisions of this Operating Agreement or the Alaska Limited Liability Act.

ARTICLE III

Business of Company

3.01 **Permitted Businesses.** The business of the Company shall be:

a. To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets, including, but not limited to, the ownership and operation of income-producing real property.

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b. To exercise all other powers necessary to or reasonably connected with the Company's business that may be legally exercised by limited liability companies under the Alaska Limited Liability Act.

c. To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

ARTICLE IV

Names and Addresses of Members

The names and mailing addresses of the Members are as follows:

Vernon Smith
PO Box 8704
Nikiski, AK 99635

Lynn Smith
PO Box 8704
Nikiski, AK 99635

Larry Lewis
PO Box 403
Kasilof, AK 99610

ARTICLE V

Management of Company

5.01 **Management.** The business and affairs of the Company shall be managed by its Members to the best of their ability. Subject to the provisions of this Operating Agreement concerning the limitations on the authority of Members, the Members, acting as a group, shall have sole authority to manage the Company and are authorized to make any contracts, enter into any transactions, and make and obtain any commitments on behalf of the Company to conduct or further the Company's business. Except if restricted elsewhere in the Operating Agreement, the Members may delegate to a subcommittee of Members, an individual Member, or an employee of the Company any management responsibility or authority. If all management decisions are delegated to one or more, but not all, Members, those Members may be referred to as "Managers" or "Managing Members." If such decisions are delegated to a non-Member employee, that person may be referred to as a "Manager." All delegations of management duties shall require the written consent of two thirds of the managing members.

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5.02 **Non-liability of Members for Acts or Omissions in their Managerial Capacity.** To the full extent permitted by Alaska law, all Members are released from liability for damages and other monetary relief on account of any act, omission, or conduct in the Member's managerial capacity. This release shall not protect a Member from being required by a court to purchase the Membership interest of another Member who successfully contends that the Member has committed actionable oppressive acts to the prejudice of the other Member. No amendment or repeal of this section affects any liability or alleged liability of any Member for acts, omissions, or conduct that occurred prior to the amendment or repeal.

5.03 **Certain Powers of Members and Managers.** Without limiting the generality of § 5.01 above, the Members and Managers (if management has been delegated to Managers) shall have power and authority, on behalf of the Company:

a. To acquire property from any Person as the Members or Managers may determine. The fact that a Member or Manager is directly or indirectly affiliated or connected with any such Person shall not prohibit the Members or Managers from dealing with that Person;

b. To borrow money for the Company from banks, other lending institutions, the Members or Managers, or affiliates of the Members or Managers on such terms as the Members or Manager 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. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Members or Managers, or to the extent permitted under the Alaska Limited Liability Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Members or Managers;

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

d. To hold and own any real and/or personal properties in the name of the Company;

e. To invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments;

f. Upon the affirmative vote of two-thirds of the Managing Members, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as that disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound, provided, however, that the affirmative vote of the Members shall

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not be required with respect to any sale or disposition of the Company's assets in the ordinary course of the Company's business;

g. To execute on behalf of the Company all 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, in the opinion of the Members or Managers, to the business of the Company;

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

i. To enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Members or Managers may approve; and

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

k. Unless authorized to do so by the Operating Agreement, by a majority of the Members of the Company or by the Managers (if any) no attorney-in-fact, 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 pecuniarily for any purpose.

5.04 **Liability for Certain Acts.** The Members (and Managers, if any) shall perform their Managerial duties in good faith, in a manner they reasonably believe to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Member or Manager who so performs such duties shall not have any liability by reason of having exercised managerial duties. A Member or manager does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. Members and Managers shall not be liable to the Company or to any other Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, or a wrongful taking by the Member or Manager.

5.05 **No Exclusive Duty to Company.** The Members (and Managers, if any) shall not be required to manage the Company as their sole and exclusive function and they may have other business interests and may engage in other activities in addition to those relating to the Company.

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Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in such other investments or activities of any Member or Manager or to the income or proceeds derived there-from. The Members (and Managers, if any) shall incur no liability to the Company or to any of the Members as a result of engaging in any other business or venture.

5.06 **Bank Accounts.** The Members (and Managers, if any) may from time to time open bank accounts in the name of the Company, and one or more Members or Managers may be the sole signatories thereon, as determined by the Members.

