THE STATE of ALASKA

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

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Limited Liability Company

Initial Biennial Report

Web-6/23/2016 2:01:21 PM

Entity Name: Top Hat Concentrates, LLC
Entity Number: 10037169
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent
Name: BS&G, Inc.
Physical Address: 2550 DENALI STREET, SUITE 1502, ANCHORAGE, AK 99503
Mailing Address: 2550 DENALI STREET, SUITE 1502, ANCHORAGE, AK 99503

Entity Physical Address: 2315 INDUSTRIAL BLVD, Suite B, JUNEAU, AK 99801

Entity Mailing Address: PO BOX 20842, JUNEAU, AK 99801

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

Name	Address	% Owned	Titles
John Nemeth	1220 Glacier Ave , APT 204, Juneau, AK 99801	33	Manager, Member
Tracy LaBarge	2913 Blueberry Hills Dreberry Hills Dr, Juneau, AK 99801	34	Member
Benjamen Wilcox	125 Wire St, Juneau, AK 99801	33	Member

NAICS Code: 339999 - ALL OTHER MISCELLANEOUS MANUFACTURING

New NAICS Code (optional):

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

Name: John Nemeth

OPERATING STATEMENT
OF
TOP HAT CONCENTRATES, LLC

an Alaska limited liability company

May 15th, 2016

The undersigned sole Member, having formed a limited liability company under the laws of the State of Alaska, hereby adopts this initial operating statement of Top Hat Concentrates, LLC:

Article 1
Formation

1.1 Name. The name of the limited liability company is Top Hat Concentrates, LLC (the "**Company**").

1.2 Articles of Organization. The Articles of Organization (the "**Articles**") were filed on March 28, 2016 with the Department of Commerce, Community and Economic Development of the State of Alaska.

1.3 Nature of Business. The purposes of the Company shall be to engage in any other lawful business permitted by the Alaska Revised Limited Liability Company Act (the "**Act**") or the laws of any jurisdiction in which the Company may do business. The Company shall have the authority to do all things necessary or convenient to accomplish its purposes and operate its business.

1.4 Defects as to Formalities. A failure to observe any formalities or requirements of this Amended and Restated Operating Statement (this "**Statement**"), the Articles or the Act shall not be grounds for imposing personal liability on the Member for liabilities of the Company.

Article 2
Member, Capital Account and Contributions

2.1 Name and Address. The name and address of the sole Member of the Company is as follows:

Top Hat Concentrates, LLC
PO Box 20842
Juneau, Alaska 99802

2.2 Other Activities of Member. The Member may engage independently or with others in other activities, including business and investment ventures of every nature and description and shall have no obligation to account to the Company for such activities, business or investments or for business or investment opportunities.

2.3 Capital Account. A Member's capital account shall be (i) credited with all capital contributions by the Member and all income and gain (including any income exempt from federal income tax) of the Company in proportion to the Member's interest in the Company; and (ii) charged

with the amount of all distributions to the Member and all losses and deductions of the Company. Non-cash capital contributions will be credited at the fair market value of the property on the date of contribution. Capital accounts shall be maintained in accordance with federal income tax accounting principles as set forth in Treas. Reg. § 1.704-1(b)(2)(iv) or any successor provision. Non-cash capital contributions will be credited at the fair market value of the property on the date of contribution.

2.4 Initial Capital Contribution. The Member has contributed to the capital of the Company as reflected in the books and records of the Company.

2.4 Additional Capital Contributions. The Member may, from time to time, contribute to the Company cash or other property in such amounts as the Member determines to be reasonably necessary for the operation of the Company's business.

Article 3
Management

3.1 Management. The Company shall be managed by a manager (the "**Manager**"), who need not be a member of the Company. The Manager shall devote such time and attention to the business of the Company as may be reasonably necessary to the conduct of such business. The Manager shall, to the fullest extent permitted by the Act, have the right and authority to manage the affairs of the Company. The Manager shall have no duty to record in writing or otherwise any decision made by the Manager in the Manager's capacity as a manager, and the absence of any such record shall not impair the validity of any such decision. The Manager shall be appointed by the Member, and shall serve until the earlier of removal by the Member for good cause or the Manager's resignation. The initial Manager shall be Top Hat LLC.

3.2 Initial Officers. The Member hereby appoints the following persons to serve as the initial officers of the Company until such officers are replaced by the Manager or otherwise resign:

President:	John Nemeth
Secretary:	Tracy LaBarge
Vice President:	Ben Wilcox

Such individuals shall owe the same fiduciary duties to the Company as officers of a corporation owe to the corporation under Alaska law. In addition, unless the Manager determines otherwise, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office if held by the officer of a corporation.

3.3 Officers. Without limiting the provisions of Section 3.2, the Manager may, from time to time, delegate to one or more officers such authority and duties as the Manager deems advisable, and such individuals shall owe the same fiduciary duties to the Company as officers of a corporation owe to the corporation under Alaska law. In addition, the Manager shall assign titles to officers of the Company and, unless the Manager determines otherwise, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office if held by the officer of a corporation. Without limiting the foregoing, the Manager may appoint a President, one or more Vice Presidents, a Secretary or any other officers and assistant officers as the Manager may deem necessary or appropriate. Subject to the requirements of any

applicable employment or management agreement, any delegation pursuant to this Section 3.3 may be revoked at any time by the Member, in its sole and absolute discretion.

3.3.1 Compensation. The salaries, bonuses or other compensation, if any, of the officers shall be fixed from time to time by the Manager. Except as otherwise expressly agreed in writing, any officer employed by the Company shall be employed "at will."

Article 4
Transfer of Ownership Interests

The Member shall have the right to sell or otherwise voluntarily transfer the Member's ownership interest in the Company to any person or entity at any time and on such terms and conditions as the Member may determine.

Article 5
Admission of Additional Members

Whether additional members shall be admitted as members of the Company shall be in the sole discretion of the Member. If, at any time, the Company has two or more members, the members shall with reasonable promptness make all amendments of this Statement necessary to reflect their agreement concerning the allocation of the Company's profits and losses, the allocation of management rights, and other appropriate matters.

Article 6
Accounting and Records

6.1 Books of Account. The Company shall maintain a register showing the name, address, and capital contributions of the Member and shall keep books and records of the operation of the Company which are appropriate and adequate for the Company's business. The Member shall have access thereto at all reasonable times.

6.2 Fiscal Year. The fiscal year of the Company shall be the calendar year.

6.3 Tax Returns. The Manager shall cause all required federal and state income tax returns for the Company to be prepared and timely filed with the appropriate authorities. Within ninety (90) days after the end of each fiscal year, the Member shall be furnished a statement suitable for use in the preparation of the Member's income tax return, showing the amounts of any distributions, contributions, gains, losses, profits, or credits allocated to the Member during such fiscal year.

Article 7
Dissolution

7.1 Dissolution. The Member may determine whether and when to dissolve the Company. Unless the Manager otherwise elects, the death, bankruptcy or insolvency of a Member shall not be an event of dissociation, nor shall it cause the Company to be dissolved.

7.2 Liquidation; Winding Up. Upon the dissolution of the Company, the Manager shall wind up the affairs of the Company. A full account of the assets and liabilities of the Company shall

be taken. The assets shall be promptly liquidated and the proceeds thereof applied as required by law. With the approval of the Member, the Company may, in the process of winding up the Company, elect to distribute certain property in kind.

Article 8
Indemnification

The Company shall indemnify and hold harmless any Person acting as an officer or agent of the Company, Manager and each Member of the Company (all of the foregoing being the "**Indemnified Persons**"), from and against any judgments, settlements, penalties, fines or expenses incurred in a proceeding to which an Indemnified Person is a party because he or she is or was an officer, agent, Manager or Member of the Company, acting on behalf of the Company, to the fullest extent allowed by the Act, including, without limitation, all expenses (including attorneys' fees), costs, judgments, liabilities, penalties, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Persons; provided, that the Company shall not indemnify any Person in connection with a proceeding (or part thereof) initiated by such Person, except where such proceeding (or part thereof) was authorized by the Member. Notwithstanding the foregoing, the Company shall have no obligation to indemnify an Indemnified Person under Section 3.2 for expenses, costs, judgments, liabilities, penalties, fines or amounts paid in settlement as a result, in whole or in part, of the Indemnified Person's (i) fraud, willful misconduct, gross negligence or bad faith; (ii) acts or omissions not in good faith which involve intentional misconduct or a knowing violation of law; (iii) a violation of AS 10.50.305; (iv) a violation of this Statement; (v) a transaction from which an Indemnified Person personally received a benefit in money, property or services to which he or she is not legally entitled; or (vi) any action taken by an officer or agent of the Company without authority as limited by Section 3.2.

Article 9
Amendments

The Member may amend or revoke the provisions of this Statement or the Articles at any time in its sole discretion.

Article 10
Miscellaneous

10.1 Governing Law. This Statement and its formation, operation and performance, shall be governed, construed, performed and enforced in accordance with the laws of the State of Alaska, excluding its conflict of law principles.

10.2 Severability. If any provision of this Statement, or the application thereof to any circumstance, person or place, shall be held by a court or other tribunal of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Statement and such provisions as applied to other circumstances, persons or places shall remain in full force and effect.

ADOPTED to be effective as of May 15th, 2016 by the undersigned sole Member and sole Manager of Top Hat Concentrates, LLC.

TOP HAT, LLC, an Alaska limited liability company

By: _____
Name: John S Nemeth
Title: President

OPERATING AGREEMENT

OF

TOP HAT, LLC

(an Alaska Limited Liability Company)

Dated and Effective

as of

MAY 15th, 2016

THE INTERESTS REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES ACTS OR LAWS OF ANY STATE IN RELIANCE UPON EXEMPTIONS UNDER THOSE ACTS OR LAWS. THE SALE OR OTHER DISPOSITION OF THE INTERESTS IS RESTRICTED AS STATED IN THIS OPERATING AGREEMENT, AND IN ANY EVENT IS PROHIBITED UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO IT AND ITS COUNSEL THAT SUCH SALE OR OTHER DISPOSITION CAN BE MADE WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES ACTS AND LAWS. BY ACQUIRING THE INTERESTS REPRESENTED BY THIS OPERATING AGREEMENT, EACH MEMBER REPRESENTS THAT HE OR SHE WILL NOT SELL OR OTHERWISE DISPOSE OF HIS OR HER INTERESTS WITHOUT REGISTRATION OR OTHER COMPLIANCE WITH THE AFORESAID ACTS AND LAWS AND THE RULES AND REGULATIONS ISSUED THEREUNDER.

OPERATING AGREEMENT
OF
TOP HAT, LLC
an Alaska Limited Liability Company

THIS OPERATING AGREEMENT (this "**Agreement**") is entered into and shall be effective as of the 15th day of MAY, 2016 (the "**Effective Date**"), by and among Top Hat, LLC, an Alaska limited liability company (the "**Company**"), and the persons or entities named in Schedule B hereto (each a "**Member**" and collectively the "**Members**").

RECITALS

WHEREAS, the Company was formed on March 7, 2016 by the filing of Articles of Organization (the "**Articles**") with the Alaska Department of Commerce in accordance with the Alaska Limited Liability Company Act (the "**Act**"); and

WHEREAS, the Members desire to set forth herein their respective rights and obligations as Members of the Company, and to provide rules and procedures for the governance of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties, intending to be legally bound, agree as follows:

ARTICLE I
GENERAL DEFINITIONS

The capitalized terms used in this Agreement shall have the meanings ascribed thereto in the attached Schedule A, unless expressly provided otherwise in this Agreement.

