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Pursuant with the Alaska Revised Limited Liability Company Act Title 10 Chapter 10.50

LIMITED LIABILITY COMPANY OPERATING AGREEMENT FOR

Cosmic Enterprises, LLC

Name Of LLC

AN ALASKA LIMITED LIABILITY COMPANY

THIS OPERATING AGREEMENT ("Agreement") is entered into this 1 day of January, 2023, by and between the following person(s):

Chris C. Long

First *Middle* *Last*

First *Middle* *Last*

First *Middle* *Last*

First *Middle* *Last*

(Hereinafter Referred to as the "Parties" or "Members")

All Members in the above-described Limited Liability Company agree as follows;

FORMATION OF LIMITED LIABILITY COMPANY

I. **FORMATION OF LLC**. The Parties have formed a Limited Liability Company named Cosmic Enterprises, LLC

Name Of LLC

(Hereinafter referred to as the "LLC") in the State of Alaska.

State

The LLC shall be operated by the terms of this Agreement and the applicable laws of the State of Alaska

State

relating to the formation, taxation and operation of a LLC. The Members agree that the LLC shall be taxed as a partnership. The partnership shall be inoperative if there are any provisions of this agreement that may cause the LLC not to be taxed as a partnership.

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II. **BUSINESS.** The primary business of the LLC shall be:

All lawful Marijuana Product Manufacturing and Retail

Primary Business of LLC

The LLC shall be legally allowed to conduct or promote any lawful business or purpose within the State of Alaska

State

or any other jurisdiction where the LLC may be conducting business activities.

III. **ARITCLES OF ORGANIZATION.** The LLC acting through one of its

Members named Chris C. Long,

First Middle Last

filed Articles of Organization, ("Articles") in the records of the

Alaska Secretary of State on 01/09/2022

State *Date*

and thus, creating the LLC.

IV. **PLACE OF BUSINESS.** The official place of business of the LLC shall be

Street Address

City of Homer State of Alaska

City *State*

Zip Code 99603.

Zip Code

V. **REGISTERED OFFICE.** The official registered office of the LLC shall be 879 Linda Court

Street Address

City of Homer State of Alaska

City *State*

Zip Code 99603. If at anytime the registered

Zip Code

office should change, all members and necessary government authorities shall be notified.

VI. **REGISTERED AGENT.** The official registered agent of the LLC shall be

Chris C. Long

First Middle Last

If at anytime the registered agent should change, all members and necessary government authorities shall be notified.

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VII. **FISCAL YEAR.** The LLC's fiscal and tax year shall end Dec 31 _____.
Date

VIII. **DURATION.** The LLC will commence business as of the date of filing and will continue in perpetuity.

IX. **INITIAL MEMBERS.** The initial Members of the LLC, their initial capital contributions, and their percentage interest in the LLC are as follows:

Members	Percentage Interest in LLC	Capital Contribution (If any)
Chris C Long	100%	

X. **ADDITIONAL MEMBERS.** Upon the consent of a majority of the Members and in compliance with the provisions of this agreement, new members may be admitted.

XI. **MANAGEMENT.** The Members have elected to manage the LLC as follows (check as appropriate):

☑ The management of the LLC shall be vested in the Members without an appointed manager. The Members shall elect officers who shall manage the company. The President and Secretary may act for and on behalf of the LLC and shall have the power and authority to bind the LLC in all transactions and business dealings of any kind as otherwise provided in this Agreement.

☐ The Members hereby delegate the management of the LLC to Managers(s), subject to the limitations set out in this agreement.

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There shall be CL initial Managers.
# of Managers

The initial Manager(s) is/are:

Chris C. Long
First *Middle* *Last*

First *Middle* *Last*

First *Middle* *Last*

First *Middle* *Last*

A Manager shall hold their position until the Members elect a successor.

The Members shall elect and may remove the Manager(s) by majority vote.

The authority shall be held by the Members to take all necessary and proper actions in order to conduct the business of the LLC.

Any Manager can take any appropriate action on behalf of the LLC, including, but not limited to signing checks, executing leases, and signing loan documents except for decisions concerning distributions.

With or without the notice of a meeting, the action of the Manager shall be based on a majority vote of the Managers when determining the timing and total amount of distribution to the Members.

The compensation to the Manager(s) shall be in the discretion of the majority of the Members of the LLC.

XII. **OFFICERS AND RELATING PROVISIONS.** If the Members decide to manage the LLC, rather than appointing a Manager, the Members shall appoint officers for the LLC and the following provisions shall apply:

(a) OFFICERS. The officers of the LLC shall consist of a president, a treasurer and a secretary, or others that may be elected and appointed by the Members. A Member may hold more than one or all offices. The officers shall supervise the operation of the LLC under the direction and management of the Members, as further described below.

