AK Entity #: 10203576
Date Filed: 08/09/2022
State of Alaska, DCCED

FOR DIVISION USE ONLY

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

Articles of Organization

Domestic Limited Liability Company

Web-8/9/2022 11:56:01 AM

1 - Entity Name

Legal Name: Kasilof Cannabis LLC

2 - Purpose

Cultivation and sale of crops, and any other lawful purpose.

3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

4 - Registered Agent

Name: Michael Hutton

Mailing Address: PO Box 495, Kasilof, AK 99610

Physical Address: 21565 Evelyn May Street, Kasilof, AK 99610

5 - Entity Addresses

Mailing Address: PO Box 495, Kasilof, AK 99610

Physical Address: 21565 Evelyn May Street, Kasilof, AK 99610

6 - Management

The limited liability company is managed by its members.

7 - Officials

Name	Address	% Owned	Titles
Michael Hutton			Organizer

Name of person completing this online application

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: Jason Brandeis

AMCO Received 1/9/2023

Alaska Business License # **2162489**

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806

This is to certify that

Kasilof Cannabis LLC

PO Box 495, Kasilof, AK 99610

owned by

Kasilof Cannabis LLC

is licensed by the department to conduct business for the period

August 9, 2022 to December 31, 2023
for the following line(s) 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.

Julie Sande
Commissioner

AMCO Received 1/9/2023

Kasilof Cannabis LLC
PO Box 495
Kasilof, AK 99610

AMCO Received 1/9/2023

Alaska Entity #10203576

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

Kasilof Cannabis LLC

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **August 9, 2022**.

Julie Sande
Commissioner

AMCO Received 1/9/2023

AK Entity #: 10203576
Date Filed: 08/09/2022
State of Alaska, DCCED

FOR DIVISION USE ONLY

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

Domestic Limited Liability Company

Initial Biennial Report

Entity Name: Kasilof Cannabis LLC

Entity Number: 10203576

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 21565 EVELYN MAY STREET, KASILOF, AK 99610

Mailing Address: PO BOX 495, KASILOF, AK 99610

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: Michael Hutton

Physical Address: 21565 EVELYN MAY STREET, KASILOF, AK 99610

Mailing Address: PO BOX 495, KASILOF, AK 99610

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- **Provide all officials and required information. Use only the titles provided.**
- **Mandatory Members:** this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- **Manager:** If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Member
Michael Hutton	PO Box 495, Kasilof, AK 99610	100	X

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make changes to it. If you proceed to make changes to this form or any information on it, you will be certifying under penalty of perjury that you are authorized to make those changes, and that everything on the form is true and correct. In addition, persons who file documents with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor. Continuation means you have read this and understand it.

Name: Jason Brandeis

AMCO Received 1/9/2023

OPERATING AGREEMENT OF
KASILOF CANNABIS LLC

THIS OPERATING AGREEMENT OF KASILOF CANNABIS LLC (the "Operating Agreement") is entered into as of January 5, 2023 (the "Effective Date") by MICHAEL HUTTON as the sole Member of KASILOF CANNABIS LLC (the "Company").

WHEREAS, the Members desire to execute this Operating Agreement to provide for their respective rights, obligations, and duties with respect to the Company, and the management and governance of the Company;

The undersigned have agreed to operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Operating Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the undersigned, intending legally to be bound, agree as follows:

1. DEFINITIONS. Unless the context otherwise specifies or requires, capitalized terms used in this Operating Agreement shall have the respective meanings assigned to them in this Section 1 for all purposes of this Operating Agreement (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references in this Operating Agreement to Sections are to Sections of this Operating Agreement.

1.1 "**Act**" means the Alaska Limited Liability Company Act, Alaska Statute § 10.50.010, *et seq.*, as in effect and hereafter amended, and, unless the context otherwise requires, applicable regulations thereunder. Any reference herein to a specific section or sections of the Act shall be deemed to include a reference to any corresponding provisions of future law.

1.2 "**Additional Capital Contribution**" means any Capital Contribution made by any Member after the Initial Capital Contribution pursuant to Section 5.

1.3 "**Articles of Organization**" or "**Articles**" means the Articles of Organization filed for the Company in accordance with the Act.

1.4 "**Bankruptcy**" means, and a Member shall be deemed "**Bankrupt**" upon, (i) the entry of a decree or order for relief of the Member by a court of competent jurisdiction in any involuntary case involving the Member under any bankruptcy, insolvency, or other similar law now or hereafter in effect; (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestration, or other similar agent for the Member or for any substantial part of the Member's assets or property; (iii) the ordering of the winding up or liquidation of the Member's affairs; (iv) the filing with respect to the Member of a petition in any such involuntary bankruptcy case, which petition remains undismissed for a period of ninety (90) days or which is dismissed or suspended pursuant to Section 305 of the Federal Bankruptcy Code (or any corresponding provision of any

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future United States bankruptcy law); (v) the commencement by the Member of a voluntary case under any bankruptcy, insolvency, or other similar law now or hereafter in effect; (vi) the consent by the Member to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestration, or other similar agent for the Member or for any substantial part of the Member's assets or property; (vii) the making by the Member of any general assignment for the benefit of creditors; or (viii) the failure by the Member generally to pay his or her debts as such debts become due.

1.5 "**Capital Account**" means the separate account established and maintained for each Member pursuant to Section 5.

1.6 "**Capital Contribution**" means any property, including cash, or services, contributed to the Company by or on behalf of a Member.

1.7 "**Code**" means the Internal Revenue Code, as in effect and hereafter amended, or any corresponding provision of any succeeding law.

1.8 "**Company**" means KASILOF CANNABIS LLC.

1.9 "**Dollars**" and "**$**" mean the lawful money of the United States.

1.10 **"Effective Date"** means the date of governmental or regulatory approval of any required licensure of the corporations or business entities in which the Company possesses shares or other ownership interests.

1.11 "**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants' Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession as in effect from time to time.