ARTICLE II
ORGANIZATION OF COMPANY

2.1 Effective Date. This Agreement is effective as of **MAY 15th**, **2016**.

2.2 Name. The name of the Company shall be Top Hat, LLC, and all business of the Company shall be conducted under such name or, upon compliance with applicable law, under any other name that the Board of Directors deems appropriate or advisable. The Members have filed the Articles with the office of the Alaska Department of Commerce. The rights and liabilities of the Members shall be as provided under the Act, the Articles and this Agreement.

2.3 Purpose. The principal purpose of the Company is to grow and cultivate cannabis, and to engage in any other lawful business or activity in connection with the foregoing and exercise any and all powers that may be lawfully exercised by the Company and that the Board of Directors determines to be advantageous to the Company. The Company shall have the power and authority to do any and all acts necessary or convenient to accomplish its purpose and operate its business.

2.4 Management. The Company is a manager-managed limited liability company and the Board of Directors, acting collectively in accordance with this Agreement, shall be the manager of the Company.

2.5 Principal Place of Business; Registered Agent. The Company shall maintain its principal place of business at 2315 Industrial BLVD, Juneau, Alaska 99801. The Board of Directors may, from time to time, change the principal business office of the Company, or establish additional offices or places of business of the Company, as it may deem advisable. The Company's registered office and registered agent in Alaska shall be BS&G, Inc., 2550 Denali, Suite 1502, Anchorage, Alaska 99503.

2.6 Term. The term of the Company's existence commenced on the date the Articles were filed in the office of the Commission for the Alaska Department of Commerce in accordance with the Act and shall continue perpetually, unless dissolved in accordance with the Act or pursuant to the provisions of this Agreement.

2.7 Defects as to Formalities. No failure to observe formalities or requirements set forth herein but that are not required under the Act shall be grounds for third parties to impose personal liability on the Members for the liabilities or obligations of the Company.

2.8 No Partnership Intended for Nontax Purposes. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership or corporation. The Members do not intend to be partners one to another, or partners as to any third party. To the extent any Member or Transferee, by word or action, intentionally or recklessly represents to another that the Member or Transferee or any other Member or Transferee is a partner or that the Company is a partnership, the Person making such wrongful representation shall be liable to any Person who incurs personal liability by reason of such wrongful representation. The amount of the damages or liabilities incurred as a result of the wrongful representation shall be an offset against any amounts otherwise owing to such Person.

2.9 Rights of Creditors and Third Parties. This Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and permitted assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

2.10 Title to Property. All Company property shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in the Member's individual name or right. Each Member's interest in the Company shall be personal property for all purposes. The Company shall hold all Company property in the name of the Company and not in the name or names of any Member or Members.

2.11 Payments of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for or in payment of any individual obligation of any Member unless otherwise provided for herein.

ARTICLE III
MEMBERS

3.1 Names and Addresses of Members. The name, address, Interests, Percentage Interest, Capital Contributions and Initial Capital Account of each of the Members are set forth in the attached Schedule B, which schedule shall be updated from time to time by the Board of Directors to reflect any changes.

3.2 Admission of Additional Members.

3.2.1 Admission. Additional Members may be added upon terms and conditions (including, without limitation, the purchase price for the Interests purchased by such Additional Member) approved by the affirmative vote or written consent of all of the Members. Notwithstanding the foregoing, a Person shall not become an Additional Member unless and until such Person:

(a) Becomes a party to this Agreement as a Member by executing an Admission Agreement and such other documents and instruments as the Company may reasonably request as may be necessary or appropriate to confirm such Person as a Member in the Company and such Person's agreement to be bound by the terms and conditions hereof; and

(b) Provides the Company with evidence reasonably satisfactory to counsel for the Company that such Person has made each of the representations and undertaken each of the warranties contained in the additional Member's Admission Agreement.

3.2.2 Accounting. No Additional Member shall be entitled to any retroactive allocation of losses, income, or expense deductions incurred by the Company. The Company may, at the time an Additional Member is admitted, close the Company books (as though the Company's Fiscal Year had ended) or make pro rata allocations of loss, income, expense, and deductions to the Additional Member for that portion of the Company's Fiscal Year in which such Additional Member was admitted, in accordance with the provisions of Code Section 706(d) and the Regulations promulgated thereunder.

3.3 Authority to Act. The Members, in their capacities as Members, shall not have any right or power to take part in the management or control of the Company or its business and affairs or to act for or bind the Company in any way, unless the Member has been authorized by the Board of Directors to act as an agent of the Company in accordance with this Agreement. Notwithstanding the foregoing, the Members have all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the Act.

3.4 Voting Rights. All Members holding Class A Interests shall be entitled to vote on or consent to any matter submitted by the Board of Directors to a vote or for the consent of the Members, including those matters specifically reserved for a Member vote by the Act or this Agreement. With respect to any vote of Members, any Member that is an Entity shall appoint an individual to represent the Entity with respect to the business of the Company, including

consenting or voting on matters presented to the Members. Any Entity Member may change its representative upon advance written notice to the Company. The Class B Interests shall be non-voting, and no Member holding Class B Interests shall be entitled to vote such Interests in any matter submitted to a vote of the Members.

3.5 Limitation of Liability. Except as provided in Section 3.6, each Member's liability shall be limited as set forth in this Agreement, the Act and other applicable law. Except as otherwise provided by law or as expressly set forth in this Agreement, no Member shall be personally liable, merely as a Member, for the debts, or any other obligations or liabilities, of the Company, whether such liability or obligation arises in contract, tort or otherwise. A Member shall be liable only to make his, her or its Capital Contributions and shall not be required to restore a deficit balance in his, her or its Capital Account or to lend any funds to the Company or, after his, her or its Capital Contributions have been made, to make any additional contributions, assessments or payments to the Company, provided that a Member may be required to repay distributions made to it as provided in the Act.

3.6 Meetings of Members.

3.6.1 Annual Meeting; Calling of Meetings. An annual meeting of the Members holding Interests having Management Rights for the election of Directors and the transaction of such other business as may properly come before the meeting shall be held each year on the 8th day of March at 10:00 a.m. if the Members cannot otherwise agree upon an alternative date and time. Meetings of the Members may be scheduled and held as deemed appropriate by the Board of Directors, provided that a written notice that includes the place, day, hour and purpose of such meeting is provided to all Members holding Interests having Management Rights at least five (5) business days in advance of such meeting. Such meetings may address any matter that may come before the Members.

3.6.2 Place of Meetings. The Company may designate any place within or without the State of Alaska as the location for any meeting of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Company in the State of Alaska.

3.6.3 Meetings of All Members. If all of the Members holding Interests having Management Rights shall meet at any time and place, either within or outside of Alaska, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

3.6.4 Record Date. For the purpose of determining the Members for any purpose, the date on which any required notice is first transmitted to a Member shall be the record date for such determination of the Members.

3.6.5 Quorum. The presence, in person or by proxy, of Members holding, in the aggregate, a more than sixty percent (60%) of the Interests having Management Rights shall constitute a quorum for purposes of such meeting.

3.6.6 Manner of Acting. In each matter requiring action or approval by the Members, each Member holding Interests having Management Rights shall be entitled to vote such Interests. Except as otherwise required by the Articles, this Agreement or applicable law, a matter submitted to a vote of the Members shall be deemed approved if it receives the affirmative vote of the Members holding, in the aggregate, more than fifty percent (50%) of the total Interests having Management Rights represented at a meeting at which there is a quorum.

3.6.7 Proxies. At all meetings of the Members, a Member may vote in person or by a proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Company before or at the time of the meeting and may be of any duration and scope except that a Member who shall appear in person at a meeting shall void any outstanding proxy for so long as such Member is in attendance. A proxy without limits contained therein shall be deemed to be an unlimited proxy.

3.6.8 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken and signed by Members holding in the aggregate not less than the Interests having Management Rights that would be necessary to authorize or take such action at a meeting at which there was a quorum.

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

3.6.10 Telephonic Meetings. Meetings of the Members may be held by conference telephone or by any other means of communication by which all participants can hear each other simultaneously during the meeting, and such participation shall constitute presence in person at the meeting. Any member requesting to do so shall be allowed to participate by such communication means.

3.7 Reimbursement and Compensation. The Members shall be reimbursed by the Company for reasonable, substantiated, out-of-pocket expenses incurred by the Members in connection with the Company's business, including expenses incurred in the Company's organization. In addition, the Members who perform services to the Company shall be entitled to such compensation and benefits, if any, as determined from time to time by the Board of Directors, and any such compensation shall be treated as guaranteed payments under Code Section 707(c) or payments made to a nonpartner under Code Section 707(a), whichever is appropriate. However, nothing contained herein shall entitle a Member to continued employment or compensation for any period of time and the Board of Directors may request that a Member cease performing services and discontinue the payment of any compensation to such Member.

3.8 Books, Records, Reports and Information. Each Member shall have the right to receive the reports and information required to be provided by this Agreement or the Act. Upon reasonable request, each Member, and the Member's agent and attorney, shall have the right, during ordinary business hours, to inspect and copy, at the requesting Member's expense, the books and records which the Company is required, by the Act or this Agreement, to keep.

3.9 Transactions Between a Member and the Company. A Member does not violate a duty or obligation to the Company merely because such Member's conduct furthers the interest of the Member. Subject to approval as required by Section 7.8, a Member may engage in transactions with the Company pursuant to which the Member will lend money to and transact other business with the Company (such transactions, "**Interested Party Transactions**"); *provided*, that if any Interest Party Transaction involves a Director, such Director shall disclose his or her interest in the Interested Party Transaction to the Board of Directors. The rights and obligations of a Member who lends money to or transacts business with the Company are the same as those of a Person who is not a Member, subject to the Act and other applicable law. No transaction with the Company shall be voidable solely because a Member has a direct or indirect interest in the transaction if the transaction is approved or ratified as provided for herein. Subject to Section 4.2, no Interested Party Transaction will result in an increase in the Interest of the interested Member, and the value received by the Company in connection with such Interested Party Transaction shall not be credited to the interested Member's Capital Account.

3.10 Confidential Information. The Members recognize and acknowledge that as Members they will have access to, be provided with and, in some cases, prepare and create Confidential Information. A Member shall not, either while a Member or subsequent to Cessation as a Member, use or disclose any Confidential Information, either personally or for the use of others, other than in furtherance of the Member's activities on behalf of the Company. A Member shall not disclose any Confidential Information to any Person not authorized by the Company to receive such Confidential Information without the prior written consent of the Company. Each Member shall use reasonable and prudent care to safeguard and protect and prevent the unauthorized use and disclosure of Confidential Information. The obligations contained in this Section 3.10 shall survive for as long as the Company in its sole judgment considers such information to be Confidential Information. Notwithstanding anything to the contrary herein, each Member (and each employee, representative or other agent of a Member) may disclose to the Internal Revenue Service, and its agents and employees, without limitation of any kind, the tax treatment and tax structure of the Company and all materials of any kind (including opinions or other tax analyses) that are provided to the Member relating to such tax treatment and tax structure.

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Capital Contributions. The Members' Capital Accounts shall reflect their respective Capital Contributions, which amounts are shown on the attached Schedule B. The Board of Directors may require any Additional Member to enter into a separate subscription or services agreement in connection with the issuance of any Interest in the Company. Any such Interest may be subject to vesting requirements, ongoing service obligations or buy-back rights, as determined by the Board of Directors. Each Additional Member shall contribute the consideration described for such Member on the attached Schedule B, or in such Member's Admission Agreement, as such Member's Capital Contribution to the Company. The value of the Capital Contributions (other than cash), Capital Account and the Percentage Interest of each Member are as set forth on the attached Schedule B, which shall be updated from time to time by the Board of Directors to reflect any new Members or other changes.

