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

State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database Download / Corporations / Entity Details

# ENTITY DETAILS

## Name(s)

| Type | Name |
|---|---|
| Legal Name | Catalyst Retail, LLC |

**Entity Type:** Limited Liability Company

**Entity #:** 10114674

**Status:** Good Standing

**AK Formed Date:** 9/28/2019

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2023

**Entity Mailing Address:** 6967 LASER DRIVE, ANCHORAGE, AK 99504

**Entity Physical Address:** 9900 OLD SEWARD HWY, UNIT 4, ANCHORAGE, AK 99515

## Registered Agent

**Agent Name:** William Schneider

**Registered Mailing Address:** 6967 LASER DRIVE, ANCHORAGE, AK 99504

**Registered Physical Address:** 6967 LASER DRIVE, ANCHORAGE, AK 99504

## Officials

☐ Show Former

| AK Entity # | Name | Titles | Owned |
|---|---|---|---|
| 10034020 | Broken Dirt LLC | Member | 100.00 |

## Filed Documents

| Date Filed | Type | Filing | Certificate |
|---|---|---|---|
| 9/28/2019 | Creation Filing | Click to View | Click to View |
| 9/28/2019 | Initial Report | Click to View | |
| 12/28/2020 | Biennial Report | Click to View | |

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# OPERATING AGREEMENT
# OF CATALYST RETAIL, LLC

This OPERATING AGREEMENT OF CATALYST RETAIL LLC ("Operating Agreement") is entered into as of JANUARY 3, 2020 (the "Effective Date"), by BROKEN DIRT LLC, as Member of CATALYST RETAIL LLC (the "Company").

WHEREAS, the Company was formed as a limited liability company under the laws of the State of Alaska by the filing on September 28, 2019 of the Articles of Organization in the office of the Alaska Commissioner of the Department of Commerce, Community and Economic Development;

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, the terms in this Operating Agreement shall have the respective meanings assigned to them in this definition section for all purposes of this Operating Agreement.

1.1 "Act" means the Alaska Revised Limited Liability Company Act, AS 10.50.010, *et seq.*, as amended, and unless the context otherwise requires, applicable regulations promulgated thereunder.

1.2 "Additional Capital Contribution" means any Capital Contribution made by any Member after the Initial Capital Contribution pursuant to Section 5.2.

1.3 "Articles of Organization" or "Articles" means the Articles of Organization filed 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 in an involuntary bankruptcy case where the Member is the debtor; (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, 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 involuntary bankruptcy case, which petition remains undismissed for a period of ninety (90) days; (v) the commencement by the Member of a voluntary case under any



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bankruptcy, insolvency, or other similar law; (vi) the making by the Member of any general assignment for the benefit of creditors without the consent of the remaining Members; or (vii) the failure by the Member generally to pay its debts as such debts become due if such failure has an adverse effect upon the Company.

1.5 "Capital Account" means the separate account established and maintained for each Member pursuant to Section 5.4.

1.6 "Capital Contribution" means any property or services, including cash, rendered or 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 and applicable regulations thereunder. Any reference herein to a specific section of the Code shall be deemed to include reference to any corresponding provisions of future law.

1.8 "Company" means Catalyst Retail, LLC.

1.9 "Dissociation" means a Member's written notice to the Company of three (3) months, of his or her or its intention to cease residing in the State of Alaska; or the remaining Members' determination that such Member is barred as a matter of Alaska law from owning Membership Interests.

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

1.11 "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.

1.12 "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.

1.13 "Initial Capital Contribution" means a Member's initial contribution of capital as set forth in Section 5.1 and on Exhibit A attached hereto.

1.14 "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.

1.15 "Member" or "Members" means the persons listed on the attached Exhibit A and any other person or entity who shall in the future execute this Operating Agreement pursuant to its provisions or applicable law.

1.16 "Membership Interest" means the percentage ownership interest of a Member in the Company.

1.17 "Operating Agreement" means this Second Amended and Restated Operating Agreement, as amended or modified, together with all attached addenda, exhibits, and schedules.

1.18 "Percentage Interest" means a Member's percentage share of ownership of the Company, as shown on Exhibit A.

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

1.20 "Supermajority vote of the Membership Interests" or "supermajority of the Membership Interests" means affirmative vote by 70% or more of the Membership Interests entitled to vote.

## 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 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;

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 "Catalyst Retail, 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.