1.12 "**Initial Capital Contribution**" means the initial contribution of capital to the Company made by the Members as set forth in Section 5 and on Exhibit A attached hereto and incorporated herein.

1.13 **“Majority vote of the Membership Interests”** or **“majority of the Membership Interests”** means affirmative vote by more than 50% of the Membership Interests entitled to vote.

1.14 **"Manager"** means any person or his or her successor as may be appointed pursuant to the terms of this Operating Agreement.

1.15 **"Member**" or "**Members**" means those persons listed in **Exhibit A** and any other Person who shall in the future execute this Operating Agreement pursuant to the provisions of this Operating Agreement.

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1.16 "**Membership Interest**" means the Percentage Interest of a Member in the Company.

1.17 "**Operating Agreement**" means this Operating Agreement, as this Operating Agreement may be amended or modified from time to time, together with all addenda, exhibits, and schedules attached to this Operating Agreement from time to time.

1.18 "**Percentage Interest**" means a Member's percentage share of ownership of the Company, which shall be equal to the percentage that such Member's Capital Contributions bears to the sum of all Capital Contributions.

1.19 "**Person**" or "**Persons**" means any individual, corporation, association, partnership, limited liability company, joint venture, trust, estate, or other entity or organization.

2. FORMATION, NAME, PLACE OF BUSINESS.

2.1 Formation of Company. The Members of the Company hereby:

2.1.1 Authorize formation of the Company by the Members as a limited liability company pursuant to the Act, and further ratify the filing of the Articles of Organization with the State of Alaska, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing;

2.1.2 Confirm and agree to their status as Members of the Company;

2.1.3 Execute this Operating Agreement for the purpose of confirming the existence of the Company and establishing the rights, duties, and relationship among the Members, and between the Members and the Company; and

2.1.4 Agree (i) that, if the laws of any jurisdiction in which the Company transacts business so require, the Company shall appropriately file all documents necessary for the Company to qualify to transact business under such laws, and (ii) to execute, acknowledge, and file any amendments to the Articles as may be required to lawfully operate the Company as a limited liability company.

2.2 Name of Company. The name of the Company shall be “KASILOF CANNABIS LLC.” The business of the Company may be conducted under any other name permitted by the Act that is selected by the Members. If the Company does business under a name other than set forth in its Articles of Organization, then it shall execute, file, and record any assumed or fictitious name certificates as required by law. The Company shall initially do business under the name “Kasilof Cannabis LLC.”

2.3 Place of Business. The principal place of business of the Company shall be 21565 Evelyn May Street, Kasilof, AK 99610. The Members may change the principal place of business to such other place within the United States as the Members

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may determine from time to time. The Members may establish and maintain other offices and additional places of business of the Company in or outside the State of Alaska.

2.4 Registered Office and Registered Agent. The name and address of the initial registered agent of the Company is Michael Hutton, 21565 Evelyn May Street, Kasilof, AK 99610.

2.5 No Partnership Intended for Non-Tax Purposes. The Members do not intend to form a joint venture or a partnership under the laws of Alaska. The Members do not intend to be partners to one another or any third party. The Members agree and acknowledge that the Company is to be treated as a partnership solely for federal and state income tax purposes.

3. PURPOSES AND POWERS OF COMPANY.

3.1 Purposes. The purposes for which the Company is organized are:

3.1.1 To operate an establishment licensed under Title 3, Chapter 306 of the Alaska Administrative Code, and for any other lawful purpose; and

3.1.2 To enter into any lawful transaction and engage in any lawful activities in furtherance of the foregoing purposes and to assist the Company to carry out the purposes contemplated by this Operating Agreement.

3.2 Powers. The Company shall have the power to do any and all lawful acts for the furtherance of the purposes of the Company and this Operating Agreement.

4. TERM. The Company commenced when the Articles of Organization were delivered to the State of Alaska, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing. The Company shall continue in perpetuity until it is dissolved, liquidated, and terminated in conformity with the provisions of this Operating Agreement or the Act.

5. CAPITAL.

5.1 Initial Capital Contributions of the Members. Upon execution of this Operating Agreement, each Member will or has contributed to the Company the types and amounts of Initial Capital Contribution set forth in the attached **Exhibit A.**

5.2 Additional Capital Contributions of the Members. Upon the agreement of all of the Members, a Member may make an Additional Capital Contribution. The Percentage Interest of the Members shall be adjusted to reflect any Additional Capital Contribution when it is made. No Member shall be required to contribute any additional capital to the Company and no Member shall have any personal liability for any Additional Capital Contribution to the Company unless expressly assumed in writing.

5.3 Form of Capital Contributions or Additional Capital Contributions of the Members. Upon unanimous vote of the Members, any Member may make any of the

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contributions referenced in this Section 5 in kind, or through services ("Sweat Equity") provided, however, that such in kind or Sweat Equity Capital Contributions or Additional Capital Contributions shall be valued as agreed by all of the Members and shall also be made subject to the terms of any definitive agreement(s) regarding the purchase of the applicable Membership Interests.

5.4 Capital Accounts. A separate Capital Account shall be established and maintained for each Member. The Capital Account of each Member shall be (i) increased by the amount of any Capital Contributions made to the Company by the Member, (ii) increased or decreased by items of net income or net loss allocated to the Member pursuant to Section 6, and (iii) decreased by any distributions made from the Company to the Member.

5.5 No Interest on Capital Contributions or Capital Accounts. No Member shall be entitled to receive any interest on his, her, or its Capital Contribution or Capital Account balance.

5.6 Loans. Subject to AS 10.50.140, a Member or an employee of the Company may, at any time, make or cause a loan to be made to the Company in any amount and on such terms as all Members agree. Any such approved advances or loans shall not result in any increase in the amount of such Member's Capital Account or entitle such Member to any increase in its Percentage Interest. The amounts of such advances or loans shall be a debt of the Company and shall be payable or collectible only out of the Company's assets in accordance with terms and conditions agreed upon by all Members.