4.2 Additional Capital Contributions. In the event that the Board of Directors unanimously determines that additional Capital Contributions are reasonably necessary to meet the expenses of the Company, the Board shall notify all Members in writing of the amount of additional Capital Contribution required. Each Member may, but shall not be required to contribute such Member's *pro rata* share of the additional Capital Contribution computed by multiplying such Member's Percentage Interest by the amount of the additional Capital Contribution required. Each Member shall have thirty (30) days to deposit the full amount of such additional Capital Contribution with the Company. In the event any Member fails or declines to contribute some or all of such Member's share of the required additional Capital Contribution within such thirty (30) day period, each other Member may elect to make additional contributions up to the amounts any Member(s) decline or fail to make (the "**Shortfall Amount**"). If such other Members offer to contribute collectively more than the Shortfall Amount, such Members shall be allowed to contribute up to the Shortfall Amount pro rata based on their collective Percentage Interests. Unless all Members contribute their pro rata share of the additional capital call, then each contributing Member shall receive additional Interests (of the same class held by such contributing Member) proportionate to the amount of additional Capital Contributions made by such contributing Members. Any Member contributing less than such Member's pro rata share of any required additional Capital Contribution shall realize a pro rata dilution of such Member's Percentage Interests.

4.3 Service Members; Profits Interests

4.3.1 Service Member Interests Pool. Upon approval of the Board of Directors, the Company may issue Interests to Service Members, *provided*, that the aggregate Percentage Interests held by Service Members at any given time shall not exceed ten percent (10%).

4.3.2 Issuance of Interests to Service Members. When a Service Member receives an Interest in exchange for services, the Board of Directors shall designate on Schedule B whether such Interest is intended to be a Class A Interest, Class B Interest or a Profits Interest. If such Interest is designated as a Profits Interest, then: (a) the Service Member's initial capital account with respect to such Interest shall be zero dollars ($0.00); and (b) the Board of Directors may from time to time make or cause to be made appropriate adjustments to the Capital Accounts and Percentage Interests of all other Members and Transferees, in accordance with Section 4.5. To the extent the Code or the Regulations require the Company or the Service Member to determine the value of a Profits Interest, the Board of Directors shall use best efforts to make such determination but shall have no obligation to obtain an independent appraisal of such value, nor will the Board of Directors or the Company be liable or responsible for preparing or filing any tax election (including a Code Section 83(b) election) with respect to such Profits Interest on behalf of any Service Member.

4.4 Capital Accounts. The Company shall establish and maintain an individual Capital Account for each Member. If any Member's Interest is transferred to another Person, the Transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the Transferred Interest.

4.5 Book-Ups and Book-Downs of Property Value; Adjustment of Capital Accounts. Upon the approval of the Board of Directors, the book value of all Company properties shall be adjusted to equal their respective gross fair market values (as determined by the Board of directors) as follows:

(a) in connection with the acquisition of an Interest in the Company by an Additional Member or existing Member for more than a *de minimis* Capital Contribution;

(b) in connection with the liquidation of the Company as defined in Regulation 1.704-1(b)(2)(ii)(g);

(c) in connection with the grant of an Interest in the Company (other than a *de minimis* Interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a member capacity, or by an Additional Member acting in a member capacity or in anticipation of becoming a Member; or

(d) in connection with a more than *de minimis* distribution of money or property to a retiring or a continuing Member as consideration for all or a portion of the Member's Interest.

If the Company's assets are revalued hereunder, the Capital Accounts of the Members shall be adjusted, including continuing adjustments for depreciation, to the extent provided in Regulation 1.704-1(b)(2)(iv)(f) and (g).

ARTICLE V
ALLOCATIONS

5.1 Profits and Loses. After giving effect to the special allocations set forth in Sections 5.2 and 5.3, and subject to Section 5.4, Profits and Losses for any Allocation Year shall be allocated to the Members in proportion to their Percentage Interests.

5.2 Special Allocations. The following special allocations shall be made in the following order:

5.2.1 Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Article V, if there is a net decrease in Company Minimum Gain during any Allocation Year, each Member shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section 5.2.1 is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

5.2.2 Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Article V if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Allocation Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such Allocation Year (and, if necessary, subsequent Allocation Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 5.2.2 is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

5.2.3 Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 5.2.3 shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.2.3 were not in the Agreement.

5.2.4 Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Allocation Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.2.4 shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article V have been made as if Section 5.2.3 and this Section 5.2.4 were not in this Agreement.

5.2.5 Nonrecourse Deductions. Nonrecourse Deductions for any Allocation Year shall be specially allocated to the Members in proportion to their respective Percentage Interests.

5.2.6 Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Allocation Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

5.2.7 Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken

into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Interests in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

5.2.8 Allocations Relating to Taxable Issuance of Company Interests. Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of Interests by the Company to a Member (the "**Issuance Items**") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

5.3 Curative Allocations. The allocations set forth in Sections 5.2.1 through 5.2.7 and 5.4 (the "**Regulatory Allocations**") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 5.3. Therefore, notwithstanding any other provision of this Article V (other than the Regulatory Allocations), the Members shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Sections 5.1 and 5.2.8.

5.4 Loss Limitation. Losses allocated pursuant to Section 5.1 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Allocation Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 5.1 hereof, the limitation set forth in this Section 5.4 shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations.

5.5 Other Allocation Rules. For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Board of Directors using any permissible method under Code Section 706 and the Regulations thereunder. The Members are aware of the income tax consequences of the allocations made by this Article V and hereby agree to be bound by the provisions of this Article V in reporting their shares of Company income and loss for income tax purposes. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3 (a)(3), the Members' Interests in Company profits are in proportion to their Percentage Interests. To the

extent permitted by Section 1.704-2(h)(3) of the Regulations, the Members shall endeavor to treat distributions as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

5.6 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value). In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Company in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.6 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

ARTICLE VI
DISTRIBUTIONS

6.1 Nonliquidating Distributions. Except as provided in Article X hereof with respect to distributions in liquidation, distributions of Net Cash Flow, if any, shall be distributed to the Members in proportion to their respective Percentage Interest not more than thirty (30) days following the end of each calendar quarter.

6.2 Net Cash from Sales or Refinancings. Except as otherwise provided in Article X hereof with respect to liquidating distributions, Net Cash from Sales or Refinancings, if any, shall be distributed to the Members in proportion to their Percentage Interests following the establishment of any reserves that the Board of Directors determines to be reasonably necessary for contingent, unmatured and/or unforeseen liabilities or obligations of the Company.

6.3 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation to the Company or the Members shall be treated as amounts paid or distributed, as the case may be, to the Members with respect to which such amount was withheld pursuant to this Section 6.3 for all purposes under this Agreement. The Company is authorized to withhold from payments and distributions, or with respect to allocations to the Members, and to pay over to any federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state or local law or any foreign law, and shall allocate any such amounts to the Members with respect to which such amount was withheld.

6.4 Limitations on Distributions. The Company shall make no distributions to the Members other than pursuant to this Article VI and Article X hereof. Notwithstanding anything to the contrary herein, a Member may not receive a distribution from the Company to the extent that, after giving effect to the distribution, all liabilities of the Company, other than liability to Members on account of their Capital Contributions, would exceed the fair value of the Company's assets.

ARTICLE VII
MANAGEMENT OF THE COMPANY

7.1 Management by the Board of Directors. Except for situations in which the approval of the Members is expressly required by this Agreement or by the Act, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed by or under the direction of, a Board of Directors (the "**Board of Directors**" or the "**Board**"); and (ii) the Board of Directors shall make all decisions and take all actions for the Company unless otherwise provided in this Agreement. No member of the Board of Directors (a "**Director**"), acting individually in his or her capacity as Director, shall have any power or authority to bind the Company or act on behalf of the Company on any matter unless specifically authorized to do so by action of the Board. Except as otherwise provided in this Agreement or required by the Act (i) no Person or Persons other than the Board acting under the authority of this Agreement, and Persons authorized by the Board in accordance with Section 7.9 acting under the authority of the Board, shall have the power to act for or on behalf of, or to bind, the Company, and (ii) no Member shall have the right to vote upon or consent to any matter. Except as otherwise expressly provided herein, the vote or consent of a majority of the Directors shall be necessary and sufficient for the Board to take or consent to any action or matter. Except as otherwise expressly provided by this Agreement, the Members intend that the Board shall have and exercise all power and authority on behalf of the Company as applicable law permits to be delegated by the Members to the manager of a manger-managed limited liability company.

7.2 Designation of Board of Directors.

7.2.1 Number and Qualification. The Board shall be comprised of not less than two (2) or more than five (5) members (each, a "**Director**"), and the initial Directors shall be Tracy LaBarge, Ben Wilcox and John Nemeth. Any increase or decrease in the size of the Board shall require Member Approval.

7.2.2 Election and Term of Office. Each Director shall be elected annually by the Members to hold office until the next annual meeting of the Members or such Director's earlier death, resignation or removal.

7.2.3 Vacancies. Vacancies on the Board of Directors by reason of death, resignation, removal or decrease in the number of Directors shall be filled by Member Approval. Each Director, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which such Director was elected and until a successor has been elected and qualified or such Director's earlier death, resignation or removal.

7.2.4 Resignation. Any Director may resign upon at least thirty (30) days' notice to the Members and the other Directors (unless, in either case, notice is waived by them).

7.2.5 Removal. A Director may be removed at any time for any reason, with or without cause, by Member Approval.

7.3 Director Expenses. The Company shall reimburse the Directors for reasonable travel and other incidental expenses incurred by them in connection with the performance of their duties under this Agreement. Directors shall be entitled to receive salary or other compensation for their services as Directors, in an amount to be determined by the Directors and approved by Members holding not less than a majority of the Interests having Management Rights.

7.4 Meetings of the Board of Directors; Notice of Meeting. Meetings of the Board shall be held not less than one (1) time per year and may be held at any time and place, within or outside the State of Alaska. Unless such notice is waived, at least five (5) Business Days prior written notice of the time and place of each Board meeting (which may be given by facsimile or email) shall be provided to each Director by the Company; or, if such meeting is to be conducted by conference telephone or similar communication equipment, the notice shall specify the means by which a Director may join and participate in such meeting; *provided*, *however*, that participation at any such meeting by a Director will be deemed to waive such notice requirement unless the Director objects to the notice provided at the outset of the meeting and attends only so long as necessary to state the objection. The notice of the meeting shall describe with reasonable particularity the place, day, and time of the meeting, the purpose or purposes for which the meeting is called, and the general nature of the business proposed to be transacted. Meetings of the Board may be called by any Director by notice to the other Directors as provided above.

7.5 Telephonic Meetings. Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other simultaneously, and participation by such means shall constitute presence in person at such meeting.

7.6 Quorum. The presence at a meeting of at least a majority of the Directors shall be necessary to constitute a quorum. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting from time to time. If, at any meeting, a quorum is not present for any reason, then another Board meeting may be convened within not less than five (5) and not more than ten (10) Business Days after such meeting, upon at least twenty four (24) hours prior written notice to each Director of the time and place of such meeting or the manner of participation if the meeting is to be held by conference telephone or similar communications equipment.

7.7 Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all of the Directors then in office consent to the action in writing. Any such written consent shall be filed with the minutes of the proceedings of the Board.

7.8 Actions Requiring Specific Approval.

7.8.1 The Company shall not, directly or indirectly, take any of the following actions without first obtaining the approval of all of the Directors:

(a) Make any distribution to a Member or Members other than a pro rata distribution to all Members in accordance with their respective Percentage Interests, except as otherwise required by this Agreement;

(b) Approve annual capital and operating budgets;

(c) Incur Debt other than in the ordinary course of business, except to the extent reasonably contemplated by the annual operating or capital budget approved by the Board;

(d) Incur any Debt in a single transaction or series of related transactions in excess of $10,000 but less than $100,000, except to the extent reasonably contemplated by the annual operating or capital budget approved by the Board;

(e) Cause the Company to engage in any transaction or series of related transactions involving the expenditure of funds in excess of $10,000 but less than $100,000, except to the extent reasonably contemplated by the annual operating or capital budget approved by the Board; or

(f) Call for an additional Capital Contribution from the Members.