5.07 **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 interest 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 from which no appeal may be taken, settlement, contract or otherwise. In addition, the Company may advance funds to a person claiming indemnification under this § 5.07 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.

5.08 **Indemnity of the Members, Managers, Employees, and Other Agents.** To the maximum extent permitted under the Alaska Limited Liability Act, the Company shall indemnify the Members (or Managers, if any) in their managerial roles and make advances for expenses. The

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Company shall indemnify its employees and other agents who are not Members to the fullest extent permitted by law, provided that the indemnification in any given situation is approved by Members owning a Majority Interest.

5.09 **Resignation**. Any Member of the Company may elect to not participate in management decisions at any time by giving written notice to the other Members of the Company and by executing a writing authorizing the remaining Members to make all management decisions. Furthermore, any Manager may resign at any time by giving written notice to the Members. Such election by any Member, or resignation by a Manager, shall take effect upon receipt of that notice or at such later time as shall be specified in the notice; and unless otherwise specified in the notice, the acceptance of the election shall not be necessary to make it effective. The election to not participate in managerial decisions shall be for whatever length of time the Member designates and shall not affect the Member's other rights as a Member and shall not constitute a withdrawal of a Member. Likewise, the resignation of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.10 **Removal.** At a meeting called expressly for that purpose, all or any lesser number of Managers may be removed at any time, with or without cause, by the affirmative vote of Members holding a Majority Interest. The removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

5.11 **Salaries.** The salaries and other compensation of the Members and Managers shall be fixed from time to time by an affirmative vote of two thirds of the Managing Members, and no Manager shall be prevented from receiving that salary because the Manager is also a Member of the Company.

5.12 **Reimbursement for Expenses.** The Members and Managers shall be reimbursed by the Company for reasonable out-of-pocket expenses, incurred by them in connection with the Company's business. Any expenses in excess of $500 must be approved in writing by a majority of the Managing Members.

5.13 **Right to Rely on the Members.** Any person dealing with the Company may rely upon a certificate signed by any Member as to the identity and authority of any Member or other person to act on behalf of the Company or any Member.

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ARTICLE VI

Rights and Obligations of Members

6.01 **Limitation of Liability.** Each Member's liability shall be limited as set forth in this Operating Agreement, the Alaska Limited Liability Act, and other applicable law.

6.02 **Company Debt Liability.** A Member will not be personally liable for any debts or losses of the Company beyond the Member's respective Capital Contributions and any obligation of the Member under §8.01 or §8.02 below to make Capital Contributions, except as provided in §6.07 below r as otherwise required by law.

6.03 **List of Members.** Upon written request of any Member, the Member appointed by the Members to keep the Company records shall provide a list showing the names, addresses, and the Membership Interests and Economic Interests of all Members.

6.04 **Approval of Sale of All Assets.** The Members shall have the right, by the affirmative vote of two thirds of the Managing Members, to approve the sale, exchange, or other disposition of all or substantially all, of the Company's assets (other than in the ordinary course of the Company's business) which is to occur as part of a single transaction or plan.

6.05 **Company Books.** In accordance with § 9.09 below, the Members shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member and Economic Interest Owner shall have the right, during ordinary business hours, to inspect and copy those Company documents at the requesting Member's and Economic Interest Owner's expense.

6.06 **Priority and Return of Capital.** Except as may be expressly provided in Article IX, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either for the return of Capital Contributions or for Net Profits, Net Losses, or distributions; provided that this section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

6.07 **Liability of a Member to the Company.** A Member who rightfully receives the return in whole or in part of its contribution is nevertheless liable to the Company only to the extent now or hereafter provided by the Alaska Limited Liability Act. A Member who receives a distribution made by the Company which is either in violation of this Operating Agreement, or made when the Company's liabilities exceed its assets (after giving effect to the distribution) is liable to the Company for a period of six years after the distribution for the amount of the distribution.

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ARTICLE VII

Meetings of Members

7.01 **Annual Meeting.** The annual meeting of the Members shall be held approximately 12 months following the execution of this agreement or at such other time as shall be determined by resolution of the Members, and shall be held approximately every 12 months thereafter for the purpose of the transaction of such business as may come before the meeting.

7.02 **Special Meetings.** Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member or Members holding at least ten (10%) of the Capital Interests.