5.7 Liability of Members. Except as otherwise provided in the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and none of the Members shall be obligated personally for any such debt, obligation, or liability solely by reason of being a Member. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Operating Agreement shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

5.8 Return of Capital. No Member shall have the right to demand or to receive the return of all or any part of his, her, or its Capital Account or Capital Contributions to the Company except upon the consent of all Members, upon the dissolution of the Company, or as may be specifically provided in this Operating Agreement.

5.9 THE UNCERTIFICATED LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS PROVIDED FOR UNDER THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE MEMBERSHIP INTERESTS ARE SUBJECT TO

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CERTAIN VOTING AND GOVERNANCE PROVISIONS, RESTRICTIONS ON TRANSFER, AND OTHER TERMS AND CONDITIONS SET FORTH IN THIS OPERATING AGREEMENT.

6. ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS.

6.1 Allocation of Net Income or Net Loss. Except as otherwise provided in Section 6.2, the net income or net loss, other items of income, gains, losses, deductions, and credits, and the taxable income, gains, losses, deductions, and credits of the Company, if any, for each fiscal year (or portion thereof) shall be allocated to the Members in proportion to their Percentage of Membership Interest in the Company.

6.2 Allocation of Income and Loss with Respect to Company Interests Transferred. If any interest is transferred during any fiscal year, the net income or net loss (and other items referred to in Section 6.1) attributable to such interest for such fiscal year shall be allocated between the transferor and the transferee by closing the books of the Company as of the date of the transfer.

6.3 Distributions. Distributions to the Members may be made at times and in amounts as are determined by the Members. Approved distributions shall be made to the Members in proportion to their Percentage Interests. Distributions may be made in cash or by distributing property in kind.

7. MANAGEMENT OF COMPANY.

7.1 Management of the Company. The Members shall manage, control, and conduct the business and affairs of the Company.

7.2 Salaries and Contract Rights. The salary, if any, of the Members and/or other officers shall be fixed from time to time by the Members. The Company may enter into management or employment contracts, under such terms and conditions and providing for such compensation as shall be approved by the Members as provided herein, with one or more Members or persons affiliated with the Member.

7.3 Duties, Rights, and Powers. Except as specifically limited in this Operating Agreement, or under applicable law, the Members shall have the sole and exclusive right to manage, control, and conduct the business and affairs of the Company.

7.3.1 The Members shall have the duties and powers set forth below and shall perform all such other duties as the Members shall designate. Accordingly, the Members shall:

A. Manage the affairs and business of the Company;

B. Exercise the authority and powers granted to the Company;

C. Take any and all actions necessary to perfect and maintain the status of the Company as a limited liability company under the Act, including the filing

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of such certificates and biennial reports and the taking of all other actions required for the continuance of the Company under this Act and the Agreement;

D. Preside at meetings of the Members;

E. Sign all bonds, deeds, mortgages, and any other agreements, and such signature(s) shall be sufficient to bind the Company;

F. Prepare minutes of the Members' meetings and keep them in one or more books provided for that purpose;

G. Authenticate records of the Company;

H. See that all notices are duly given in accordance with the provisions of this Agreement or as required by law;

I. Be custodian of the corporate records;

J. Keep a register of the post office address and other contact information of each Member that shall be furnished by such Member;

K. Have general charge of the Membership Interest transfer books of the Company;

L. Report quarterly to Members on the status of the Company's finances, compliance with applicable regulations, business plan status, and other relevant matters;

M. Take all actions necessary or appropriate to accomplish the Company's purposes in accordance with the terms of this Operating Agreement; and

N. Otherwise act in all other matters on behalf of the Company.

7.3.2 In addition to the duties and powers which the Members may have in accordance with Section 7.3.1, and except as otherwise specifically limited in this Operating Agreement or under applicable law, the Members shall have specific rights and powers required for the management of the business of the Company, including, the right to do the following, only upon a unanimous vote of the Membership Interests:

A. Establish overall policy decisions with respect to the business and affairs of the Company;

B. Review and approve annual budgets and operating guidelines;

C. Approve contracts, agreements, and commitments of the Company;

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D. Approve the choice of bank depositories, and approve arrangements relating to signatories on bank accounts;

E. Approve the choice of the Company's attorneys, independent accountants, and any other consultants, including, without limitation, market consultants, leasing agents, management agents, and advertising and public relations agents;

F. Approve any change to the Company's fiscal year;

G. Approve all distributions to the Members;

H. Approve the conveyance, sale, transfer, assignment, pledge, encumbrance, or disposal of, or the granting of a security interest in, any assets of the Company;

I. Incur indebtedness or loan or extend credit to any Person in an amount not to exceed the value of the assets then owned by the Company;

J. Employ, appoint, and remove any Company employee who is involved in the day-to-day management or business of the Company;

K. Change any accounting principles used by the Company, except to the extent required by GAAP;

L. Notify entities owned in whole or in part by the Company of any changes in ownership of the Company; and

M. Approve any tax elections of the Company.

7.4 Extraordinary Transactions. Notwithstanding anything to the contrary in this Operating Agreement, the Members shall not undertake any of the following without the unanimous approval of the Members:

7.4.1 The admission of additional Members to the Company;

7.4.2 Discontinuance of the Company's business;

7.4.3 Sale of the Company's business or substantial portion thereof, or the sale, exchange, or other disposition of all, or substantially all, of the Company's assets;

7.4.4 Any merger, reorganization, or recapitalization of the Company;

7.4.5 Settlement or confession of judgment in any legal matter;

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7.4.6 Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Operating Agreement, cause the termination, dissolution, liquidation, or winding-up of the Company;

7.4.7 Such other matters and decisions as the Members may from time to time designate.

7.5 Business Plan and Budget. Each Fiscal Year, commencing with the Fiscal Year beginning on January 1, 2022, the Members shall prepare an annual business plan and operating budget for the Company. Each draft budget shall be delivered to the Members not later than thirty (30) calendar days before the beginning of the Fiscal Year in question. The approval of any draft business plan and budget shall be will be effective upon approval by a majority vote of the Members. Once a draft business plan and budget is approved, it shall be the "Annual Business Plan and Budget" for the Company for the Fiscal Year in question. The "Initial Business Plan and Budget" for the partial Fiscal Year 2022 - 2023 shall be prepared by the Members promptly after execution of this Agreement and submitted to the Members for approval.