7.8.2 The Company shall not, directly or indirectly, take any of the following actions without first obtaining the approval of all Directors and Member Approval:

(a) Admit or agree to admit an Additional Member of the Company (excluding Service Members) or cause the Company to create or issue any equity security (excluding Profits Interests issuable to Service Members) of the Company, including any option or warrant with respect thereto;

(b) Amend, restate, waive, alter or repeal any provision of this Agreement or the Certificate, except as expressly permitted by this Agreement;

(c) Subject to Section 8.9, approve any merger, consolidation, business combination or similar transaction involving the equity interests of the Company; *provided*, *however*, that the consent of the Members shall not be necessary or required for any such transaction effective primarily for the purpose of changing the domicile of the Company or where the Members immediately prior to such transaction hold, immediately after such transaction, at least fifty-one percent (51%) of the voting power of the surviving or acquiring entity;

(d) Authorize the filing by the Company of any type of petition in bankruptcy, or the assignment by the Company of any of its assets for the benefit of creditors, or dissolution of the Company;

(e) Set or adjust the compensation or benefits of any Director;

(f) Authorize or approve any transaction involving an actual or potential conflict of interest between a Member or a Director, on the one hand, and the Company, on the other hand; or

(g) Authorize, approve or enter into any lease, service contract or any other agreement with a term in excess of six (6) months.

(h) Borrow or incur any Debt in a single transaction or series of related transactions in excess of $100,000.

(i) Sell, transfer, exchange or otherwise dispose of any asset of the Company with a value in excess of $100,000 (Including "Blue Sky" or "Goodwill").

(j) Change the nature of the Company's business.

7.9 Officers. The Board may, from time to time, delegate to one or more individuals such authority and duties as the Board deems advisable, and, subject to Section 7.12 below, such individuals shall owe the same fiduciary duty to the Company as officers of a corporation owe to such corporation under Alaska law. In addition, the Board shall assign titles to officers of the Company and, unless the Board determines otherwise, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office if held by the officer of a corporation. Without limiting the foregoing, the Board shall appoint a President, a Secretary and a Treasurer. The Members may appoint one or more Vice Presidents, other officers and assistant officers as may be deemed necessary. Without limiting the foregoing, the Board may, in its discretion, appoint a Chairperson of the Board of Directors; and, if a Chairperson has been appointed, the Chairperson shall, when present, preside at all meetings of the Board of Directors and the Members and shall have such other powers as the Board may prescribe.

7.9.1 President. The President, subject to the direction and control of the Board, as set forth in Section 7.1, and shall be the chief executive officer of the Company, shall be in charge of the day-to-day operations of the Company and shall supervise and control all of the assets, business and affairs of the Company. The President shall have the authority to vote the shares, partnership interests or other interests owned by the Company in other entities, and shall have such other powers and duties incident to the office of President and as may be assigned to the President from time to time by the Board. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. The President shall, unless a Chairperson of the Board of Directors has been appointed and is present, preside at all meetings of the Board and the Members.

7.9.2 Vice Presidents. In the absence of the President or the President's inability to act, the Vice Presidents, if any, in order of their rank as fixed by the Board or, if not ranked, a Vice President designated by the Board, shall perform all the duties of the President and when so acting

shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be respectively prescribed for them by the Board, the President or this Agreement.

7.9.3 Secretary. The Secretary shall, subject to the direction and control of the Board, keep the minutes of the meetings of the Board, see that all notices are duly given in accordance with the provisions of this Agreement or as required by law, be the custodian of the Company records, keep a register of the post office address of each Member and otherwise perform the duties incident to the office of Secretary and such other duties as may be prescribed by the Board, the President or this Agreement from time to time.

7.9.4 Treasurer. The Treasurer shall, subject to the direction and control of the Board, have charge and custody of and be responsible for all funds and securities of the Company.

7.9.5 Initial Officers. As of the date hereof, the officers of the Company are as follows:

Name	Title(s)
Ben Wilcox	Vice President
Tracy LaBarge	Secretary and Treasurer
John Nemeth	President

7.9.6 Compensation. The salaries, bonuses or other compensation, if any, of the officers shall be fixed from time to time by the Board in accordance with the terms of any applicable employment or management agreements. Subject to the requirements of any applicable employment or management agreement, any delegation pursuant to this Section 7.9 may be revoked at any time by the Board of Directors, in its sole and absolute discretion.

7.10 Limitation on Liability. No Director or officer of the Company shall be personally liable to the Company or its Members for monetary damages for his or her conduct as a Director or an officer provided that such act or omission did not involve (i) fraud, willful misconduct, gross negligence or bad faith, (ii) a knowing violation of law, (iii) a violation of AS 10.50.305, (iv) a violation of this Agreement or (v) a transaction from which such Director or officer (as the case may be) personally received a benefit in money, property, or services to which he or she is not legally entitled. Any amendment to or repeal of this Section 7.10 shall not adversely affect any right or protection of a Director or officer of the Company for or with respect to any conduct, acts or omissions of such Director or officer occurring prior to such amendment or repeal.

7.11 Indemnification. The Company shall indemnify and hold harmless any Person acting as a Director, officer, or agent of the Company, and each Member of the Company (all of the foregoing being the "**Indemnified Persons**"), from and against any judgments, settlements, penalties, fines or expenses incurred in a proceeding to which an individual is a party because he or she is or was a Director, officer, or agent of the Company, a Member, or such other person acting on behalf of the Company, to the fullest extent allowed by the Act, including, without limitation, all expenses (including attorneys' fees), costs, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Persons; *provided*, that

the Company shall not indemnify any Person in connection with a proceeding (or part thereof) initiated by such Person, except where such proceeding (or part thereof) was authorized by the Board of Directors. All expenses (including attorneys' fees), costs, judgments, penalties, fines and amounts paid in settlement of any such proceeding shall be paid by the Company as they are incurred by any Indemnified Person in advance of the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Indemnified Person to repay the amount if it is ultimately determined that such Person is not entitled to be indemnified by the Company. The provisions of this Section 7.11 do not affect any rights to indemnity or to advancement of expenses to which any Person may be entitled under any contract or otherwise. Notwithstanding anything to the contrary herein, this provision shall not eliminate or limit an Indemnified Person's liability for (i) fraud, willful misconduct, gross negligence or bad faith; (ii) acts or omissions not in good faith which involve intentional misconduct or a knowing violation of law; (iii) a violation of AS 10.50.305; (iv) a violation of this Agreement; (v) a transaction from which an Indemnified Person personally received a benefit in money, property or services to which he or she is not legally entitled; or (vi) any action taken by a Member without authority as limited by Section 3.3.

7.12 Business Activities of Members and Directors.

7.12.1 The parties hereto expressly acknowledge and agree that: (i) the Members and their Affiliates are permitted to have, and may presently or in the future have, investments or other business relationships, ventures, agreements or arrangements with entities engaged in the business of the Company, other than through the Company (an "**Other Business**"); (ii) a Member and its Affiliates have or may develop a strategic relationship with businesses that are or may be competitive with the Company; (iii) none of the Members or their respective Affiliates will be prohibited by virtue of their investment in the Company from pursuing and engaging in any such activities; and (iv) none of the Members or their respective Affiliates will be obligated to inform the Company or other Member of any such opportunity, relationship or investment (a "**Company Opportunity**") or to present a Company Opportunity, and the Company hereby renounces any interest in a Company Opportunity and any expectancy that a Company Opportunity will be offered to it. The parties hereto expressly authorize and consent to the involvement of the Members and/or its Affiliates in any Other Business. The parties hereto expressly waive, to the fullest extent permitted by applicable law, any rights to assert any claim that such involvement breaches any fiduciary or other duty or obligation owed to the Company or any Member or to assert that such involvement constitutes a conflict of interest by such Persons with respect to the Company or any Member.

ARTICLE VIII
TRANSFERS

8.1 Restrictions on Transfers.

8.1.1 Transfers Restricted. Except as otherwise permitted by this Agreement, no Member shall Transfer all or any portion of such Member's Interests in the Company. In the event that any Member pledges or otherwise encumbers all or any part of such Person's Interests as security for the payment of a Debt incurred by the Company for business purposes, any such pledge or hypothecation shall not constitute a Transfer, but shall only be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all of the

terms and conditions of this Agreement. A Transfer of an ownership interest in a Member that is an Entity shall not constitute a Transfer of such Entity's Interests in the Company. Notwithstanding anything to the contrary in this Agreement, the Company may redeem a Member's Interests or a Member may transfer all or any portion of such Member's Interests (a) to an employee of the Company or any Affiliate of the Company with Board approval, (b) to a trust for the primary benefit of such Member, his or her spouse and his or her descendants for estate planning purposes or as inter vivos gifts ("**Estate Planning Transfers**"); *provided*, that with respect to any Estate Planning Transfers such transferring Member shall continue to remain subject to all of the terms and conditions of this Agreement as though still held by such transferring Member regardless of whether such transferring Member has transferred all of such Member's Interests and thereafter ceases to be a Member, or (c) to any corporation (or other Entity) that, at the time of such Transfer, is a member of an affiliated group of corporations (or other entities) (within the meaning of Section 1504 of the Code) to which the Member belongs. Any Estate Planning Transfers which provide for a transfer in trust which may have a power of appointment, as defined in IRC §2042, shall limit the exercise of the power of appointment to only a descendant of the Member. Notwithstanding anything to the contrary in this Agreement (x) the Company may redeem a Member's Interests and (y) no Transfer to any Person not qualified or otherwise allowed by applicable law be an investor in a Person that maintains a marijuana license (or not qualified to be an investor in a Person's subsidiary that maintains a marijuana license) in the State of Alaska shall be permitted, any such attempted Transfer shall be null and void and of no force or effect whatsoever, and no Transfer shall be recognized by the Company until such time as the Transferee has successfully completed all steps required by the Alcohol & Marijuana Control Office of the State of Alaska in connection with such Transfer and has been approved by the Alcohol & Marijuana Control Office of the State of Alaska with respect to any license necessary or beneficial for the Company or any of its subsidiaries.

8.2 Voluntary Third-Party Transfers.

8.2.1 Notice. A Member (a "**Selling Member**") desiring to Transfer all or any portion of the Selling Member's Interests to a third party (other than as expressly permitted by this Agreement) shall obtain from such third party purchaser (an "**Offeror**") a bona fide written offer (an "**Offer**") stating the number of Interests, the price, terms and conditions upon which the purchase is to be made. The price and terms will be stated in U.S. Dollars and will not include any other property or in-kind items. The Selling Member will give written notice of the Offer (a "**Sale Notice**") to the other Members (the "**Non-Selling Members**"). The Sale Notice will set forth the complete terms of the Offer and the name and address of the Offeror.

8.2.2 Right of First Refusal. Upon receipt of the Sale Notice, the Non-Selling Members, will have the right, but not the obligation, to purchase all (but not less than all) of the Interests covered by the Offer at either the price and in accordance with the payment terms set forth in the Offer or as provided in this Section 8.2.2. The Non-Selling Members may exercise this right to purchase by giving notice (an "**Exercise Notice**"), accompanied by a non-refundable earnest money payment delivered in cash or other immediately available funds and equal to five percent (5%) of the purchase price of the Interests covered by the Offer, to the Selling Member within thirty (30) days following receipt of the Sale Notice. If more than one Non-Selling Member elects to purchase the Interests offered, then such Non-Selling Members shall spilt the purchase on a pro rata basis based upon the number of Interests of each Non-Selling Member electing to

make a purchase, divided by the number of Interests of all Non-Selling Members electing to make such purchase or such other split as the Non-Selling Members electing to make such purchase may agree.