7.03 **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 be otherwise called, the place of meeting shall be the principal executive office of the Company in the State of Alaska.

7.04 **Notice of Meetings.** Except as provided in § 7.05 below, written notice stating the place, day, and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered no fewer than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the Member(s) or person calling the meeting, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered two calendar days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Company, with postage thereon prepaid.

7.05 **Meeting of All Members.** If all of the Members shall meet at any time and place, either within or outside of the State of Alaska, and consent to the holding of a meeting at that time and place, the meeting shall be valid without call or notice, and at the meeting lawful action may be taken.

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

7.07 **Quorum.** Two Thirds of the Managing Members holding, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, a majority of the Interests so represented may adjourn the meeting from time to

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time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 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 an 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 the meeting of that number of Interests whose absence would cause less than a quorum.

7.08 **anner of Acting.** If a quorum is present, the affirmative vote of a majority of the Members present shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Alaska Limited Liability Act, by the Articles of Organization, or by this Operating Agreement. Unless otherwise expressly provided in this Operating Agreement or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their Capital Interest, vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the members.

7.09 **Proxies.** At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. The proxy shall be filed with the Member in charge of record keeping for the Company before or at the time f the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

7.10 **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, signed by each Member entitled to vote, and delivered to the Member in charge of keeping the Company records for inclusion in the minutes or for filing with the Company records. Action taken under this section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

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

ARTICLE VIII

Contributions to the Company and Capital Accounts

8.01 **Members' Capital Contributions.** Each Member shall contribute such amount as is set forth in the LEDGER OF OWNERSHIP INTERESTS as the member's share of the Initial Capital contribution. Such ledger shall be updated whenever the percentage of ownership interest changes.

8.02 **Additional Contributions.** No Member shall be required to make any additional Capital Contributions.

8.03 **Capital Accounts.** A separate Capital Account will be maintained for each Member.

a. Each Member's Capital Account will be increased by:

i. The amount of money contributed by the Member to the Company;

ii. The fair market value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume to take subject to under IRC §752);

iii. Allocations to the Member of Net Profits and Net Losses; and

iv. Allocations to the Member of income described in IRC §705(a)(1)(B)

b. Each Member's Capital Account will be decreased by:

i. The amount of money distributed to the Member by the Company;

ii. The fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to IRC §752)

iii. Allocations to the Member of expenditures described in IRC §705(a)(2)(B); and

iv. Allocations to the account of the Member of Company loss and deduction as set forth in the relevant Treasury Regulations, taking into account adjustments to reflect book value.

c. In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital

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Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Treasury Regulation §1.704-1(b)(2)(iv).

d. The manner in which Capital Accounts are to be maintained pursuant to this § 8.03 is intended to comply with the requirements of IRC §704(b) and the Treasury Regulations promulgated there-under. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this §8.03 should be modified to comply with IRC §704(b) and the Treasury Regulations there-under, then notwithstanding anything to the contrary contained in the preceding provisions of this §8.03, 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 Members.

e. Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest:, liquidating distributions will be made in accordance with the positive Capital Account balances of the Members and Economic Interest Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs, Liquidation proceeds will be paid within 60 days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to the Member.

f. Except as otherwise required in the Alaska Limited Liability Act (and subject to §8.02 above), no Member or Economic Interest Owner shall have any liability to restore all or any portion of a deficit balance in the Member's or Economic Interest Owner's Capital Account.

8.04 **Withdrawal or Reduction of Members' Contributions to Capital.** A member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

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ARTICLE IX

Allocations of Net Profits and Losses

9.01 **Allocation of Net Profit or Loss.** After giving effect to any special allocations set forth

in the Agreement, the Net Profit or Net Loss for any fiscal year of the Company shall be allocated among the Members in accordance with their respective percentage interests.

9.02 **Limitations.** The Net Loss allocated to each Member for any Company fiscal year pursuant to §9.03 shall not exceed the maximum amount of Net Loss that can be so allocated without causing such Member to have a Deficit Capital Account at the end of the fiscal year. All Net Losses in excess of the limitation set forth in the §9.02 shall be allocated to the other Members who do not have Deficit Capital Accounts in proportion to their respective percentage interests.