7.6 Third Party Reliance. Third parties dealing with the Company shall be entitled to rely upon the power and authority of the Members as set forth herein.

7.7 Conflicts of Interest. Subject to the limitations of AS 10.50.140 and Section 8.9 below, the Members may, at any time, may engage in and possess interests in other business ventures of any and every type independently or with others, with no obligation to offer to the Company or any Member the right to participate therein. The Company may transact business with any Member or the Manager, subject to the limitations of AS 10.50.140. Each Member has an affirmative duty to fully disclose all potential conflicts of interest to the other Members prior to any vote. Unless approved by all of the remaining Members, any Member with a conflict of interest may not vote on the issue in question.

7.8 Member Has No Exclusive Duty to Company. The Members shall not be required to manage the Company as the Members' sole and exclusive function, and the Members may engage in other business and investment activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, solely by virtue of this Agreement or its relationship to a Member or the Company, to share or participate in any such other investments or activities of the Members or to the income or proceeds derived therefrom. Members shall not have any obligation to disclose any such other investments or activities to the other Members unless it actually or potentially adversely affects the business or property of the Company.

7.9 Agents. The Members may designate one or more individuals as agents of the Company for any purpose. No agent need be a Member. Each agent shall have the authority and shall perform the duties designated by the Members. Vacancies may be filled or new offices created and filled by the Members. Any agent appointed by the Members may be removed by the Members whenever, in their sole judgment, the

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best interests of the Company would be served. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

8. MEMBERS.

8.1 Members. The Members of the Company are listed on **Exhibit A.**

8.2 Member Qualifications. To be admitted as a Member, a Person shall provide documentation satisfactory to the Company that the Person is a resident of the State of Alaska, as defined by applicable laws, and is otherwise permitted to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code. Members shall maintain eligibility to own Membership Interests under applicable law at all times.

8.3 Meetings. There shall be quarterly meetings of the Members. Additional meetings of the Members may be called at any time by any Member or the Manager. Meetings shall be held at the principal place of business of the Company or as designated in the notice or waivers of notice of the meeting.

8.3.1 Notice. Notice of any meeting of the Members shall be given no fewer than five (5) days and no more than thirty (30) days prior to the date of the meeting. Notices shall be delivered in the manner set forth in Section 16.4 and shall specify the purpose or purposes for which the meeting is called. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

8.3.2 Quorum. The holders of a majority of the Membership Interests, present in person or represented by proxy, shall constitute a quorum for transaction of business at any meeting of the Members. If the holders of less than a majority of the Percentage Interests are present at said meeting, the holders of a majority of the Percentage Interests present at the meeting may adjourn the meeting at any time without further notice.

8.3.3 Manner of Acting. The act of the holders of a majority of the Percentage Interests present at a meeting at which a quorum is present shall be the act of the Members, unless the act of a greater number is required by statute, this Operating Agreement, or the Articles.

8.4 Action Without Meeting. Unless specifically prohibited by the Agreement, any action required to be taken at a meeting of the Members may be taken without a meeting by a written instrument indicating the consent of the majority, or greater than a majority, if otherwise required by this Operating Agreement, vote of the Members. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given in writing to those Members who were entitled to vote but did not consent in writing.

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8.5 Telephonic Meetings. The Members may participate in and act at any meeting of Members through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating. The Members or Manager, whoever called for the meeting, shall ensure those Members attending remotely have access to any written materials reviewed at the meeting.

8.6 Proxies. Each Member entitled to vote at a meeting of Members or to express consent or dissent to action in writing without a meeting may authorize another person or persons to act for such Member by written proxy. Such proxy shall be deposited at the principal offices of the Company not less than twenty-four (24) hours before a meeting is held or action is taken. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

8.7 Voting of Interests. Each Member shall be entitled to vote according to his or her Percentage Interest in the Company upon each matter submitted to a vote of the holders thereof.

8.8 Duty to Act in Best Interest of LLC. As joint owners of a closely held limited liability company, all Members agree to act in the best interests of the Company when voting or deciding on issues affecting the Company, and each Member acknowledges their duty to act in good faith towards all other Members. The duty of care set forth in AS 10.50.135 is expressly adopted and incorporated into this Agreement.

8.9 Other Activities of Members; Restrictions on Competition. Any Member, or any affiliate thereof, may have other business interests or may engage in other business ventures of any nature or description whatsoever, whether currently existing or hereafter created, and may compete, directly or indirectly, with the business of the Company, subject to the limitations of AS 10.50.140, to the extent applicable to such Member. No Member, or affiliate thereof, shall incur any liability to the Company as a result of his, her, or its pursuit of such other permitted business interests, ventures, and competitive activity, and neither the Company nor the other Members shall have any right to participate in such other business ventures or to receive or share in any income or profits derived therefrom, subject to the limitations of AS 10.50.140, to the extent applicable to such Member.

8.10 All expenses reasonably incurred with respect to the organization or operation of the Company shall be paid or reimbursed by the Company.

8.11 Other than duties as a Member of the Company listed in Section 7.3.1, no Member shall be required or expected to provide labor or services to the Company with respect to the day-to-day business activities of the Company without compensation for such labor or services on terms and conditions to be agreed to between the Member and the Company.

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9. INDEMNIFICATION.