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(b) TERM OF OFFICE/ELECTION. The Members shall elect the officers of the LLC annually by a majority vote. Vacancies may be filled or new offices created and filled at any meeting of the Members. All officers shall hold their office positions unless until their death, removal of office, or resignation. Election or appointment of an officer or agent shall not of itself create a contract right.

(c) REMOVAL. The Members may decide to remove any officer or agent by a majority vote whenever they decide that the best interest of the company would be served thereby. If a officer or agent is removed, it shall be without prejudice to the contract rights.

(d) PRESIDENT. The President shall be the chief executive officer of the LLC and shall be present at all meetings of the Members. The president shall have all powers to perform such duties that are outlined in this Agreement.

(e) THE TREASURER. The Treasurer shall be the chief financial officer of the LLC. The Treasurer is responsible for all funds and securities of the LLC. The Treasurer shall preside at the meeting of the Members when the President is absent. The treasurer must receive and give receipts for moneys due and payable to the LLC from any money source whatsoever, and deposit all such moneys in the name of the LLC in any such money institution, which shall be selected by the Members of the LLC. The Treasurer shall perform all other duties that may be assigned to the office of treasurer by the President or by the Members of the LLC.

(f) SECRETARY. The Secretary shall keep a time log of the Members meetings in a file provided for that purpose and also see that all notices are duly given in accordance with the provisions of this Agreement or as required by law. The Secretary shall have custody of the LLC records, addresses of Members, Member's resolutions, and other documents to the LLC as true and correct. The Secretary shall preside at the meetings of the Members in the absence of the President and Treasurer and also perform all other duties that may be assigned to the office of secretary by the President or by the Members of the LLC.

(g) VACANCIES. A vacancy is any office because of death, resignation, removal, and disqualification or otherwise may be filled by the Members for the unexpired portion of the term.

XIII. **MEMBER ONLY POWERS.** Notwithstanding any other provision of this Agreement, only a majority of the Members may: (a) sell or encumber (but not lease) any real estate owned by the LLC, or (b)

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incur debt, expend funds, or otherwise obligate the LLC if the debt, expenditure, or other obligation exceeds $ 20,000 _____.

XIV. **INTEREST OF MEMBERS.** Each Member shall own a percentage interest on the LLC. The Member's percentage interest shall be based on the amount of consideration that the member has contributed to the LLC and that percentage interest shall control the Member's share of the profit, losses, and distributions of the LLC.

XV. **CONTRIBUTIONS.** The initial contributions and initial percentage interest of the Members are as set out in this Agreement.

XVI. **ADDITIONAL CONTRIBUTIONS.** In the case when the Members are called upon by the majority of the Members of the LLC to make additional cash contributions, the additional cash contribution shall be based on the Member's then existing percentage interest. If a Member is unable to meet a cash call, the other Members can contribute the unmet call on a pro rata basis based on the Members' percentage interest at that time, and the percentage interest of each Member will be adjusted accordingly.

XVII. **PERCENTAGE INTEREST/RECORD OF CONTRIBUTIONS.** This Agreement, any amendment(s) to this Agreement, and all Resolutions of the Members of the LLC shall constitute the record of the Members of the LLC and of their respective interest therein.

XVIII. **DISTRIBUTIONS.** Distribution of cash and other assets of the LLC (other than in dissolution of the LLC) shall be made in the total amounts and at the times determined by a majority of the Members. Any such distributions shall be allocated among the Members on the basis of the Members' percentage interest in the LLC.

XIX. **PROFITS AND LOSSES.** On the basis of the Members' percentage interest in the LLC, the profits and losses and all other tax attributes of the LLC shall be allocated among the Members.

XX. **CHANGE IN INTEREST.** IF during any year there is a change in a Member's percentage interest, the Member's share of the profits and losses and distributions in that year shall be determined under a method which takes into account the varying interest during that year.

XXI. **VOTING BY MEMBERS.** In relation with each Member's percentage interest, Members shall be entitled to vote on all matters that provide for a vote of the Members.

DocuSign Envelope ID: 5A4E77C5-F8C8-4A3B-8C57-4E99F45FE92C

XXII. **MAJORITY DEFINED.** The term "Majority" of the Members shall mean a majority of the ownership interest of the LLC as determined by the records of the LLC on the date of the action when used throughout this agreement.

XXIII. **MAJORITY REQUIRED.** The majority of the Members, based upon their percentage ownership, except as otherwise provided and delegated to the Officers or Managers, shall decide all decisions made.