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2.3 Place of Business. The principal place of business of the Company shall be 6967 Laser Drive, Anchorage, Alaska 99504. The Members may change the principal place of business to such other place within the United States as the Members 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 William Schneider, 6967 Laser Drive, Anchorage, Alaska 99504.

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 Purpose. The Company is organized to conduct any or all lawful affairs for which a limited liability company is organized under AS 10.50.

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 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.



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5.3 Form of Capital Contributions or Additional Capital Contributions of the Members. Upon supermajority vote of the Members, any Member may make any of the 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 a supermajority vote 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 6.1, 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 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. 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 Interests or, from time to time, as the Members may agree to a different or special allocation.

6.2 Allocation of Income and Loss With Respect to Company Interests Transferred. If any Membership Interest is transferred during any fiscal year, the net income or net loss and other items referred to herein attributable to such Membership Interest for such fiscal year shall be allocated between the transferor and the transferee as of the date of the transfer.

6.3 Distributions. Distributions to Members may be made at such times and in such amounts as determined by the Members. Distributions shall be made to Members in proportion to their Percentage Interests. Distributions may be made in cash.

## 7. MANAGEMENT.

7.1 Management of the Company. The Members have the exclusive right to manage the Company's business. Accordingly, except as otherwise specifically limited in this Operating Agreement or under applicable law, the Members shall: (i) manage the affairs and business of the Company; (ii) exercise the authority and powers granted to the Company; and (iii) otherwise act in all other matters on behalf of the Company.

7.2 Member's Representatives. Each Member that is an entity other than an individual shall designate a representative or representatives who shall have authority to represent the Member at all meetings of Members and vote on behalf of the Member. A Member shall provide written notice of any change in the designation of the Member's Representative to all other Members. Broken Dirt, LLC's Representative is its Manager. Broken Dirt LLC's Representative is authorized to execute all documents and take all actions on behalf of the Company. The signature of Broken Dirt's Manager shall constitute the signature of the Company and shall be binding upon the Company.



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## 8. MEMBERS.

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

8.2 Meetings. There shall be quarterly meetings of the Members. Additional meetings of the Members may be called by fifty percent (50%) of the Percentage Interests. 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.

8.2.1 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 17.4 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.

8.2.2 Quorum. The holders of a majority of the Percentage 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.

8.2.3 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.

8.3 Action Without Meeting. Unless specifically prohibited by the Articles, any action required to be taken at a meeting of the Members may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by a supermajority 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.

8.4 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 Member, or whoever called for the meeting, shall ensure those Members attending remotely have access to any written materials reviewed at the meeting.

8.5 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



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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.

8.6 Voting of Interests. Each Member shall be entitled to vote according to his or her Membership Interest in the Company upon each matter submitted to a vote of the holders thereof. Those Members holding a Membership Interest as husband and wife shall designate one spouse to vote the entire Membership Interest held by the husband and wife. Membership Interests held by tenants of the entirety shall be voted as a single Membership Interest and may not be divided.

8.7 Other Activities of Members; Restrictions on Competition. A 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. No Member, or affiliate thereof, shall incur any liability to the Company as a result of its pursuit of such other permitted business interests, ventures, and competitive activity, and the Company shall not have any right to participate in such other business ventures or to receive or share in any income or profits derived therefrom.

## 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, 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, 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, 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 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.

## 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 Members.



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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. By a Majority Vote of the Members, the Company may from time to time designate or remove a Tax Matter Member. The Tax Matter Member shall be the designated person acting on behalf of the Company in matters with the IRS.

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 Members' sole and absolute discretion.

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 AND CONVERSION OF MEMBERSHIP INTERESTS, AND THE ADDITION, SUBSTITUTION, AND WITHDRAWAL OF MEMBERS.

11.1 Transfer of Company 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 his or her Membership Interest or his or her Capital Account without: (i) the express written consent of non-transferring Members then holding a supermajority of the Membership Interests; or (ii) following the procedures outlined in Section 11.2.5. Each Member acknowledges the reasonableness of this prohibition in view of the relationship of the Members.



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11.2.2 Substitution. Any transferee of a Membership Interest shall become a substituted Member upon (i) the express written consent of the non-transferring Members then holding a supermajority of the Membership Interests; (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 a resident of the State of Alaska, 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; 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.