9.1 Right of Indemnification. In accordance with the Act and this Operating Agreement, the Company shall indemnify, defend, and hold harmless any person who is a Member, Manager, or other officer of the Company, and the person's officers, directors, partners, joint venturers, employees, or agents (individually, in each case, an "Indemnitee") to the fullest extent permitted by law, from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including costs, attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits, or proceedings, whether civil, criminal, administrative, or investigative, in which the Indemnitee may be involved or threatened to be involved, as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnitee continues to be a person who is a Member, Manager, or other officer of the Company, or the person's officers, directors, partners, joint venturers, employees, or agents, at the time any such liability or expense is paid or incurred. However, this provision shall not eliminate or limit the liability of an Indemnitee (i) for any breach of the Indemnitee's duty of loyalty to the Company or the Members, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Indemnitee received any improper personal benefit.

9.2 Advances of Expenses. Expenses incurred by an Indemnitee in defending any claim, demand, action, suit, or proceeding subject to this Section 9 shall be advanced by the Company prior to the final disposition of such claim, demand, action, suit, or proceeding, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount, if it shall be determined in a judicial proceeding or a binding arbitration that such Indemnitee is not entitled to be indemnified as authorized in this Section 9.

9.3 Other Rights. The indemnification provided by this Section 9 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, vote of the Members, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, Manager, or other officer of the Company, or any affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns, and legal representatives of the Indemnitee.

9.4 Insurance. The Company may purchase and maintain insurance on behalf of the Members, the Manager, and such other persons as the Members shall determine against any liability that may be asserted against or expense that may be incurred by such persons in connection with the offering of interests in the Company or the business or activities of the Company, regardless of whether the Company would have the power to indemnify such persons against such liability under the provisions of this Operating Agreement.

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10. BANK ACCOUNTS, BOOKS AND RECORDS, STATEMENTS, TAXES, FISCAL YEAR.

10.1 Bank Accounts. To the extent reasonably practicable, all funds of the Company shall be deposited in the Company's name in such checking and savings accounts, time deposits, certificates of deposit, mutual funds, money market instruments, or other accounts as shall be designated by the Members, from time to time. The Members shall arrange for the appropriate conduct of such account or accounts, or such other mechanisms for managing funds of the Company.

10.2 Books and Records. The Members, shall keep, or cause to be kept, accurate books and records showing the financial condition of the Company, including copies of the Company's financial statements and the federal, state, and local tax returns of the Company for at least the most recent six (6) fiscal years. All Members shall have access to the books and records at any reasonable time during regular business hours and shall have the right to copy said records at such Member's expense.

10.2.1 Where Maintained. The books, accounts, and records of the Company at all times shall be maintained at the Company's principal office or at such other place authorized by the Manager.

10.2.2 Fiscal Year. The fiscal year of the Company for all purposes shall be the calendar year. The Members shall have authority to change the beginning and ending dates of the fiscal year.

10.3 Accounting Decisions. All decisions as to accounting matters shall be made by the Members subject to the provisions herein.

10.4 Tax Matters Member. If a Manager is appointed, the Manager shall be the Company's tax matters partner ("Tax Matters Member"). If no Manager is appointed, the Tax Matters Member shall be Michael Hutton. The Tax Matters Member shall have all powers and responsibilities of a "tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

10.5 Tax Elections. The Members shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the Manager's sole and absolute discretion.

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10.6 Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

11. TRANSFER OF MEMBERSHIP INTERESTS; SUBSTITUTION OF MEMBERS.

11.1 Transfer of Membership Interests.

11.1.1 Definition of Transfer. The term "transfer," when used in this Section 11 with respect to a Membership Interest, shall include any sale, assignment, gift, pledge, hypothecation, mortgage, exchange, or other disposition. However, a "transfer" shall not include any pledge, mortgage, or hypothecation of or granting of a security interest in a Membership Interest in connection with any financing obtained on behalf of the Company.

11.1.2 Void Transfers. No Membership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Section 11. Any transfer or purported transfer of any Membership Interest not made in accordance with this Section 11 shall be void *ab initio*.

11.2 Restrictions of Transfers.

11.2.1 Consent Required. No Member may transfer all or any portion of, or any interest or rights in their Membership Interest or their Capital Account without: (i) the express written consent of all non-transferring Members; or (ii) following the procedures outlined in Section 11.2.2. Each Member acknowledges the reasonableness of this prohibition in view of the relationship of the Members.

11.2.2 Right of First Refusal. In the event that one Member wishes to transfer all or part of their Membership Interest in the Company, and in the absence of the express written consent of non-transferring Members then holding a majority of the Membership Interests under Section 11.2.1, the transferring Member shall first make the Membership Interest available to the other Member(s) in the manner set forth below in this Section 11.2.2.

A. The right of a Member to transfer its Membership Interest in the Company to any third party is expressly conditioned upon such transferring Member first offering to transfer their Membership Interest to the remaining Member(s) for the same price and upon the same terms as the proposed transfer to a person or entity not a Member of the Company. The procedure for this right of first refusal shall be as follows:

1. Prior to any proposed transfer of Membership Interest, the transferring Member shall send each of the remaining Members a copy of the proposed agreement between the transferring Member and the proposed transferee and notify the remaining Members of the transferring Member's intention to enter such agreement and make such transfer. The remaining Members shall each have the right,

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within thirty (30) calendar days of receipt of such notice, to acquire the transferring Member's interest on the same terms as the proposed agreement.

2. If more than one non-transferring Member elects to purchase the transferring Member's Membership Interest, then the Percentage Interest each such electing Member shall be entitled to purchase shall be determined by agreement among the electing non-transferring Members. Or, if the electing non-transferring Members are unable to so agree, then each electing non-transferring Member shall be entitled to purchase a *pro rata* amount of the offered membership interest based upon a percentage equal to the Membership Interests in the Company owned by such non-transferring Members relative to the total Membership Interest in the Company owned by all such electing non-transferring Members.

3. If the remaining Member(s) do not acquire the interest of the transferring Member, the transferring Member may then transfer his or her interest in the Company to the person or entity named in the proposed agreement pursuant to the terms contained in this section, provided that such transfer is on the same terms and conditions and for the same price set forth in the proposed agreement sent to the remaining Members.