XXIV **MEETINGS.** Meetings of the Members may be called by any member owning 10% or more of the LLC, or, if Managers were selected, by the Manager of the LLC, or if Officers were elected, by any officer.

XXV. **WRITTEN CONSENT/MEETINGS.** Members or Officers do not have to hold a meeting in order to accomplish an action but evidence of the action shall be recorded and signed by the majority of the Members. Action without a meeting may be evidence by a written consent signed by a majority of the Members, or the President and Secretary.

XXVI. **MEMBERS HAVE NO EXCLUSIVE DUTY TO LLC.** Members may have other business interest and may participate in other investments in addition to those relating to the LLC. The Members shall not be required to participate in the LLC as their sole and exclusive business. No Member shall be held liability to the LLC or any other Member by participating in outside businesses, investments, or activities.

XXVII. **DUTIES OF MEMBERS: LIMITATION OF LIABILITY/GOOD FAITH.** All owners of the LLC shall perform their duties in good faith and perform with such care to be in the best interest of the LLC. All Members shall be held responsible if a Member or Officer finds them guilty of fraud, gross negligence, deceit, willful misconduct, or a wrongful taking. No Member or Officer, by reason of being or having been a Member or Officer, shall be liable to the LLC or to any other member or Officer for any loss or damage sustained by the LLC.

XXVIII. **PROTECTION OF MEMBERS AND OFFICERS.**

(a) As used herein, the term "Protected Party" refers to the Members and officers of the Company.

(b) To the extent that, at law or in equity, a Protected Party has duties (including fiduciary duties) and liabilities relating thereto to the LLC or to any other Protected Party, a Protected Party acting under this Agreement shall not be liable to the LLC or to any other Protected Party for good faith reliance on:

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(i) The provisions of this Agreement;

(ii) The records of the LLC; and/or

(iii) Such information, opinions, reports or statements presented to the LLC by any person as to matters the Protected Party reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the LLC.

(c) The provisions of this agreement, to the extent that they restrict the duties and liabilities of a Protected Party to the LLC or to any other Protected Party otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Protected Party.

XXIX. **INSURANCE AND IDEMNIFICATION.**

(a) Right to Indemnification.

(i) Any person who is or was a member or officer of the LLC and who is or may be a party to any civil action because of his/her participation in or with the LLC, and who acted in good faith and in a manner which he/she reasonably believed to be in, or not opposed to, the best interest of the LLC may be indemnified and held harmless by the LLC.

(ii) Any person who is or was a member or officer of the LLC and who is or may be a party to any criminal action because of his/her participation in or with the LLC, and who acted in good faith and had reasonable cause to believe that the act or omission was lawful, may be indemnified and held harmless by the LLC.

(b) Non-Exclusivity of Rights. Members and Officers of the LLC shall adopt and enter into indemnification agreements for Members and officers. The right to indemnification and payment of fees and expenses conferred in this section shall not be exclusive of any right which any person may have or hereafter acquire under any statute, provision of this agreement, contract, agreement, vote of members or otherwise.

(c) Advancement of Expenses. All expenses including legal fees incurred by an indemnified person in defending any proceeding shall be paid in advance of the proceedings

DocuSign Envelope ID: 5A4E77C5-F8C8-4A3B-8C57-4E99F45FE92C

conclusion. Should the indemnified Member or Officer ultimately be determined to not be entitled to indemnification, that member or officer agrees to immediately repay to LLC all funds expended by the LLC on behalf of the member or Officer.

(d) Effect of Amendment. No amendment, repeal or modification of this Article shall adversely affect any rights hereunder with respect to any action or omission occurring prior to the date when such amendment, repeal or modification became effective.

(e) Insurance. With a majority vote, the Members may decide to purchase and maintain insurance for the LLC, for its Members and officers, and/or on the behalf of any third party or parties whom the members might determined should be entitled to such insurance coverage.

XXX. **TERMINATION OF MEMBERSHIP.** A Member's interest in the LLC shall cease upon the incidence of one or more of the following events:

(a) A Member dies

(b) A Member decides to give notice of withdrawal to the LLC thirty days (30) in advance of the withdrawal date. There is no breach of Agreement when a Member decides to withdraw in this fashion.

(c) A Member assigns all of his/her interest to a qualified third party.

(d) There is an entry of an order by a court of competent jurisdiction adjudicating the Member incompetent to manage his/her person or his/her estate.

(e) In the case of an estate that is a Member, the distribution by the fiduciary of the estate's entire interest in the LLC.