9.03 **Other Allocation Rules.**

a. General. Except as otherwise provided in the Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Net Profits or Net Losses, as the case may be, for the year.

b. Allocations in Connection with Varying Interest. If, during a Company fiscal year, there is (i) a permitted transfer of a Membership Interest or Economic Interest under this Agreement or (ii) the admission of a Member or additional Members, Net Profit, Net Loss, each item thereof, and all other tax items of the Company for such period shall be divided and allocated among the Members by taking into account their varying interest during such fiscal year in accordance with Code §706(d) and using any conventions permitted by law and selected by the Members.

9.04 **Determination 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 §703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code §703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

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

9.06 **Interest on and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for in this Operating Agreement.

9.07 **Loans to Company.** Nothing in this Operating Agreement shall prevent any Member

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from making secured or unsecured loans to the Company by agreement with the Company.

9.08 **Accounting Period.** The Company's accounting period shall be a fiscal year ending December 31.

9.09 **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:

a. A current ledger of the full name and last known business, residence, or mailing address, and telephone number of each Member, Economic Interest Owner, and Manager, both past and present, along with the percentage of their respective economic interests;

b. A copy of the Articles of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

c. Copies of the Company's income tax returns and reports, if any, for the seven most recent years;

d. A copy of the following (if any); (1) the Company's currently effective written Operating Agreement; (2) any writings permitted or required with respect to a Member's obligation to contribute cash, property, or services; and (3) any financial statements of the Company for the three most recent years;

e. Minutes of every annual meeting, special meeting, and court-ordered meeting;

f. Any written consents obtained from Members for actions taken by Members without a meeting.

9.10 **Returns or Other Elections.** The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the IRC and all other tax returns deemed necessary and required in each jurisdiction in which the company does business. Copies of those returns, or pertinent information from the returns, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year.

a. All elections permitted to be made by the Company under federal or state laws shall be made by the Members.

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b. **Vern Smith** shall be the "tax matters partner" of the Company for purposes of Code §6221, et seq., and corresponding provisions of any state or local tax law.

c. 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 Members attributable to the Company. The payment of all such expenses shall be made before any distributions are made to Members (and such expenses shall be taken into consideration for purposes of determining distributable cash) or any discretionary reserves are set aside by the members. Neither the tax matters partner nor any Member shall have any obligation to provide funds for such purpose. The provisions for exculpation and indemnification of the Members set forth in §5.07 of this Agreement shall be fully applicable to the Member acting as tax matters partner for the Company.

ARTICLE X

Transferability

10.01 **General.** Except as otherwise specifically provided in this Operating Agreement neither a Member nor an Economic Interest Owner shall have the right to:

a.. Sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration, (collectively, "sell") all or any part of its Membership Interest or Economic Interest;

b.. Gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) all or part of its Membership Interest or Economic Interest.

10.02 **Right of First Refusal.** If a Selling Member desires to sell all or any portion of its Membership Interest or Economic Interest in the Company to a third-party purchaser, the Selling Member shall obtain from such third-party purchaser a bona fide written offer to purchase the interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefore. The Selling Member shall give written notification to the remaining Members, by certified mail or personal delivery, of its intention to so transfer the interest, furnishing to the remaining Members a copy of the aforesaid written offer to purchase the interest.

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a. The remaining Members, and each of them shall, on a basis pro rata to their Capital Interests or on a basis pro rata to the Capital Interests of those remaining Members exercising their right of first refusal, have the right to exercise a right of first refusal to purchase all (but not less than all) of the interest proposed to be sold by the Selling Member upon the same terms and conditions as stated in the aforesaid written offer to purchase by giving written notification to the Selling Member, by certified mail or personal delivery, of their intention to do so within ninety (90) days after receiving written notice from the Selling Member. The failure of all the remaining Members (or any one or more of them) to so notify the Selling member of their desire to exercise this right of first refusal within said ninety (90) day period shall result in the termination of the right of first refusal and the Selling Member shall be entitle dot consummate the sale of its interest in the Company, or such portion of its interest, in any, with respect to which the right of first refusal has not been exercised, to the third-party purchaser.

b. If the remaining Members (or any one or more of the remaining Members) give written notice to the Selling Member of their desire to exercise this right of first refusal and to purchase all of the Selling Member's interest in the Company that the Selling Member desires to sell upon the same terms and conditions as are stated in the aforesaid written offer to purchase, the remaining Members shall have the right to designate the time, date, and place of closing, provided that the date of closing shall be within ninety (90) days after receipt of written notification from the Selling Member of the third-party offer to purchase.