11.2.3 Dealing with Members. The Company, each Member, and any other person or persons having business with the Company need deal only with Members who are admitted as Members or as substituted Members of the Company, and they shall not be required to deal with any other person by reason of transfer by a Member, except as otherwise provided in this Operating Agreement. In the absence of the substitution (as provided herein) of a Member for a transferring Member, any payment to a Member or to a Member's successors or assigns shall acquit the Company of all liability to any other persons who may be interested in such payment by reason of an assignment by such Member.

11.2.4 No Right to Withdraw. No Member shall have any right to resign or otherwise withdraw from the Company without the express written consent of all the other Members.

11.2.5 Right of First Refusal. In the event that one Member wants to transfer all or part of its Membership Interest in the Company, and in the absence of the express written consent of non-transferring Members then holding a supermajority of the Membership Interests, the transferring Member shall first make the Membership Interest available to the other Member(s) in the manner set forth below in this Section 11.2.5.

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 his or her 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:

B. 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, 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.

C. 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; 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.

11.3 Admission of Additional Members. 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 this Section 11. Subject to the terms of this Agreement, additional Persons may be admitted as Members of the Company under this Section 11.3 at such time and on such terms as may be deemed appropriate by a supermajority vote of the Membership Interests. To be admitted as a Member, a Person shall agree in writing to be bound by this Agreement and provide documentation satisfactory to the Company that the transferee is a resident of the State of Alaska, 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. 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. Notwithstanding the foregoing, a Member shall have a right of first refusal to purchase their pro rata share of the Company upon issuance of additional membership interests, in order to maintain such Member's proportionate Membership Interest

11.4 Buyout of Membership Interest. Notwithstanding the foregoing, Original Member William Schneider may buy out up to fifty percent (50%) of the membership interest of any other Member within five (5) years of the date of this agreement for the amount of five (5) times the value of that interest at the time of the Member's Initial Contribution as listed in Exhibit A. Any distributions due for the quarter in which the buyout transfer occurs will be adjusted pro rata for each member's membership interest.

## 12. DISSOCIATION.

12.1 Voluntary Dissociation Due to End of Alaska Residency. Any Member who intends to end his/her Alaska residency shall have the right to Dissociate from the Company with written notice given to the Members at least three (3) months in advance of the date of Dissociation. In such case, Catalyst Retail, LLC shall have a Right of First Refusal to purchase the Dissociating Member's Membership Interest, according to the procedures set forth in Section 12.3. If Catalyst Retail, LLC decides not to purchase the Dissociating Member's Membership Interest, the remaining



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Members shall automatically receive the Dissociating Member's Percentage Interests, divided proportionately among the remaining non-Dissociating Members, according to each such non-Dissociating Member's Percentage Interest, and the Dissociating Member's Percentage Interest shall be reduced automatically to zero. The Dissociating Member shall receive as compensation for his/her Dissociated Membership Interest, cash in the amount of the Book Value of the membership interest, as defined below in Section 15.

12.2 Mandatory Dissociation Due to Ineligibility to Hold Membership Interests or Shares as a Matter of Alaska Law. A Member who is determined by the Members in good faith to have committed any act or omission which renders such Member ineligible to hold the Membership Interests as a matter of Alaska law, shall be required to Dissociate from the Company. In such case, the remaining Members shall automatically receive the Dissociating Member's Percentage Interests, divided proportionately among the remaining non-Dissociating Members, according to each such non-Dissociating Member's Percentage Interest, and the Dissociating Member's Percentage Interest shall be reduced automatically to zero. The Dissociating Member being forced to Dissociate shall receive no compensation in exchange for his/her Dissociated Membership Interest, and shall forfeit his/her entire Member economic interest in the Company retroactive to the date such Dissociating Member became ineligible to hold the Membership Interests as a matter of Alaska law.

12.3 Right of First Refusal of Catalyst Retail, LLC. Upon notice of a Dissociating Member's intention to end his/her Alaska residency pursuant to Section 12.1, or the Members' good faith determination that an event has occurred triggering mandatory Dissociation of a Member under Section 12.2, the Members shall notify Catalyst Retail, LLC of its right to offer to purchase the Dissociating Member's Membership Interest upon payment of the amount of the Book Value of the membership interest, as defined below in Section 15. This right of first refusal shall expire on the thirtieth (30th) day following the date the right of first refusal notice is transmitted by the Company. At any time during this period, Catalyst Retail, LLC may accept the offer by giving written notice to the Members of its acceptance and paying the purchase price for such Dissociating Member's Membership Interest in immediately available funds.