(f) If within one hundred twenty (120) days after the commencement of any action against a Member seeking reorganization, readjustment, composition, readjustment, liquidation, arrangement, dissolution, or similar relief under any statue, law, or regulation, the action has not been dismissed and/or has not been consented to by a majority of the members.

(g) If within ninety days (90) after the appointment, without a Member's consent or acquiescence, of a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties, said appointment is not vacated or within ninety days (90)

DocuSign Envelope ID: 5A4E77C5-F8C8-4A3B-8C57-4E99F45FE92C

after the expiration of any stay, the appointment is not vacated and/or has not been consented to by a majority of the members.

(h) A Member, without the consent of a majority of the Members: (1) makes an assignment for the benefit of creditors; (2) files a voluntary petition in bankruptcy; (3) is adjudicated a bankrupt or insolvent; (4) files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation; (5) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of the nature described in this paragraph; (6) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or of all or any substantial part of his properties; or (7) if any creditor permitted by law to do so should commence foreclosure or take any other action to seize or sell any Member's interest in the LLC.

(i) Any of the events provided in applicable code provisions that are not inconsistent with the dissociation events identified above.

XXXI. **ENCUMBRANCE.** With majority consent from the Members, a Member can encumber his LLC interest by a security interest or other form of collateral.

XXXII. **LLC INTEREST**. A Member has no interest in property owned by the LLC. The LLC interest is personal property.

XXXIII. **SALE OF INTEREST.** A Member can sell his LLC interest only as follows:

(a) If a Member decides to sell any part of their interest he/she must first offer their interest to the LLC. The LLC shall have the option to buy the seller's interest at the then existing Set Price as stated in the Agreement. The LLC shall then have to option for 30 days upon receiving the receipt of its intention to buy all, a portion, or none of the offered interest with a majority vote. Closing on the sale shall occur within 60 days (60) from the date that the LLC gives written notice of its intention to buy. The purchase price shall be paid in cash at the closing unless the total purchase price exceeds $ N/A _____ in which the purchase price shall be paid in _____ (_____) equal quarterly installments beginning at the time of closing. The installment amounts shall be computed by applying the following interest factor to the principle amount: interest compounded quarterly at the Quarterly Federal Short-Term Rate existing at closing

DocuSign Envelope ID: 5A4E77C5-F8C8-4A3B-8C57-4E99F45FE92C

under the Applicable Federal Rates used for purposes of Internal Revenue Code § 1 274(d), or any successor provision.

(b) If the LLC decides not to buy the offered interest of the selling Member, the other Members shall have the right to buy the offered interest at a set price on a pro-rata basis based on the Members' percentage interests at that time. If a Member decides not to buy up to his/her proportional part, the other Members can buy the remaining interest on the same pro rata basis. Members shall have fifteen days (15) from the date the LLC gives its written notice to the selling Member to give the selling Member notice in writing of their intention to buy all, some, or none of the offered interest. The closing shall occur within sixty days (60) from the date that the Members give written notice of their intention to buy. The purchase price from each purchasing member shall be paid in cash at closing.

(c) If the LLC or Members choose not to buy the offered interest, the selling Member has the right to assign the interest to a non-member.

(d) The selling Member must come to a close within ninety days (90) of the date that he/she gave notice to the LLC. If the interest of the selling Member does not close within that time, he/she must start the selling process over.

(e) A non-member purchaser of a member's interest cannot exercise any rights of a member unless a majority of the non-selling Members consent to him becoming a member. The non-member purchaser will be entitled, however, to share in such profits and losses, to receive such distributions, allocations of income, loss, profit, deduction, credit or similar items to which the selling member would be entitled, to the extent of the interest assigned, and will be subject to calls for contributions under the terms of this Agreement. The purchaser shall agree to be subject to all the terms of this Agreement as if he were a Member by purchasing the selling member's interest.

XXXIV. **DISSOCIATION.** If a Member of the LLC becomes dissociated, the remaining Members shall have the option to purchase the dissociated member's interest at the Set Price in the same fashion as stated in Article 9. The sale will be carried out as if the dissociated Member had notified the LLC of his/her desire to sell all of his/her LLC interest. The date the LLC received the notice as provided in Article 28 triggering the options shall be deemed to be the date that the LLC receives actual notice of the dissociation event.

XXXV. **EFFECT OF DISSOCIATION.** When a Member becomes dissociated from the LLC they shall not be entitled to receive fair value of their LLC interest solely by virtue of dissociation. If the dissociated Member

DocuSign Envelope ID: 5A4E77C5-F8C8-4A3B-8C57-4E99F45FE92C

still owns interest in the LLC, they shall be entitled to continue to receive such profits and losses. A dissociated Member shall receive similar items to which he would if he/she were a Member but shall not be considered a Member nor have any rights of a Member.