c. In the event of either the purchase of the Selling Member's interest in the Company by a third-party purchaser or the gift of an interest in the Company (including an Economic Interest), and as a condition to recognizing one or more of the effectiveness and binding nature of any such sale or gift and (subject to §10.03 below) substitution of a new Member as against the Company or otherwise, the remaining Members may require the Selling Member or Gifting Member and the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge, and deliver to the remaining Members such instruments of transfer, assignment, and assumption and such other certificates, representations, and documents, and to perform all the other acts that the remaining Members may deem necessary or desirable to:

i. Constitute such purchaser, as a Member, donee, or successor-in-interest as such;

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ii. Confirm that the person desiring to acquire an interest or interests in the Company, or to be admitted as a Member, has accepted, assumed, and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner);

iii. Preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

iv. Maintain the tax treatment of the Company then in effect for federal tax purposes; and

v. Assure compliance with any applicable state and federal laws including securities laws and regulations.

d. Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article X shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given, or, if no such consent was required pursuant to §10.02(e) below, then on such date with which the donee or successor interest complies. The Selling member agrees, upon request of the remaining Members, to execute such certificates or other documents and perform such other acts as may be reasonably requested by the remaining Members from time to time in connection with such sale, transfer, assignment, or substitution. The Selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly from any transfer or purported transfer in violation of this Article X.

e. The Members shall purchase and maintain key man insurance on each Member. Upon the death of a Member, the surviving Members shall apply for and receive the insurance benefits, the proceeds of which shall be used to purchase the deceased Member's ownership interest in the Company. The amount of the key man insurance shall be determined annually by the Members. If at the time of the death of a Member the insurance coverage does not equal the fair market value of the decedent's ownership net share of the company, then the surviving Members shall negotiate a payment

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schedule for the amount not covered by the insurance proceeds. Said amount shall be paid over a period not to exceed five (5) years, with interest to be charged at a mutually agreeable market rate.

10.03 **Transferee Not Member in Absence of Unanimous Consent.** Notwithstanding anything contained in this Operating Agreement to the contrary (including, without limitation, §10.02 above), if all of the remaining Members do not approve by unanimous written consent the proposed sale or gift of the Transferring Member's Membership Interest or Economic Interest to a transferee or donee which is not a Member immediately before the sale or gift, the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee or donee shall be merely an Economic Interest Owner. No transfer of a Member's interest in the Company (including any transfer of the Economic Interest or any other transfer that has not been approved by unanimous written consent of the Members) shall be effective unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the nontransferring Member(s).

a. Upon and contemporaneously with any sale or gift of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by the Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), the Company shall purchase from the Transferring Member, and the Transferring Member shall sell to the Company for a purchase price of $10.00, all remaining rights and interests retained by the Transferring member that immediately before the sale or gift were associated with the transferred Economic Interest.

b. The restrictions on transfer contained in this §10.03 are intended to comply (and shall be interpreted consistently) with the restrictions on transfer set forth in AS 10.05.

ARTICLE XI

Additional Members

11.01 **Admission to Membership.** From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote may become a Member n this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement.

11.02 **Financial Adjustments.** No new Members shall be entitled to any retroactive

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allocation of losses, income, or expense deductions incurred by the company. The Members may, at their option, at the time a new Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of IRC §706(d) and the Treasury Regulations promulgated there-under.

ARTICLE XII

Dissolution and Termination

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

a. Upon expiration of the term specified in §2.05;

b. By the written agreement of all Members; or

c. A person ceases to be a Member upon the occurrence of any of the events of dissociation specified in the Act, unless the business of the Company is continued with the consent of all of the remaining Members within ninety (90) days following the occurrence of such event.

12.02 **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 Articles IX and X and shall be credited or charged to the Capital Accounts of the Members 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.

12.03 **Winding Up, Liquidation and Distribution of Assets.** Upon dissolution, the Members shall immediately proceed to wind up the affairs of the Company, unless the business of the Company is continued as provided in §12.01(c). 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 members in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority;

a. Payment of creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company other than liabilities for distribution to Members.