11.2.3 Substitution. Any transferee of a Membership Interest shall become a substituted Member upon (i) the express written consent of the non-transferring Members or if the remaining Members do not acquire the membership interest subject to transfer pursuant to the Right of First Refusal; (ii) the transferee agreeing to be bound by all the terms and conditions of the Articles and this Operating Agreement; (iii) the transferee providing documentation satisfactory to the Company that the transferee is eligible to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code; and (iv) receipt of any necessary regulatory approvals. Unless and until a transferee is admitted as a substituted Member, the transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder. A Member who has transferred his or her Membership Interest shall cease to be a Member upon transfer of the Member's entire Membership Interest and thereafter shall have no further powers, rights, and privileges as a Member hereunder except as provided in Section 9.

12. ADMISSION OF NEW MEMBERS.

12.1 The admission of additional members to the Company through the sale, issuance, or other conveyance of Membership Interest by the Company is not considered a transfer of Membership Interest under Section 11.

12.2 Subject to the terms of this Agreement, additional Persons may be admitted as Members of the Company under this Section 12 at such time and on such terms as may be deemed appropriate by a unanimous vote of the Membership Interests. To be admitted as a new Member, a Person shall (i) agree in writing to be bound by all the terms and conditions of this Operating Agreement; and (ii) provide documentation satisfactory to the Company that the Person is eligible to own the Membership Interests

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pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code. A Person will not be fully admitted as a Member until any and all necessary regulatory approvals are received. Unless and until a Person is admitted as a Member, the Person shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder.

12.3 The Members understand that, in the event of the admission of a new member, the then existing Members' Percentage Interests shall be reduced pro rata in amounts that equal the amount of the new member's Percentage Interest.

13. DISSOCIATION OF A MEMBER.

13.1 Voluntary Withdrawal. In the event of a Member's voluntary withdrawal from the Company, the withdrawing Member will be liable to the remaining Members for any damages incurred by the remaining Members including, but not limited to, the loss of future earnings. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company business and the withdrawing Member's interest shall be transferred to the remaining Members on a *pro rata* basis consistent with their current Membership Interests. The withdrawing Member shall not be entitled to compensation, accrued distributions, or repayment of Capital Contributions without the express written consent of all of the other Members. If the remaining Members elect to purchase the interest of the withdrawing Member, the Members will serve written notice of such election upon the withdrawing Member within thirty (30) days after receipt of the withdrawing Member's notice of intention to withdraw, including the purchase price and method and schedule of payment for the withdrawing Member's Membership Interest. The purchase amount of any buyout of a Member's interest under this Section 13.1 shall be no greater than the Book Value of the Membership Interest as defined in Section 14 below.

13.2 Involuntary Withdrawal. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company business. Events leading to the involuntary withdrawal of a Member from the Company will include, but not be limited to: death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; Member bankruptcy; and other involuntary levy or transfer of a Member's Membership Interest by judicial order or otherwise. Any Member (or its appropriate representative) who experiences an event leading to involuntary withdrawal shall notify the Company in writing of the event and the date of the event. In the absence of such notice, the other Members may give notice to the affected Member's representative, or upon notice of any involuntary levy or transfer of a Member's Interest by judicial order or otherwise, then within thirty (30) days of such notice, such Member shall either give written assurances that such event has not occurred, or has been cured. Failure to timely respond shall be deemed effective as notice of intent for compulsory sale.

13.3 Compulsory Sale of Member's Interest. Upon the receipt of notice under Section 13.2, the remaining Members shall meet and upon the majority affirmative vote of the Members (without counting the Interest of the withdrawing Member), the

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Members may elect to purchase the Interest of the withdrawing Member. If the remaining Members elect to purchase the interest of the withdrawing Member, the remaining Members will serve written notice of such election, including the purchase price and method and schedule of payment for the withdrawing Member's interest, upon the withdrawing Member, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the withdrawing Member. If the Company does not elect to purchase the withdrawing Member's Membership Interest, then the Company may either elect to admit such Member's distributees or beneficiaries into the Company as Substituted Members, or may elect to dissolve, each by the vote as established in Sections 11 and 15 respectively.

13.3.1 Compulsory Sale Purchase Price. The purchase price amount of a Member's Interest due to compulsory sale under Section 13.3 will be the Fair Market Value of the withdrawing Member's interest. The Fair Market Value of a withdrawing Member's Interest to be purchased by the Company or any Member or Members, shall be determined by agreement between the withdrawing Member's Legal Representative and the Company, which agreement is subject to approval by a majority of the remaining Members. For this purpose, the fair market value of the withdrawing Member's Interest shall be computed as the amount that could reasonably be expected to be realized by the withdrawing Member upon the sale of the Company in the ordinary course of business at the time of the action leading to the withdrawal. If the withdrawing Member's Legal Representative and the Company cannot agree upon the fair market value of the Interest within thirty (30) days of the date notice is provided per Section 13.3, the fair market value shall be determined by appraisal, as follows:

A. The Company and the withdrawing Member each to choose one appraiser qualified to conduct business valuations and the first two appraisers so chosen to choose a third appraiser. The decision of a majority of the appraisers as to the fair market value of such Estate Interest shall be final and binding and may be enforced by legal proceedings. The Affected Member and the Company shall each compensate the appraiser appointed by it and the compensation of the third appraiser shall be born equally by such parties

13.3.2 Ineligible Beneficiary. In the event that the involuntarily withdrawing Member's distributees, beneficiaries, or heirs do not or will not comply with the terms of Section 11.2.2; are not permitted to own the Membership Interest pursuant to applicable laws; or do not become so eligible within sixty (60) days following notice that the Company elected to not purchase the Membership Interest, then the Interest shall not transfer to the distributee or beneficiary and the withdrawing Member's Legal Representative shall convey the Membership Interest to a third party who shall be admitted as an Substitute Member pursuant to Section 11.2.2, but such substitution will be exempt from the requirement of Section 11.2.3(i). In the event that no Substitute Member is admitted or has admission as a Substitute Member pending within 180 days after the Company acquired knowledge of the death or disability of the withdrawing Member, the Membership Interest shall transfer to the Company, to be divided proportionately amongst the remaining Members on a *pro rata* basis according to their

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then-current Membership Interests, and the purchase price shall be the Book Value of the Membership Interest, as defined in Section 14. The purchase price of the Membership Interest under this section shall be paid by the Company to the Legal Representative of the withdrawing Member in immediately available funds within sixty (60) days of determination of the fair market value or, at the Company's option, said debt may be evidenced by a promissory note bearing interest at the Prime Rate, which shall be due and payable upon the earlier of (i) expiration of five (5) years or (ii) the sale or disposition of all of the Company Property.