XXXVI. **TERMINATION OF LLC.** Only upon the consent of the majority of the Members can the LLC and it affairs be dissolved.

XXXVII. **FINAL DISTRIBUTIONS.** Upon the ending of the LLC, the assets must be distributed as follows: (a) to the LLC creditors; (b) to Members in satisfaction of liabilities for distributions; and (c) to Members first for the return of their contributions and secondly respecting their LLC interest, in the proportions in which the Members share in profits and losses.

XXXVIII. **RECORDS AND INSPECTION.** The LLC shall maintain at its place of business the Articles of Organization, any amendments thereto, this Agreement, and all other LLC records required to be kept by the Act, and the same shall be subject to inspection and copying at the reasonable request, ad the expense, of any Member.

XXXIX. **RECORDS AND INSPECTION.** The LLC shall maintain at its place of business the Articles of Organization, any amendments thereto, this Agreement, and all other LLC records required to be kept by the Act, and the same shall be subject to inspection and copying at the reasonable request, ad the expense, of any Member.

XL. **OBTAINING ADDITIONAL INFORMATION.** Each Member of the LLC has the right to reasonably demand information related to the Member's interest as a Member in the LLC including: (a) Business information and the financial condition of the LLC; (b) If available, obtaining copies of the LLC's federal, state, and local income tax returns for each year. (c) Obtaining information in regards to the affairs of the LLC as is just and reasonable.

XLI. **APPLICABLE LAW.** Within the means of the law, this Agreement shall be constructed in accordance with and governed by the laws of the State of Alaska.

XLII. **AMENDMENT.** At any time a Member may wish to propose a new amendment but the other Members can waive it. The Proposing Member shall submit to the Members any such proposed amendment together with an opinion of counsel as to the legality of such amendment and the recommendation of the Member as to its adoption. Once the majority of the Member approves the amendment it shall be in effect. This Agreement may not be amended nor may any

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rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, except as otherwise provided in this Agreement.

XLIII. **COUNTERPARTS.** The instrument may be executed in any number of counterparts each of which shall be considered an original.

XLIV. **PRONOUNS.** The use of a pronoun shall be deemed to include singular, plural, individuals, feminine, masculine, partnerships or corporation where applicable when referencing to a Member or a Manager.

XLV. **FURTHER ACTION.** Upon the request by the LLC, each Member has the duty and shall agree to perform all appropriate and necessary assignments within the provisions of this Agreement.

XLVI. **FACSIMILES.** For purposes of this Agreement, any copy, facsimile, telecommunication or other reliable reproduction of a writing, transmission or signature may be substituted or used in lieu of the original writing, transmission or signature for any and all purposes for which the original writing, transmission or signature could be used, provided that such copy, facsimile telecommunication or other reproduction shall have been confirmed received by the sending Party.

XLVII. **SPECIFIC PERFORMANCE:** All Members agree that it would be greatly damaging if any of the provisions of this Agreement were not performed to meet their specific performance and that monetary damages would not provide an adequate remedy in such event. If the provisions become breached, the non-breaching Members are entitled to take action in any court of the United States or any state thereof having subject matter to the jurisdiction.

XLVIII. **METHOD OF NOTICE.** All written notices shall be sent to the address of the LLC at its place of business or to the Member who is set forth on the signature page of this Agreement. All notices shall be effective when received either by hand or receipt of delivery.

XLIX. **COMPUTATION OF TIME.** In computing any period of time under this Agreement, the day of the act, event or default from which the designated period of time begins to run shall no be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday, or legal holiday.

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L. **ENTIRE AGREEMENT** The undersigned hereby agree, acknowledge, and certify that the foregoing operating agreement is adopted and approved by each member. Each Member agrees to be bound by all of the terms and conditions of this agreement and the formation certificate or articles.

SIGNATURE OF MEMBERS

MEMBER

_____
Signature

Print Name of Member: _____

Address: _____

City, State, Zip: _____,_____,_____

Phone: _____

MEMBER

DocuSigned by:
Chris Long
0518921A7B4946F...
Signature

Print Name of Member: Chris C Long

Address: 879 Linda Court

City, State, Zip: Homer, Alaska, 99603

Phone: 419-708-0174

MEMBER

_____
Signature

Print Name of Member: _____

Address: _____

City, State, Zip: _____,_____,_____

Phone: _____

DocuSign Envelope ID: 5A4E77C5-F8C8-4A3B-8C57-4E99F45FE92C

MEMBER

_____
Signature

Print Name of Member: _____

Address: _____

City, State, Zip: _____,_____,_____

Phone: _____