The Non-selling Members may elect to purchase the Interests either in accordance with the payment forms set forth in the Offer, or, at their option, by paying twenty percent (20%) of the purchase price as a downpayment with equal quarterly payments over seven (7) years, including interest at the Applicable Federal Rate ("AFR") as of the date of the Exercise Notice. The deferred payments shall be evidenced by an unsecured promissory note executed by the payors. The note shall be pre-payable in whole or in part at any time without penalty.

8.2.3 Closing. The purchase of Interests pursuant to the exercise of the right of first refusal set forth in Section 8.2.2 will be closed within ninety (90) days after the expiration of the period for the giving of the Exercise Notice.

8.2.4 Sale Following Waiver of Right of Refusal. If the Non-Selling Members allow to expire, or waive in writing, the right to purchase as set forth in Section 8.2.2, the Selling Member may proceed with the proposed sale or disposition of all of the offered Interests, at the price and on the terms specified in the Offer; *provided*, *however*, it will be a condition precedent to the effectiveness of any Transfer that any such transferee will purchase all of the Interests to be purchased pursuant to the Offer, will become a party to this Agreement pursuant to Section 8.7, and will hold the Interests subject to all of the terms and conditions of this Agreement and will make no further disposition of any of such Interests except in accordance with the terms and conditions of this Agreement. If the proposed sale or other transaction described in the Offer has not been closed within sixty (60) days after the right to give the Exercise Notice has expired or been waived in writing, the proposed transaction may not be closed and the Offer, or any new offer to purchase the Interests, will again be subject to the Non-Selling Members' right of refusal as provided in this Agreement.

8.3 Involuntary Transfers.

8.3.1 Purchase Option. The occurrence of any one of the following events (an "**Involuntary Transfer**") will trigger an option ("**Call Option**") entitling the Company and the remaining Members to purchase the Interests (the "**Call Interests**") of the Member subject to such Involuntary Transfer (the "**Transferring Member**"):

(a) the filing of any petition for voluntary or involuntary bankruptcy or insolvency of a Member (unless such petition is dismissed within thirty (30) days after such filing);

(b) the attachment or garnishment of any Interests owned by a Member;

(c) the judicial sale of any Member's Interests under the laws of any local, state or federal government; or

(d) any of the Interests of a Member are involuntarily transferred out of such Member's name by any legal action brought by a person who is not a Member under this Agreement.

8.3.2 Notice. Upon the happening of an Involuntary Transfer, the Transferring Member will deliver to the Company and the other Members written notice of the event which triggers the Call Option. Such notice will be deemed delivered on the latest of (a) the thirtieth (30th) day following the Involuntary Transfer or (b) the date that the other Members receive actual notice, in the event that the Transferring Member fails to deliver prior written notice of the Involuntary Transfer.

8.3.3 Option Price. The purchase price for the Call Interests shall be as follows:

(a) If the Involuntary Transfer occurs during the twelve (12) month period following the Transferring Member's admission to the Company as a Member, the purchase price for the Call Interests shall be the lesser of (i) the amount of the Transferring Member's original Capital Contribution to the Company or (ii) the Net Value (as defined below) of the Call Interests.

(b) If the Involuntary Transfer occurs more than twelve (12) months following the Transferring Member's admission to the Company as a Member, the purchase price for the Call Interests shall be equal to (i) the difference between the aggregate value of the Company's assets and the aggregate value of the Company's liabilities, in each case as of the date of the Involuntary Transfer), multiplied by (ii) the Percentage Interest of the Transferring Member (the "**Net Value**"). Notwithstanding anything to the contrary herein, in calculating Net Value, no value shall be given to the goodwill of the Company until the Company has had three (3) consecutive years of profits or the Members, by Member Approval, have elected to include goodwill in the calculation of Net Value. The formula for determining the value of the goodwill of the Company shall be developed by the Board and approved by Member Approval.

8.3.4 Option Exercise. Upon receipt of written notice of an Involuntary Transfer, or upon the deemed delivery of such notice, the other Members will have the right for thirty (30) days to deliver notice to the Member subject to the Involuntary Transfer of the other Members' exercise of the Call Option. In no event will the other Members be required to exercise the Call Option.

8.3.5 Option Closing. The closing of the purchase and sale pursuant to the exercise of the Call Option will be on the ninetieth (90th) day following notice of the Involuntary Transfer or such other date as the other Members may determine.

8.4 Purchase on Death or Disability. In the event of the death or permanent disability of a Member, the Company shall purchase the Percentage Interest of such Member. The Purchase Price shall be paid from the proceeds of the life or disability insurance maintained by the Company, and shall be the fair market value for the Percentage Interest as determined by an independent third party appraiser, after consideration of discounts for minority ownership and lack of marketability of the Percentage Interest.

8.5 Payment Terms. The purchase price for the Interests (the "**Purchase Price**") purchased pursuant to Section 8.3 or Section 8.4 will be paid in United States dollars. The purchaser will have the option of either: (a) paying the total Purchase Price in cash at closing by delivery of a cashier's check; or (b) paying a cash down payment equal to 20% of the Purchase

Price by cashier's check and delivering an executed promissory note for the balance. A promissory note evidencing an obligation to pay the balance of the Purchase Price will provide that the balance will bear interest at the applied AFR for the month immediately preceding the month during which the promissory note is issued. The note will be unsecured and provide for payments of principal and interest in an amount that will fully amortize the principal balance over a seven (7) year term in equal quarterly installments, pre-payable in whole or in part at any time without penalty. The closing of such purchase shall take place within ninety (90) days following the establishment of the Purchase Price.

8.6 Rights and Obligations Arising Out of Transfers.

8.6.1 A Transfer (including an Involuntary Transfer) of a Member or Transferee's Interest to a Person who is not a Member does not itself dissolve the Company or entitle the Transferee to become a Member or exercise any Management Rights. In the event a Person who is not a Member acquires a Member or Transferee's Interest in the Company, but is not admitted as a substituted Member pursuant to Section 8.7 hereof, such Person shall be entitled only to the Economic Rights with respect to such Interest, shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to vote, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement, other than Economic Rights.

8.6.2 A Transfer (including an Involuntary Transfer) of a Member's Interest to a Person who is not a Member shall cause the Member to cease to be a Member in connection with the assigned Interest and cease to have the power to exercise any Management Rights associated with the assigned Interest. A Transferring Member or Selling Member, as applicable, shall cease to be a Member of the Company as of the date of the Transfer Event or the closing of the sale of the Selling Member's Interest. A Person who assigns an Interest in the Company is not released from any liability to the Company solely as a result of the assignment of such Interest.

8.6.3 An assignment of an Interest by a Member (the "**Assigning Member**") to any other Member (the "**Acquiring Member**") shall cause the Acquiring Member's Percentage Interest to increase to the extent of such assigned Interest (including both Economic Rights and any Management Rights) and the Assigning Member's Percentage Interest to decrease to the extent of such assigned Interest. If a Member acquires an Interest from a Transferee, the Member shall acquire both the Economic Rights with respect to such Interest and the Management Rights associated with such Interest, and the Management Rights of the Member from whom the Transferee's Interest was obtained shall decrease accordingly. If all of an Assigning Member's Interest is assigned to one or more Acquiring Members, such assignment shall constitute a Cessation of the Assigning Member subject to Article IX hereof. The Assigning Member shall not be released from liabilities to the Company.

8.7 Acceptance of Transferee as Substitute Member.

8.7.1 Subject to the other provisions of this Article VIII, a Transferee of an Interest may be admitted to the Company as a substituted Member only upon approval of the Board of Directors and the satisfaction of the following conditions:

(a) The Transferee shall become a party to this Agreement as a Member by executing such documents and instruments as the Company may reasonably request as may be necessary or appropriate to confirm such Transferee as a Member of the Company and such Transferee's agreement to be bound by the terms and conditions hereof.

(b) The Transferee shall pay or reimburse the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the Transferee as a Member with respect to the transferred Interest.

(c) The Transferee shall provide the Company with evidence satisfactory to counsel for the Company that such Transferee has made each of the representations and undertaken each of the warranties contained in the documents and instruments referred to in Section 8.7.1(a) above.

8.7.2 A Transferee who becomes a substituted Member has, to the extent of the interests assigned, the rights and powers and is subject to the restrictions and liabilities of a Member under the Act, the Certificate, and this Agreement, and, to the extent of the Interest assigned, is also liable for any obligations of the transferor to make Capital Contributions, but is not obligated for liabilities reasonably unknown to the Transferee at the time the Transferee becomes a Member.

8.7.3 Neither the Member making a Transfer nor any subsequent transferor is released from any liability to the Company by virtue of such Transfer or admission, even if the Transferee becomes a substituted Member and even if the Member whose Interest is being Transferred ceases to be a Member by virtue of such act. A Member ceases to be a Member when one or more Transferees become substituted Members with respect to all of the Member's Interest in the Company.

8.8 Distributions and Allocations in Respect of Transferred Interest. If any Person's Interest in the Company is Transferred during any Allocation Year in compliance with the provisions of this Article VIII, Profits, Losses, each item thereof, and all other items attributable to the Transferred Interest for such Allocation Year shall be divided and allocated between the transferor and the Transferee by taking into account their varying Percentage Interests during the Fiscal Year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Company. If the Company does not receive a notice stating the date such Interest was transferred and such other information as the Members may reasonably require within thirty (30) days after the end of the Allocation Year during which the Transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Interest on the last day of such Allocation Year. Neither the Company nor any Member shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 8.8, whether or not the Members or the Company has knowledge of any Transfer of ownership of any Interest.

8.9 Co-Sale Rights.

8.9.1 Drag Along. In the event that Members holding at least fifty-one percent (51%) of the Interests having Management Rights (the "**Majority Members**") desire to sell all or

substantially all of the assets of the Company or all of the Percentage Interests held by the Majority Members, or, with respect to a Majority Member that is an entity, in the event of a sale of all of the equity interests of such entity Member, to one or more third parties in an arm's length transaction or series of transactions (a "**Sale**"), the Majority Members may give notice of their intention to do so to all other Members (a "**Sale Notice**"), which shall include the principal terms of the Sale, including the purchase price proposed for the assets of the Company or the Percentage Interests, as applicable, and a demand (a "**Demand**") that the other Members participate in the Sale. Each of the other Members agrees that, in the event the Majority Members make such a Demand, such Member shall accept such Demand, which acceptance shall be irrevocable and shall bind such Member to participate in the Sale Transaction simultaneously with and on the same terms and conditions as the Majority Members. The Company and each Member shall take such actions and execute such documents and instruments as shall be necessary or desirable to expeditiously consummate the Sale.

8.9.2 Tag-Along. If one or more Members propose to sell more than fifty-one percent (51%) of the Interests having Management Rights to one or more third parties in a Sale, then all other Members shall have the right to sell a proportionate percentage of Percentage Interests to such third party as part of such third party's acquisition of the Percentage Interests (a "**Tag-Along Right**") on the following terms and conditions:

(a) Upon receipt of an offer that would trigger a Tag-Along Right under this Section 8.9.2, any Member who is not a Selling Member shall have until the end of the offer period set forth in Section 8.2.2 to (1) elect to exercise such Member's right of first refusal in accordance with Section 8.2.2, (2) elect in writing to exercise a Tag-Along Right (a Member so electing being designated in this Agreement as a "**Co-Selling Member**") or (3) do neither, in which case the Selling Member may proceed to sell the Offered Interests in accordance with Section 8.2.2.