13.4 Removal of a Member for Cause. A Member may be removed for cause upon a majority vote of the remaining Members. The expulsion of such Member will have no effect upon the continuance of the Company business. The remaining Members shall give notice to the Expelled Member of their removal as a Member. Upon the giving of such notice, the Expelled Member's Membership Interest and right to participate in the management and conduct of the Company's business is terminated. A Member removed for cause shall not be entitled to compensation, accrued distributions, or repayment of Capital Contributions without the express written consent of all of the other Members.

13.4.1 A Member may be removed for cause in the case of any of the following:

A. the Member engaged in wrongful conduct that adversely and materially affected the Company's business;

B. the Member engages in criminal, illegal or other acts of malfeasance, gross negligence, prohibited self-dealing or embezzlement;

C. if it is unlawful, or inconsistent with applicable regulations, to carry on the company's business with the Member;

D. the Member willfully or persistently committed a material breach of the Operating Agreement or a duty owed to the Company or the other members of the Company, including the Member's duty of loyalty and duty of care;

E. the Member engaged in conduct relating to the Company's business which makes it not reasonably practicable to carry on business with the Member;

F. operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute; or

G. there has been a transfer of substantially all of the Member's Interest not in accordance with this Operating Agreement.

13.5 On any purchase and sale made pursuant to this section, a dissociated Member will only have liability for Company obligations that were incurred

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during their time as a Member. Immediately upon purchase of a withdrawing Member's interest, the Company will prepare, file, serve, and publish all notices required by law to protect the withdrawing Member from liability for future Company obligations. Where the remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 180 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

13.6 The remaining Members retain the right to seek all available legal damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.

14. BOOK VALUE.

14.1 The term "Book Value" means the book value, computed in accordance with GAAP, of a Member's Percentage Interest in the Company as of the end of the last full taxable year immediately preceding the year in which the event giving rise to the need for valuation occurred. Notwithstanding anything contained in this Agreement to the contrary, the computation of Book Value shall be subject to the following provisions:

14.1.1 Book Value shall not include any proceeds collected or collectible by the Company under any policy or policies of life or disability insurance insuring the life or disability of a Member, as a result of the death or disability of a Member.

14.1.2 No additional allowance of any kind shall be made for the goodwill, trade names, or any other intangible asset or assets (the "Intangible Assets") of the Company other than the aggregate dollar amount for any of those Intangible Assets appearing on the most recent balance sheet of the Company prior to the date on which Book Value is to be determined.

14.1.3 Reserves for contingent liabilities shall not be treated as a liability for purposes of determining Book Value.

14.1.4 No adjustment shall be made to Book Value as a result of any event occurring subsequent to the date as of which Book Value is to be determined.

14.1.5 Anything contained in this Agreement to the contrary notwithstanding, Book Value shall be calculated for the purposes of this Agreement on an accrual basis even if the Company shall have used a different accounting method for that or any prior period.

14.1.6 Book Value shall be determined by the outside accountants regularly employed by the Company. If no such regularly-employed accountants can be

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agreed upon by a majority vote of the Membership Interests, then the Manager shall select the appropriate accountants to determine Book Value of the Company.

15. DISSOLUTION, LIQUIDATION, AND TERMINATION.

15.1 Events Causing Dissolution. The Company shall be dissolved and shall commence winding up its affairs upon the first to occur of any of the following events:

15.1.1 The consent in writing to dissolve and wind up the affairs of the Company by all of the Members;

15.1.2 The sale or other disposition by the Company of all or substantially all of the Company's assets and the collection of all amounts derived from any such sale or other disposition, including all amounts payable to the Company under any promissory notes or other evidences of indebtedness taken by the Company and the satisfaction of contingent liabilities of the Company in connection with such other disposition (unless the Members shall elect to distribute such indebtedness to the Members in liquidation); or

15.1.3 The occurrence of any default that, under the Act, would cause the dissolution of the Company or that would make it unlawful for the business of the Company to be continued.

15.2 Winding Up. Upon the dissolution of the Company, the Members shall wind up the Company's affairs and satisfy the Company's liabilities. The Members shall liquidate all of the Company property and assets as quickly as possible consistent with obtaining the full fair market value of said property and assets. During this period, the Manager shall continue to operate the Company, and all of the provisions of this Operating Agreement shall remain in effect. The Manager shall notify all known creditors and claimants of the dissolution of the Company in accordance with the provisions of the Act.

15.3 Final Distribution. The proceeds from the liquidation of the Company shall be distributed as follows:

15.3.1 First, to creditors, including Members who are creditors, until all of the Company's debts and liabilities are paid and discharged (or provisions are made for payment thereof); and

15.3.2 The balance, if any, to the Members, in proportion to their Percentage Interests as of the date of such distribution, after giving effect to all contributions, distributions, and allocations for all periods.

15.4 Distributions in Kind. In connection with the termination and liquidation of the Company, the Manager shall attempt to sell all of the Company property and assets. To the extent that property or assets are not sold, each Member will receive his or her Percentage Interest of any distribution in kind. Any property or assets distributed in kind upon liquidation of the Company shall be valued on the basis of an

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independent appraisal or by majority agreement of the Members, and treated as though the property or assets were sold and the cash proceeds distributed.