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b. To establish any reserves that the Members deem reasonably necessary for contingent or unforeseen obligations of the Company, and, at the expiration of such period as the Members shall deem advisable, the balance then remaining in the manner provided in Paragraph c. below;

c. By the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation), to the Members in proportion to the positive balances of their respective Capital Accounts, as determined after taking into account all Capital Account adjustments for the taxable year during which the liquidation occurs (other than those made pursuant to this Paragraph c.).

12.04 **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 §1.704-1(b)(2)(ii)(g), if any Member 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 Member shall have no obligation to make any Capital Contribution to the Company, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

12.05 **Termination.** The Members shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

12.06 **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 Members, 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.

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

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ARTICLE XIII

Miscellaneous Provisions

13.01 **Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided in this Operating Agreement, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and set as aforesaid.

13.02 **Books of Accounts and Records.** Proper and complete records and books of account shall be kept r shall be caused to be kept by the Members in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in the detail and completeness customary and usual for businesses of the type engaged in by the Company. The books and records shall be maintained as provided in §9.09 above. The books and records shall at all times be maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members, Economic Interest Owners, or their duly authorized representatives during reasonable business hours.

13.03 **Application of Alaska Law.** This Operating Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Alaska, and specifically the Alaska Limited Liability Act.

13.04 **Waiver of Action for Participation.** Each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

13.05 **Amendments.** This Operating Agreement may not be amended except by the unanimous written agreement of all of the Members.

13.06 **Execution of Additional Instruments.** Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules, or regulations.

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13.07 **Construction.** Whenever the singular number is used in this Operating 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.

13.08 **Headings.** The headings in this Operating Agreement are for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of the Operating Agreement or any of its provisions.

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

13.10 **Right and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party 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.

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

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

13.13 **Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.14 **Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and same instrument.

CERTIFICATE

The undersigned hereby agree, acknowledge, and certify that the foregoing Operating Agreement, consisting of 25 pages, constitutes the Operating Agreement of **North Road Buds, LLC** adopted by the Members of the Company on April 30, 2018, to be effective as of April 30, 2018.

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MEMBERS

Vern Smith	4-24-18 Date
Lynn Smith	4-27-18 Date
Larry Lewis	4/30/18 Date

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STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 44% membership interest for period of three years, at which time undersigned's share increases to 49%

$50,000

Labor and expertise of the LLC

Dated this 27 day of April, 2018.

Member:

Lynn Smith

Lynn Smith, Member

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STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 46% membership interest for period of three years, at which time undersigned's share increases to 51%

Land at 50815 Kosta Road, Nikiski, Alaska 99635

Building located on the above listed land

Labor and management of the LLC

Dated this 27 day of April, 2018.

Member:

Vern Smith, Member

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STATEMENT OF CAPITAL CONTRIBUTION

North Road Buds LLC,

An Alaska Limited Liability Company

The Undersigned does hereby make the following initial capital contribution to North Road Buds, LLC in exchange for a 10% membership interest for a period of three years. At the end of three years, the membership interest ceases with no claim against any assets of the LLC. .

$50,000 loan to be repaid by 10% of the net profits of the LLC for a period of three years from the date of the first sale after the completion of the application.

Dated this 30 day of APRIL, 2018.

Member:

Larry Lewis, Member

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MINUTES OF THE ANNUAL MEETING OF MEMBERS
OF
NORTH ROAD BUDS, LLC

The annual meeting of the members of NORTH ROAD BUDS, LLC (hereafter referred to as the ("Company") was held at 10 a m. on the 5th day of May, 2018. Present in person were Vern Smith, Managing Member of the Company, Lynn Smith, and Larry Lewis.

The meeting was called to order by Vern Smith, Managing Member of the Company.

The Managing Member stated that a majority of those members holding an ownership interest in the Company were present or represented and that the meeting was complete and ready to transact any business before it.

The Managing Member presented her annual report of the business and finances of the Company and, upon motion duly made, seconded, and unanimously carried, the report was accepted and ordered to be filed in the Company Record Book.

The Managing Member declared that it was in order to consider the appointment of a Managing Member for the ensuing year. Upon nominations duly made, seconded and unanimously carried, the following person was appointed to serve for a period of one year and until such time as a successor is appointed and qualifies:

VERN SMITH

There being no further business, the meeting was, on motion, adjourned.

Vern Smith,
Member

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