## 13. DEATH OR DISABILITY.

13.1 Upon the death or disability of any Member, the remaining Members shall have the right either to purchase the Membership Interest of the deceased or disabled Member ("Estate Interest"), or to terminate and liquidate the Company business. If the remaining Members elect to purchase the Estate Interest, they shall serve notice in writing of such election, within 60 days after the occurrence of the death or disability that created the option to purchase. Notice under this Section 13, shall, as applicable, be served upon the following people: (1) the decedent's spouse; (2) the decedent's personal representative; (3) the disabled Member, if not declared legally incapacitated; or (4) the guardian for the disabled Member, if one has been appointed.



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13.2 If the remaining Members elect to purchase the Estate Interest, the purchase price shall be Book Value, as defined below in Section 15.

13.3 If the remaining Members do not elect to purchase the Estate Interest as of the sixtieth (60th) day following notice of the occurrence of the death or disability, the Company shall immediately be dissolved pursuant to Section 16 without further action of the Members.

## 14. BANKRUPTCY.

14.1 In the event of the Bankruptcy of a Member, the non-Bankrupt Members shall have the right to purchase the Membership Interest of the Member in Bankruptcy, or elect to dissolve the Company in accordance with Section 16. If the non-Bankrupt Members elect to purchase the Membership Interest of the Member in Bankruptcy, they shall serve notice in writing of such election upon the Member in Bankruptcy, within thirty (30) days after the occurrence of the event of Bankruptcy.

14.2 If the non-Bankrupt Members elect to purchase the Membership Interest of the Member in Bankruptcy, the purchase price shall be Book Value, as defined below in Section 15.

14.3 If the remaining Members do not elect to purchase the Membership Interest of the Member in Bankruptcy as of the thirtieth (30th) day following the occurrence of the event of Bankruptcy, the Company shall immediately be dissolved pursuant to Section 16 without further action of the Members.

## 15. BOOK VALUE.

15.1 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:

15.1.1 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.

15.1.2 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.



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

15.1.4 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.

15.1.5 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.

15.1.6 Book Value shall be determined by the outside accountants regularly employed by the Company. If no such regularly-employed accountants can be agreed upon by a supermajority vote of the Membership Interests, then the Members or shall select the appropriate accountants to determine Book Value of the Company.

## 16. DISSOLUTION, LIQUIDATION, AND TERMINATION.

16.1 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:

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

16.1.2 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);

16.1.3 The Bankruptcy, dissolution, or liquidation of a Member, if the remaining Members do not vote unanimously to continue the business of the Company;

16.1.4 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.

16.2 Winding Up. Upon the dissolution of the Company, the Members or 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 Members shall continue to operate the Company, and all of the provisions of this Operating Agreement shall remain in effect. The Members shall notify all known



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creditors and claimants of the dissolution of the Company in accordance with the provisions of the Act.

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

16.3.1 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

16.3.2 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.

16.4 Distributions in Kind. In connection with the termination and liquidation of the Company, the Members 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 independent appraisal or by unanimous agreement of the Members, and treated as though the property or assets were sold and the cash proceeds distributed.

16.5 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.

16.6 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.

16.7 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.

## 17. GENERAL PROVISIONS.

17.1 Compliance with Act. The Members 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.



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17.2 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.

17.3 Additional Actions and Documents. The Members 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.

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

If to: William Schneider, Manager
Broken Dirt, LLC
6967 Laser Dr.
Anchorage, AK 99504

17.5 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.

17.6 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.

17.7 Waiver and Amendments. No delay on the part of a Member 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. 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. All amendments shall require the approval of a supermajority vote of the Membership Interests. . The rights and remedies herein expressly provided are cumulative and not exclusive of any other



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rights or remedies which a Member or the Company would otherwise have at law or in equity or otherwise.

17.8 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.

17.9 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.

17.10 Limitation on Benefits of this Operating Agreement. Subject to Section 8, 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.

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

17.12 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.

17.13 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.

17.14 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.

17.15 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.



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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.

**MEMBERS:** Broken Dirt, LLC

By:_____
William Schneider
Its Member Representative



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## EXHIBIT A

### Members

Member Percentage Interests as of the date of this agreement are shown below:

| Member | Percent Interest |
|---|---|
| Broken Dirt, LLC | 100% |



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