(b) In the event a Co-Selling Member elects to exercise a Tag-Along Right, such Co-Selling Member shall give written notice of such election to the Selling Member(s) (the "**Co-Sale Notice**"). The Co-Sale Notice shall specify the amount of Percentage Interests the Co-Selling Member wishes to sell. A Co-Selling Member may sell all or any part of the Percentage Interests owned by such Co-Selling Member, equal to the product obtained by multiplying (1) the aggregate amount of Offered Interests by (2) a fraction, the numerator of which is the aggregate amount of Percentage Interests owned by the Co-Selling Member at the time of the proposed Sale, and the denominator of which is the aggregate amount of Percentage Interests owned by the Selling Member(s) and all Co-Selling Members at the time of the Sale (the "**Co-Sale Interests**").

(c) The amount of consideration for the Percentage Interests transferred in a transaction in which one or more transferor Members is exercising a Tag-Along Right shall be determined as follows: the total amount of consideration offered for the Offered Interests shall be divided by the sum of (1) the aggregate amount of Offered Interests owned by the Selling Member(s) as specified in the Offer Notice, and (ii) the total number of all Co-Sale Interests determined in accordance with this Section 8.9.2. The resulting quotient shall be the per-Percentage Interest Price for all Percentage Interests transferred by the Selling Member(s) and the Co-Selling Member(s). All Members signing this Agreement covenant that during the period that this Agreement remains in effect, if and when a Tag-Along Right is triggered and the one or more

other Members validly elect to exercise such right, then the Selling Member shall cooperate in negotiating among the proposed transferee of the Offered Interests and the Co-Selling Shareholder(s) to effect a transfer of the Co-Sale Interests. If a proposed transferee of the Offered Interests refuses to conclude a transfer of Co-Sale Interests validly attempted under this Agreement, the Selling Member(s) may nonetheless conclude the Sale of the Offered Interests to the transferee on the terms specified in the Offer Notice; and the Selling Member(s) shall, immediately upon receipt of the consideration due for such Offered Interests, transfer and assign to the Co-Selling Member(s) the respective amount of consideration that each would have received upon conclusion of the exercise of such Co-Selling Member's Tag-Along Right. In exchange therefor, each Co-Selling Member shall transfer and assign to the Selling Member(s) the Co-Sale Interests.

(d) The Selling Member may at any time elect to reject an offer, in which event neither the Company nor any other Member shall thereafter have any further right of first refusal or Tag-Along Right arising out of or in connection with such offer.

8.10 Adverse License Event. Notwithstanding anything to the contrary herein, in the event that the Alcohol & Marijuana Control Office of the State of Alaska refuses to issue a marijuana-related license to the Company or any of its subsidiaries, if any such license is necessary or beneficial to the Company or its subsidiaries, or suspends or revokes a marijuana-related license previously issued to the Company or its subsidiaries for a reason attributable to a Member (including, without limitation, such Member being ineligible to be an investor in an entity that maintains a marijuana license) (an "**Adverse License Event**"), then the Company shall purchase all, but not less than all, of the Interests then held by such Member and such Member (the "**Adverse Event Offered Interests**") shall be deemed to have offered the Adverse Event Offered Interests to the Company pursuant to this Section 8.10; *provided*, that in the event of a license suspension related to a curable event, the Company shall have the right, but not the obligation, to purchase the Adverse Event Offered Interests. The price for the Adverse Event Offered Interests shall be equal to the aggregate amount of such Member's Capital Contributions. The closing of the purchase of the Adverse Event Offered Interests shall take place as soon as practicable following the Adverse License Event, but in no event more than three (3) days thereafter, and the parties shall execute all documents reasonably necessary to consummate such purchase

8.11 Waiver. The provisions of this Article VIII may be waived upon the approval of the Board of Directors and the consent of Members holding in excess of 80 percent (80%) of the Interests having Management Rights and not subject to an Involuntary Transfer or otherwise proposed to be transferred to any third party.

ARTICLE IX
CESSATION OF A MEMBER

9.1 Cessation. A Person shall cease to be a Member upon the happening of any of the following events with regard to such Member.

9.1.1 The withdrawal of the Member pursuant to Section 9.2;

9.1.2 The expulsion of the Member pursuant to Section 9.3;

9.1.3 In the case of a Member who is a natural person, the death of the Member or the entry of an order by a court of competent jurisdiction adjudicating the Member incompetent to manage the Member's person or estate;

9.1.4 The violation by the Member of any Code of Conduct with respect to the Company that may be approved by the Board; or

9.1.5 Transfer of all of a Member's Interest to one or more Members.

9.2 Withdrawal. A Member may not voluntarily withdraw from the Company. Any attempted withdrawal shall be a material breach of this Agreement, unless such withdrawal is approved by the Board of Directors, and shall result in the Member being deemed a Transferee.

9.3 Expulsion. A Member may be expelled from the Company upon (a) the good faith determination by the Board of Directors that the Member has willfully and persistently committed a material breach of the Articles or this Agreement, or otherwise materially breached a duty owed to the Company or the other Members or (b) the affirmative vote of Members holding more than eighty percent (80%) of the Interests having Management Rights (excluding those Interests held by the Member subject to expulsion). An expelled Member shall be treated as having withdrawn from the Company on the date of the expulsion determination.

9.4 Rights Upon Cessation. In the event that any Person ceases to be a Member for any reason other than the death or disability of the Person, the Person shall be treated as a Transferee from the date of Cessation until such time as the Person has received all distributions to which the Person is or may be due under this Agreement. The expelled Member or deceased or disabled Member, as applicable, shall cease to be a Member of the Company as of the date of his or her expulsion, death or disability and such Member, or his or her estate, as applicable, shall thereafter be treated as an unsecured creditor of the Company until such time as the Company has paid the purchase price for his or her Interest in accordance with Article VIII.

ARTICLE X
DISSOLUTION AND WINDING UP

10.1 Covenant Not to Cause Dissolution. Except as otherwise permitted by this Agreement, each Member hereby covenants and agrees not to take any voluntary action that would cause the Company to dissolve and notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Dissolution Event.

10.2 Dissolution Events. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following (each a "**Dissolution Event**"):

(a) The sale of all or substantially all of the Company Property;

(b) The approval of the Board of Directors and the Members, acting by Member Approval; or

(c) The happening of any other event that makes it unlawful or impossible to carry on the business of the Company.

Except for events which may cause judicial and administrative dissolution under applicable law, the foregoing events are the exclusive events which may cause the Company to dissolve.

10.3 Winding Up. Upon the occurrence of a Dissolution Event, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. To the extent not inconsistent with the foregoing, all obligations in this Agreement shall continue in full force and effect until such time as the Company Property has been distributed pursuant to this Section 10.3. The Liquidator shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within ninety (90) days of the occurrence of the Dissolution Event. The Liquidator shall take full account of the Company's liabilities and Property, shall cause the Company Property to be liquidated as promptly as is consistent with obtaining the fair value thereof, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed to the maximum extent permitted by law, in the following order:

(a) First, to the payment and discharge of all of the Company's debts and liabilities to creditors other than Members (either by payment or the making of reasonable provision for payment thereof);

(b) Second, to the payment and discharge of all of the Company's debts and liabilities to Members; and

(c) The balance, if any, to the Members in accordance with Section 6.1 hereof.

10.4 Compliance With Certain Requirements of Regulations. In the event the Company is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), for the taxable year in which such liquidation occurs and the next preceding taxable year all items of Company income, gain, loss and deduction (including, if necessary, items of gross income and deduction) shall be allocated in such a manner that each Member shall have a positive Capital Account balance at the end of such taxable year as nearly equal as possible to the amount that such Member would receive if the Company sold all of its property for an amount equal to the book value of such property (as determined pursuant to Regulations Section 1.704-1(b)(2)(iv)) and all of the cash of the Company remaining after payment of all liabilities of the Company were distributed in liquidation immediately following the end of such taxable year in accordance with Section 10.3. Allocations made pursuant to the preceding sentence shall be adjusted as appropriate to reflect each Member's share, if any, of Company Minimum Gain or Member Nonrecourse Debt Minimum Gain. Without limiting the foregoing, in the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Members pursuant to this Article X may be:

(a) Distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 10.3 hereof; or

(b) Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

10.5 Rights of Members. Except as otherwise provided in this Agreement, each Member shall look solely to the assets of the Company for the return of Capital Contributions and shall have no right or power to demand or receive property other than cash from the Company, and no Member shall have priority over any other Member as to the return of Capital Contributions, distributions or allocations. If the assets of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return Capital Contributions, the Members shall have no recourse against the Company or any other Member.

10.6 Notice of Dissolution. In the event a Dissolution Event occurs or an event occurs that would result in a dissolution of the Company, the Company shall, within thirty (30) days thereafter, provide written notice thereof to each of the Members.

10.7 Termination. Upon completion of the distribution of the Company's Property as provided in this Article X, the Company shall be terminated, and the Liquidator shall cause the filing of Articles of Dissolution pursuant to the Act and shall take all such other actions as may be necessary to terminate the Company.

10.8 Allocations During Period of Liquidation. During the period commencing on the first day of the Fiscal Year during which a Dissolution Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Members pursuant to Section 10.3 hereof (the "**Liquidation Period**"), the Members shall continue to share Profits, Losses, gain, loss and other items of Company income, gain, loss or deduction in the manner provided in Article VI hereof.

10.9 Character of Liquidating Distributions. All payments made in liquidation of the interest of a Member in the Company shall be made in exchange for the interest of such Member in Property pursuant to Section 736(b)(1) of the Code, including the interest of such Member in Company goodwill.

10.10 The Liquidator.

10.10.1 Definition. The "**Liquidator**" shall mean a person appointed by the Members to oversee the liquidation of the Company.

10.10.2 Fees. The Company is authorized to pay a reasonable fee to the Liquidator for its services performed pursuant to this Article X and to reimburse the Liquidator for its reasonable costs and expenses incurred in performing those services.

10.10.3 Indemnification. The Company shall indemnify, save harmless, and pay all judgments and claims against such Liquidator or any officers, directors, agents or employees of the Liquidator relating to any liability or damage incurred by reason of any act performed or omitted to be performed by the Liquidator, or any officers, directors, agents or employees of the Liquidator in connection with the liquidation of the Company, including reasonable attorneys' fees incurred by the Liquidator, officer, director, agent or employee in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, except to the extent such liability or damage is caused by the fraud, intentional misconduct of, or a knowing violation of the laws by the Liquidator which was material to the cause of action.

10.10.4 Form of Liquidating Distributions. For purposes of making distributions required by Section 10.3 hereof, the Liquidator may determine whether to distribute all or any portion of the Property in kind or to sell all or any portion of the Property and distribute the proceeds therefrom.

ARTICLE XI
TAXES

11.1 Taxes of Taxing Jurisdictions. To the extent that the laws of any taxing jurisdiction require, each Member requested to do so by the Company will submit an agreement indicating that the Member will make timely income tax payments to the taxing jurisdiction and that the Member accepts personal jurisdiction of the taxing jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income. If the Member fails to provide such agreement, the Company may withhold and pay over to such taxing jurisdiction the amount of tax, penalty and interest determined under the laws of the taxing jurisdiction with respect to such income. Any such payments with respect to the income of a Member shall be treated as a distribution for purposes of Article VI. The Company may, where permitted by the rules of any taxing jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the taxing jurisdiction, in which case the Company shall inform the Members of the amount of such tax interest and penalties so paid.