15.5 No Recourse Against Other Members. The Members shall look solely to the assets of the Company for the return of their investment, and, if the property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return such investment, no Member shall have any recourse against any other Member.

15.6 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, any Member with a deficit in the Member's Capital Account shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

15.7 Articles of Dissolution. On completion of the distribution of Company property and assets as provided herein, the Company is terminated, and the Members (or such other person or persons as the Act may require or permit) shall file articles of dissolution with the appropriate state agency, cancel any other filings made pursuant to the Act, and take such other actions as may be necessary to terminate the Company.

16. GENERAL PROVISIONS.

16.1 Compliance with Act. The Members and the Manager agree not to take any action or fail to take any action which, considered alone or in the aggregate with other actions or events, would result in the termination of the Company under the Act.

16.2 Lawful Purpose. When used throughout this Operating Agreement, the term "lawful purpose" and any similar phrase shall mean any purpose allowed for under the laws of the State of Alaska, irrespective of issues related to federal law or the laws of any other state.

16.3 Additional Actions and Documents. The Members and the Manager agree to take or cause to be taken such further actions, to execute, acknowledge, deliver, and file, or cause to be executed, acknowledged, delivered, and filed, such further documents and instruments, and to use best efforts to obtain such consents, as may be necessary or as may be reasonably requested to fully effectuate the purposes, terms, and conditions of this Operating Agreement, whether before, at, or after the closing of the transactions contemplated by this Operating Agreement.

16.4 Notices. Any notice hereunder to any Member or Manager shall be in writing and shall be effective when actually delivered at the address shown for the Members below or at such other address as they may have designated by written notice received by the other parties to this Operating Agreement.

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If to: Michael Hutton
21565 Evelyn May Street
Kasilof, AK 99610
kasilof25@hotmail.com

16.5 Severability. If a court of competent jurisdiction finds any provision of this Operating Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Operating Agreement in all other respects shall remain valid and enforceable.

16.6 Survival. It is the express intention and agreement of the Members that all covenants, agreements, statements, representations, warranties, and indemnities made in this Operating Agreement shall survive the execution and delivery of this Operating Agreement.

16.7 Waiver. No delay on the part of a Member or the Manager in the exercise of any right, power, or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy preclude other or further exercise of any other right, power, or remedy.

16.8 Amendments. This Agreement may be amended by a vote of the majority of the Members. No amendment, or waiver of, or consent with respect to, any provision of this Operating Agreement shall be effective unless it shall be in writing and signed and delivered by the Members. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which a Member or the Company would otherwise have at law or in equity or otherwise.

16.9 Computations. When any calculation or other accounting computation is to be made for the purpose of this Operating Agreement, that calculation, to the extent applicable and except as otherwise specified in this Operating Agreement, shall be made in accordance with GAAP in effect at the time.

16.10 Binding Effect. Subject to any provisions hereof restricting assignment, this Operating Agreement shall be binding upon and shall inure to the benefit of the Members and their respective successors and assigns.

16.11 Limitation on Benefits of this Operating Agreement. Subject to Section 7.9, it is the explicit intention of the Members that no person other than the Members and the Company is or shall be entitled to bring any action to enforce any provision of this Operating Agreement against any Member or the Company, and that the covenants, undertakings, and agreements set forth in this Operating Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder) and the Company.

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16.12 Captions. Section captions used in this Operating Agreement are for convenience only and shall not affect the construction of this Operating Agreement.

16.13 Governing Law. This Operating Agreement is a contract made under and governed by the laws of the State of Alaska. All obligations and rights of the parties stated herein shall be in addition to, and not in limitation of, those provided by applicable law.

16.14 Dispute Resolution. In the event of a dispute arising out of or in connection with this Operating Agreement, the Members will attempt to resolve the dispute through friendly consultation. If the dispute is not resolved within a reasonable period, then any or all outstanding issues may be submitted to mediation in accordance with any statutory rules of mediation. If mediation is unavailable or is not successful in resolving the entire dispute, any outstanding issues will be submitted to final and binding arbitration in accordance with the laws of the State of Alaska. The arbitrator's award will be final, and judgment may be entered upon it by any court having jurisdiction within the State of Alaska. If the parties cannot agree upon an arbitrator within thirty (30) days of a request for arbitration, then any Member may contact the American Arbitration Association to initiate the proceedings, including for the selection of arbitrators.

16.15 Integration. This Operating Agreement (including the Exhibits hereto) and the Articles of Organization represent the entire agreement between the Members with respect to the transactions contemplated herein, and supersede all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein.

16.16 Counterparts. This Operating Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Operating Agreement to form one document.

16.17 Strict Construction. It is the intent of the Members upon execution hereof that this Operating Agreement shall be deemed to have been prepared by all of the parties to this Operating Agreement, to the end that no Member shall be entitled to the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law.

16.18 Legal Representation. The parties acknowledge (i) that Birch Horton Bittner & Cherot (the "Firm") has not represented KASILOF CANNABIS LLC in connection with the drafting of this Operating Agreement and the Firm only represents Michael Hutton and no other parties; (ii) the payment of the Firm's fees by the Company or any other Member shall not alter or amend this relationship or be deemed to create an attorney-client relationship between the Firm and the Company or any other Member; and (iii) all of the parties to this agreement have been advised to, and have been provided with the

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opportunity to, seek the advice of their own independent legal and tax counsel with respect to the terms of this Operating Agreement.

SIGNATURE PAGE FOLLOWS

AMCO Received 1/9/2023

IN WITNESS WHEREOF, following adoption of this Operating Agreement by the Members, the Members have executed this Operating Agreement as of the date first set forth above.

Michael Hutton

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EXHIBIT "A"

INITIAL CAPITAL CONTRIBUTIONS OF MEMBERS

Member	**Percent Interest**	**Capital Contribution**
Michael Hutton	100%	Cash; Sweat Equity

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