11.2 Tax Matters Partner. The Members shall designate one of their members as the tax matters partner of the Company pursuant to Code Section 6231(a)(7). Any Member designated as tax matters partner shall take such action as may be necessary to cause each other Member to become a notice partner within the meaning of Section 6223 of the Code. Any Member who is designated tax matters partner may not take any action contemplated by Code Sections 6222 through 6232 without the consent of the Company. The initial tax matters partner shall be Joe Erickson.

ARTICLE XII
BOOKS, RECORDS AND ACCOUNTING

12.1 Books and Records. At the expense of the Company, the Company shall maintain records and accounts of all operations and expenditures of the Company. At a minimum, the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known business, residence or mailing address of each Member, both past and present;

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

(c) Copies of the Company's federal, state and local income tax returns and reports, if any, for the three (3) most recent years;

(d) Copies of the Company's currently effective written operating agreement and all amendments thereto, copies of any writings permitted or required under the Act and copies of any financial statements of the Company for the three (3) most recent years;

(e) Minutes of every meeting of the Members and any written consents obtained from the Members for actions taken without a meeting; and

(f) A statement prepared and certified as accurate by the Company which describes the amount of cash and a description and statement of the agreed value of other Property or consideration contributed by each Member and which each Member has agreed to contribute in the future, the times at which or events on the occurrence of which any additional Capital Contributions agreed to be made by each Member are to be made, and if agreed upon, the time at which or the events on the occurrence of which the Company is dissolved and its affairs wound up.

12.2 Reports. The Company shall provide reports at least annually to the Members at such time and in such manner as the Company may determine reasonable.

ARTICLE XIII
AMENDMENT

This Agreement may not be amended, restated or modified, or any obligation herein waived, except pursuant to a written instrument approved by the Board of Directors and Members holding more than eighty percent (80%) of the Percentage Interests held by Members; *provided*, *however*, that any amendment, restatement, waiver, alteration or repeal of any provision of this Agreement or the Articles that would result in an adverse economic impact to any single Member or group of Members that is not shared proportionately by all Members shall require the approval of each such adversely impacted Member; and *provided further* that the Board of Directors may update Schedule B from time to time to reflect any changes to the information set forth therein.

ARTICLE XIV
DISPUTE RESOLUTION; MEDIATION AND ARBITRATION

14.1 Dispute Resolution. In the event of any dispute, disagreement, or question arising out of or relating to this Agreement, or the validity, interpretation, breach or termination thereof (collectively, a "**Dispute**"), among the Members, the Members shall use their reasonable best efforts to resolve such Dispute through discussion and good faith negotiation. If, after such discussion and negotiation the Members have not agreed on a resolution to such Dispute within thirty (30) days, then such Dispute shall be submitted to mediation.

14.2 Mediation. Any Dispute arising out of this Agreement not resolved pursuant to Section 14.1 shall be submitted to mediation, which shall focus on the needs of everyone concerned and seek to solve problems cooperatively, with an emphasis on dialogue and accommodation. The goal of the mediation shall be to preserve and enhance relationships by developing a mutually acceptable agreement which will fulfill the needs of everyone concerned. A Member desiring mediation may begin the process by giving the other Members a written notice and request to mediate, describing the issues involved and inviting the other Members to join with the calling Member to name a mutually agreeable mediator and a time frame for the mediation. The Members and the mediator may adopt any procedural format that seems appropriate for the particular Dispute. The contents of all discussions during the mediation shall be confidential and nondiscoverable in subsequent arbitration or litigation, if any. If the Members can agree upon a mutually acceptable agreement, it shall be reduced to writing, signed by all Members and the Dispute shall be at an end. If the result of the mediation is a recognition that the Dispute cannot be successfully mediated, or if any Member refuses to mediate or to name a mutually acceptable mediator and a time frame for mediation, within a period of time that is reasonable considering the urgency of the subject matter, then any Member may demand arbitration. Each party to the mediation shall be solely responsible for such party's costs and expenses, and the costs and expenses of the mediator shall be shared equally by all parties to the mediation. Subject to Section 16.16 hereof, the costs of the mediation shall be borne proportionately by the Members in accordance with their Percentage Interests.

14.3 Arbitration. Subject to Sections 14.1 and 14.2, all Disputes shall be resolved by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association that are in effect at the time the arbitration is initiated, and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The arbitration shall be conducted by a single arbitrator in Juneau, Alaska. In the event of any such arbitration, the prevailing party shall be entitled to recover reasonable costs and attorney fees as fixed by the arbitrator. Nothing herein, however, shall prevent a Member or the Company from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate or for purposes of expelling a Member. Subject to Section 16.16 hereof, the costs of the arbitration, including the costs of the arbitrator, shall be borne proportionately by the Members in accordance with their Percentage Interests unless the Company is also a party to the arbitration at which time the Company shall be responsible for one-half (1/2) of the arbitration costs and the Members shall be responsible for the remaining costs in proportion to their Percentage Interests.

ARTICLE XV
RIGHTS OF SPOUSES

15.1 Status of Interests. This Agreement does not in any way alter or affect the status of the Members' Interests as community property or separate property under the laws of any state or under any binding agreements as to such status. In the event any Interests constitute or are claimed to constitute community property, or are subject to or are claimed to be subject to an equitable lien or charge in favor of the marital community of any Member and his or her Spouse, then such Spouse agrees not to assert any claim or to take any other action based on such community interest or lien or charge which would frustrate the purposes sought to be achieved by this Agreement, and instead such Spouse shall cooperate with and be bound by this Agreement and the ends herein sought to be achieved in every respect.

15.2 Rights Upon Dissolution. In the event of a proceeding for marital dissolution, each Spouse agrees not to request or accept in the course of such proceeding an award of all or any portion of any Interests of the Company, whether as part of a division of property, as settlement of litigation or otherwise; *provided*, *however*, that this agreement by each Spouse is not intended to reduce the portion of the property awarded to such Spouse in the proceeding for marital dissolution. Accordingly, if such Spouse's agreement in the foregoing sentence would result in reducing the portion of the property awarded to such Spouse, then such Spouse agrees to accept only Interests ("**Spouse's Interests**") which are subject to a non-assignable, irrevocable agreement signed and delivered by the Member and the Spouse, and approved in the proceeding for marital dissolution by the court or other tribunal of competent jurisdiction, which names the Member as proxy for the purpose of voting such Spouse's Interests. Nothing provided herein shall be interpreted to limit such tribunal's consideration of the effect of these restrictions on the value of the Spouse's Interests in making an equitable disposition of the spouses' properties. Upon any sale thereafter of the Interests awarded to the Member, such sale shall include in equal number the Spouse's Interests (free of the proxy once the shares are conveyed in accordance with this Agreement), and the Member's Interests and Spouse's Interests shall be treated equally with respect to any terms or conditions of such sale. Upon dissolution of the marriage by the court or other tribunal, the former Spouse (then to be called a "**Former Spouse**") shall be bound by the terms of this Agreement but shall no longer have the capacity of a Spouse under this Agreement and his or her consent shall not be required to make any amendment to this Agreement, other than an amendment that is inconsistent with this Section 15.2 or its intent in good faith. The intent of the preceding sentence is to direct a fair value to the Former Spouse's successors when the Member's Interests are liquidated.

15.3 Testamentary Disposition by a Spouse. Subject to Section 15.2 above, each Spouse agrees that upon his or her death, any interest such Spouse may have in a Member's Interests shall be transferred either to the Member to whom such Spouse was married or to a trust for the descendants of the Member. Any other disposition by a Spouse shall be null and void.

15.4 Power of Attorney. Each Spouse hereby invests as a fiduciary the Member to whom he or she is married (and his or her Representative) with a durable power of attorney coupled with an interest to make changes, additions, or amendments to this Agreement (including, without limitation, changes in the valuation of Interests and the terms of purchase hereunder, and

termination of this Agreement altogether), without the necessity of notifying or obtaining such Spouse's consent or signature, with such durable power of attorney to survive his or her disability or incapacity; *provided*, *however*, that such durable power of attorney shall not cover any changes, additions or amendments to Article XIII, this Article XV or Section 16.5.

15.5 EXECUTION. BY HIS OR HER SIGNATURE APPEARING BELOW, EACH SPOUSE ACKNOWLEDGES THAT HE OR SHE HAD THE FULL OPPORTUNITY TO CONSULT INDEPENDENT COUNSEL AND OTHER ADVISORS RESPECTING HIS OR HER RIGHTS AND DUTIES UNDER THIS AGREEMENT AND HAS READ AND IS IN AGREEMENT WITH EACH AND EVERY PROVISION OF THIS AGREEMENT, INCLUDING SPECIFICALLY THE PROVISIONS OF SECTION 15.3 ABOVE, SECTION 16.3 BELOW AND THIS ARTICLE XV.

ARTICLE XVI
MISCELLANEOUS

16.1 Insurance. The Company may purchase life insurance and disability insurance covering one or more Members on terms and in amounts to be determined by the Board of Directors (including, without limitation, "key man" insurance and/or insurance for the purpose of providing funds for the redemption of such Member's Interests upon such Member's death), or a Member may purchase additional life insurance covering one or more other Members. The Company and the Members shall have no duty either to obtain or to maintain in force any insurance policies. The Company shall be the owner and beneficiary of, and shall pay all premiums on, any insurance policies that it chooses to obtain or maintain in force to fund its obligations under this Agreement. Otherwise, if a Member chooses to own any insurance policies, then such Member shall pay all premiums, unless the Company elects to pay such premium as a benefit to the Member.

16.2 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "include" and "including" shall mean "include" or "including" "without limitation." Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

16.3 Additional Assurances. Upon the request of the Company, each Member agrees to perform all further acts, and execute, acknowledge and deliver any and all documents, which the Company deems reasonably necessary to confirm, complete or effectuate the provisions of this Agreement.

16.4 Entire Agreement. The Articles, this Agreement and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the

parties as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties and their representatives with respect to the subject matter hereof.

16.5 Binding Effect. This Agreement and all the terms and provisions hereof shall be binding upon and shall inure to the benefit of the Members and their respective successors and permitted assigns. Any Person acquiring or claiming an interest in the Company, in any manner whatsoever, shall be subject to and bound by all the terms, conditions and obligations of this Agreement, without regard to whether such Person has executed this Agreement or a counterpart hereof or any other document contemplated hereby.

16.6 Specific Performance; Equitable Relief. Each of the Members and the Company acknowledge that the breach of any provision of this Agreement may cause the non-breaching party or parties irreparable damage, for which the award of money damages would not be adequate compensation. Accordingly, the parties acknowledge and agree that the non-breaching party or parties may seek an injunction enjoining any breach or threatened breach of this Agreement, whether by specific performance or otherwise, in addition to any other relief to which such non-breaching party or parties may be entitled at law or in equity.

16.7 Notice. Any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been given for all purposes on the date of transmission when sent by e-mail or facsimile transmission, on the fifth day after the date of mailing when mailed by certified mail, postage prepaid, return receipt requested, from within the United States, or on the date of actual delivery, whichever is the earliest, and shall be sent to the parties at the addresses shown on the books of the Company.

16.8 Severability. If any provision of this Agreement contravenes any law and such contravention would thereby invalidate this Agreement, or if the operation of any provision hereof is determined by law, administrative regulation or otherwise to result in classification of the Company as an association taxable as a corporation for federal income tax purposes, or to make a Member generally liable for the obligations of the Company, then such provision is declared to be invalid and subject to severance from the remaining portion of this Agreement, and this Agreement shall be read and construed as though it did not contain such provision in a manner to give effect to the intention of the parties to the fullest extent possible.

16.9 Waiver. The failure of any part to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not constitute a waiver of such provision, and no waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

16.10 Waiver of Action for Partition. Each of the parties hereto irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to any property of the Company.

16.11 Offset Privilege. Any monetary obligation owing from the Company to any Member may be offset by the Company against any monetary obligation then owing from that Member to the Company.

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

16.13 No Third-Party Rights. This Agreement and the covenants and agreements contained herein are solely for the benefit of the parties hereto. No other Person shall be entitled to enforce or make any claims, or have any right pursuant to the provisions of this Agreement.

16.14 Governing Law and Venue. This Agreement and its formation, operation and performance, shall be governed, construed and enforced in accordance with the laws of the State of Alaska, excluding its conflict of law principles. Any suit or action arising out of or in connection with this Agreement or any breach hereof which is not required to be resolved pursuant to Article XIV of this Agreement shall be brought and maintained exclusively in the federal or state courts in Juneau, Alaska. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts for the purpose of such suit or action and hereby expressly and irrevocably waive, to the fullest extent permitted by law, any objection it may now or hereafter have to the venue of any such suit or action in any such court and any such claim that any suit or action has been brought in an inconvenient forum.

16.15 Attorneys' Fees. If a suit, action, arbitration or other proceeding of any nature whatsoever (including, without limitation, any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees as determined by the arbitrator or by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

16.16 Captions. The caption headings of the sections and subsections of this Agreement are for reference only and shall not be construed as a part of this Agreement.

16.17 Representation. This Agreement was prepared by the law firm of Garvey Schubert Barer, which represents Tracy LaBarge only in this matter and is not representing the Company or any other of the Members individually in the preparation of this Agreement. The Members each acknowledge that they have been advised of these facts and the significance of them and have been encouraged and given the opportunity to seek independent counsel of their own choice regarding their rights and obligations individually under this Agreement.

16.18 Counterparts. This Agreement may be executed in any number of identical counterparts, each of which, for all purposes, shall be deemed to be an original instrument, and all of which together shall constitute a single agreement.

[*signature page follows*]

IN WITNESS WHEREOF, the parties have executed and entered into this Operating Agreement as of this 15th day of May, 2016.

COMPANY:

Top Hat, LLC

By: _____

Name: John S Nemeth

Title: President

MEMBERS:

_____
Tracy LaBarge

_____
Ben Wilcox

_____
John Nemeth

SCHEDULE A
GENERAL DEFINITIONS

(1) **"Additional Member"** means any Person admitted as a Member pursuant to Section 3.2 of this Agreement.

(2) **"Adjusted Capital Account Deficit"** means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Allocation Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is deemed to be obligated to restore pursuant to the penultimate sentences in Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(3) **"Admission Agreement"** means the agreement between a Member and the Company described in Section 3.2.1 of the Agreement.

(4) **"Affiliate"** means any Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(5) **"Allocation Year"** means (i) the period commencing on the Effective Date and ending on December 31, 2015, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31, or (iii) any portion of the period described in clauses (i) or (ii) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction pursuant to Article V hereof.

(6) **"Bankruptcy"** means, with respect to any Person, the filing of a voluntary or involuntary petition for bankruptcy or an assignment for the benefit of creditors.

(7) **"Business Day"** means any day other than Saturday, Sunday or any legal holiday observed in the State of Alaska.

(8) **"Capital Account"** means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited (A) such Member's Capital Contributions, (B) such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 5.2 or Section 5.3, and (C) the amount of any Company liabilities assumed by such Member or which are secured by

any Property distributed to such Member. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Member related to the maker of the note within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2);

(b) To each Member's Capital Account there shall be debited (A) the amount of money and the Gross Asset Value of any Property distributed to such Member pursuant to any provision of this Agreement, (B) such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 5.2 or Section 5.3, and (C) the amount of any liabilities of such Member assumed by the Company or which are secured by any Property contributed by such Member to the Company;

(c) In the event an Interest is Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Interest; and

(d) In determining the amount of any liability for purposes of subparagraphs (a) and (b) above there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704 1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Company shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Members), are computed in order to comply with such Regulations, the Company may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Person pursuant to Article IX upon the dissolution of the Company. The Company also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

(9) **"Capital Contributions"** means, the total amount of cash and the fair market value of any other assets actually contributed (or deemed contributed under Regulation 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

(10) **"Cessation"** means any action which causes a Person to cease to be Member as described in Article IX of the Agreement.

(11) "Code" means the United States Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent superseding federal revenue laws.

(12) "Company Minimum Gain" has the same meaning as "partnership minimum gain" set forth in Section 1.704-2(b)(2) and 1.704-2(d) of the Regulations.

(13) "Company Property" means any Property owned by the Company.

(14) "Confidential Information" means information or material proprietary to the Company or proprietary to others and entrusted to the Company, whether written or oral, tangible or intangible, which a Member obtains knowledge of through or as a result of the Member's activities on behalf of or membership in the Company. Confidential Information may include data, know-how, trade secrets, designs, plans, drawings, specifications, reports, customer and supplier lists, pricing information, marketing techniques and materials, and manufacturing techniques and processes, whether related to the Company's past, present, or future business activities, research or development, or products. Notwithstanding the foregoing, "Confidential Information" shall not include: (i) information that is generally known to the public; (ii) information which must be disclosed pursuant to applicable law; (iii) information, the disclosure of which by a Member is necessary for such Member to enforce his or her rights under this Agreement, or comply with his or her obligations hereunder; or (iv) information which is part of a Member's general knowledge, experience, acumen and know-how in the food industry.

(15) "Debt" means (i) any indebtedness for borrowed money or the deferred purchase price of property as evidenced by a note, bonds, or other instruments, (ii) obligations as lessee under capital leases, (iii) obligations secured by any mortgage, pledge, security interest, encumbrance, lien or charge of any kind existing on any asset owned or held by the Company whether or not the Company has assumed or become liable for the obligations secured thereby, (iv) any obligation under any interest rate swap agreement, (v) accounts payable and (vi) obligations under direct or indirect guarantees of (including obligations (contingent or otherwise) to assure a creditor against loss in respect of) indebtedness or obligations of the kinds referred to in clauses (i), (ii), (iii), (iv) and (v), above provided that Debt shall not include obligations in respect of any accounts payable that are incurred in the ordinary course of the Company's business and are not delinquent or are being contested in good faith by appropriate proceedings.

(16) "Depreciation" means, for each Allocation Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Allocation Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Allocation Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Allocation Year bears to such beginning adjusted tax basis; *provided*, *however*, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Allocation Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Company.

(17) "Dissolution Event" means the events identified in Section 10.2 of the Agreement.

(18) "Economic Rights" means, with respect to any Interest, a Person's right to allocations and distributions with respect to such Interest in accordance with this Agreement, but shall not include any Management Rights.

(19) "Entity" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association, or any foreign trust or foreign business organization.

(20) "Fiscal Year" means (i) the period commencing on the Effective Date and ending on December 31, 2015, (ii) any subsequent twelve-month period commencing on January 1 and ending on December 31, and (iii) the period commencing on the immediately preceding January 1 and ending on the date on which all Property is distributed to the Members pursuant to Article X hereof.

(21) "Gross Asset Value" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Company provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 4.1 hereof shall be as set forth in Schedule B;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account, as determined by the Company) as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), provided that an adjustment described in clauses (A) and (B) of this paragraph shall be made only if the Company reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as determined by the Company; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (f) of the definition of "Profits" and "Losses" or Section 5.2.3 hereof; *provided*, *however*, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (b) or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

(22) "Interests" means an ownership interest in the Company entitling the Person holding the Interest to Economic Rights and Management Rights subject to the terms and conditions of this Agreement. There shall initially be three (3) classes of Interests, designated as "**Class A Interests**", "**Class B Interests**" and "**Profits Interests**", each having the rights and preferences set forth herein. Subject to the terms and conditions set forth in this Agreement, the Class A Interests shall be voting and shall have both Economic Rights and Management Rights. The Class B Interests shall be non-voting and shall not have any Management Rights. A "Profits Interest" is an interest in the Company's future profits (including future capital appreciation), but no interest in the Company's existing capital as measured immediately after the issuance of the Profits Interest. A Capital Account associated with a Profits Interest will have a zero balance upon its initial issuance. A Profits Interest, therefore, entitles the holder of the interest to receive no distribution from the Company's capital if, immediately after the Profits Interest is issued, the Company liquidates its assets and distributes all of the proceeds. The characterization of an Interest as a Profits Interest shall be fixed at the time of issuance.

(23) "Losses" has the meaning set forth in the definition of "Profits" and "Losses."

(24) "Management Right" means the right of a Member to participate in the management of the Company, including the right to information and the right to vote on, consent to or approve actions of the Members or the Company.

(25) "Member" means any Person (i) who is referred to as such on Schedule B to this Agreement and executes a counterpart of this Agreement, or who hereafter becomes an additional Member or a substituted Member pursuant to the terms of this Agreement, and (ii) who has not lost any Management Rights originally associated with the Member's Interest or ceased to be a Member. "**Members**" means all such Persons.

(26) "Member Approval" means in the case of a meeting of the Members or a written consent by the Members to any action, the affirmative vote of Members (including any proxy holder acting on behalf of a Member) holding more than eighty percent (80%) of the Interests having Management Rights then held by all Members.

(27) "Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" in Section 1.704-2(b)(4) of the Regulations.

(28) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(29) "Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

(30) "Net Cash Flow" means the gross cash proceeds of the Company from operations (including sales and dispositions of Company Property in the ordinary course of business) less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the Company. "Net Cash Flow" shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established pursuant to the first sentence of this definition and the definition of "Net Cash from Sales or Refinancing."

(31) "Net Cash from Sales or Refinancings" means the net cash proceeds from all sales and other dispositions (other than in the ordinary course of business) and all refinancings of Company Property, less any portion of proceeds used to establish reserves, all as determined by the Company. "Net Cash from Sales or Refinancings" shall include all principal and interest payments with respect to any note or other obligation received by the Company in connection with sales and other dispositions (other than in the ordinary course of business) of Company Property.

(32) "Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(33) "Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

(34) "Percentage Interest" means, with respect to any Member as of any date, the ratio (expressed as a percentage) of such Member's Interests in the Company to all other Interests then outstanding. The Percentage Interest of each Member immediately after the Effective Date is set forth in Schedule B.

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

(36) "Profits" and "Losses" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of Depreciation;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Sections 5.3 or 5.4 hereof shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 5.3 and 5.4 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

(37) "Property" means all real and personal property acquired by the Company, including cash, and any improvements thereto, and shall include both tangible and intangible property.

(38) "Regulations" mean proposed, temporary, and final regulations promulgated under the Code in effect as of the date of filing the Articles and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

(39) "Securities Act" means the Securities Act of 1933, as amended.

(40) "Service Member" means a Member who, following the execution of this Agreement, receives an Interest in exchange for any past, current or future services to the Company.

(41) "Spouse" means each individual listed under the column "Spouses" on Schedule B hereto.

(42) "Transferee" means the owner of Economic Rights, who has not been admitted as a Member and as such has no Management Rights.

(43) "Transfer" means, as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition and, as a verb, voluntarily or involuntarily to sell, assign, transfer, exchange, gift, bequeath, encumber or otherwise dispose of.

SCHEDULE B

SCHEDULE OF MEMBERS
AS OF MAY 15th, 2016

Member's Name and Address	**Spouse's Name**	**Capital Contribution**	**Interest**	**Percentage Interest**
Ben Wilcox 125 Wire St Juneau, AK 99801	Lacy Wilcox	$11,000	Class A	33%
John Nemeth 1220 Glacier Ave #204 Juneau, AK 99801	Jason Clifton	$11,000	Class A	33%
Tracy LaBarge 2913 Blueberry Hills Dr Juneau, AK 99801	David McGivney	$11,000	Class A	34%