Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	Rebel Roots LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10042349
Status: Good Standing
AK Formed Date: 10/11/2016
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 302 COWLES ST, 302 COWLES ST, FAIRBANKS, AK 99709
Entity Physical Address: 302 COWLES ST, FAIRBANKS, AK 99709

REGISTERED AGENT

Agent Name: Grant Anderson
Registered Mailing Address: 302 COWLES ST, 302 COWLES ST, FAIRBANKS, AK 99709
Registered Physical Address: 302 COWLES ST, 302 COWLES ST, FAIRBANKS, AK 99709

OFFICIALS

☐Show Former

AK Entity #	Name	Titles	Owned
	Grant Anderson	Member	34
	Kyle Wendler	Member	33
	Miguel Espinosa	Member	33

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
10/11/2016	Creation Filing	Click to View	Click to View
10/11/2016	Initial Report	Click to View	
5/01/2017	Change of Officials	Click to View	
5/25/2017	Change of Officials	Click to View	

Juneau Mailing Address
P.O. Box 110806
Juneau, AK 99811-0806
Physical Address
333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770
Phone Numbers
Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address
550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567
Phone Numbers
Main Phone: (907) 269-8160
FAX: (907) 269-8156

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Alaska Entity #10042349

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

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Rebel Roots LLC

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective October 11, 2016.

Chris Hladick
Commissioner

AK Entity #: 10042349
Date Filed: 10/11/2016
State of Alaska, DCCED

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*

FOR DIVISION USE ONLY

Articles of Organization

Domestic Limited Liability Company

Web-10/11/2016 7:19:14 PM

1 - Entity Name

Legal Name: Rebel Roots LLC

2 - Purpose

Lawful Cultivation of Cannabis

3 - NAICS Code

111998 - ALL OTHER MISCELLANEOUS CROP FARMING

4 - Registered Agent

Name: Grant Anderson
Mailing Address: 302 cowles st, 302 cowles st, fairbanks, AK 99709
Physical Address: 302 cowles st, 302 cowles st, fairbanks, AK 99709

5 - Entity Addresses

Mailing Address: 302 cowles st, 302 cowles st, fairbanks, AK 99709
Physical Address: lot 28 block 10 leuthold drive, fairbanks, AK 99712

6 - Management

The limited liability company is managed by its members.

7 - Officials

Name	Address	% Owned	Titles
Grant Anderson			Organizer

Name of person completing this online application

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

Name: Grant Anderson

AK Entity #: 10042349
Date Filed: 10/11/2016
State of Alaska, DCCED

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*

FOR DIVISION USE ONLY

Limited Liability Company

Initial Biennial Report

Web-10/11/2016 7:33:26 PM

Entity Name: Rebel Roots LLC
Entity Number: 10042349
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent

Name: Grant Anderson
Physical Address: 302 COWLES ST, 302 COWLES ST, FAIRBANKS, AK 99709
Mailing Address: 302 COWLES ST, 302 COWLES ST, FAIRBANKS, AK 99709

Entity Physical Address: 302 cowles st, fairbanks, AK 99709

Entity Mailing Address: 302 COWLES ST, 302 COWLES ST, FAIRBANKS, AK 99709

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
Grant Anderson	302 cowles st, fairbanks, AK 99709	100	Member

NAICS Code: 111998 - ALL OTHER MISCELLANEOUS CROP FARMING

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: Grant Anderson

Alaska Business License # **1051864**

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

REBEL ROOTS LLC

302 COWLES ST FAIRBANKS AK 99701

owned by

REBEL ROOTS LLC

is licensed by the department to conduct business for the period

April 02, 2017 through December 31, 2017
for the following line of business:

42 - Trade
11 - Agriculture, Forestry, Fishing and Hunting

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Chris Hladick

REBEL ROOTS LLC
OPERATING AGREEMENT

This Operating Agreement (this "Agreement") is entered into this 25th day of July, 2017 by and among Grant Anderson, Miguel Espinosa and Kyle Wendler (hereinafter collectively referred to as the Members). The Members have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

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

Article I
Definitions

The following italicized terms shall have the meaning specified in this Article I. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

"Act" means the Alaska Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.7042(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.7041(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Balance" means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

"Agreement" means this Operating Agreement, as amended from time to time.

"*Articles*" mean the Articles of Organization filed with the State of Alaska on October 11, 2016.

"*Books and Records*" mean the books and records of the Company, including but not limited to this Operating Agreement, tax returns, financial statements, and minutes of Member meetings.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other

than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article* IV (other than *Section* 4.3.3); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article* IV (other than *Section* 4.3.3).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.7041(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.7041(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the Members. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Department" means the Department of Community and Economic Development.

"Department" means the Department of Community and Economic Development.

"Interest" means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

"Majority Approval" is the affirmative vote of holders of a majority of the then-outstanding Units entitled to vote on a matter submitted for the approval of the Members.

"Member" means each Person signing this Agreement or has subsequently been admitted as a member of the Company.

"Member Minimum Gain" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner non-recourse debt minimum gain".

"Member Non-recourse Deductions" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner non-recourse deductions".

"Minimum Gain" has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Negative Capital Account" means a Capital Account with a balance of less than zero.

"Non-recourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"Non-recourse Liability" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Non Selling Member" is defined in subparagraph 6.1.1.

"Non Selling Member Offer Period" is defined in subparagraph 6.1.1.3.

"Offer" is defined in subparagraph 6.1.1.

"Offer Statement" is defined in subparagraph 6.1.1.1.

"Offered Units" is defined in subparagraph 6.1.1.1.

"Percentage" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, limited liability partnership, trust, estate, or other entity.

"Positive Capital Account" means a Capital Account with a balance of zero or greater.

"Profit" and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section* 4.3 hereof shall not be taken into account.

"Sale" is any transaction that constitutes or commits the Company to the conveyance, assignment or disposition of any parcel or interest in the Company Properties.

"Selling Member" is defined in subparagraph 6.1.1.

"Regulation(s)" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Article II
Organization and Purpose

2.1. *Organization.* The Members have organized a limited liability company pursuant to the Act and the provisions of this Agreement and, has caused the Articles of Organization to be executed and filed for record with the Department.

2.2. *Name of the Company.* The name of the Company shall be "REBEL ROOTS LLC." The Company may do business under that name and under any other name or names which the members may select. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3. *Purpose.* The primary purposes of the Company is the lawful retail of cannabis and cannabis products and all actions permitted under the State and local laws which govern such activities. The Company may conduct any and all lawful affairs for which an LLC may be organized. The Company is organized to do any and all things necessary, convenient or incidental to its purposes.

2.4. *Term.* The term of the Company shall begin upon acceptance of the Articles and shall be perpetual, unless its existence is sooner terminated pursuant to the Act or *Article* VII of this Agreement.

2.5. *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 302 Cowles Street, Fairbanks, AK 99701, or at any other place within the State of Alaska that the members select.

2.6. *Registered Agent.* The name and address of the company's registered agent shall be Grant Anderson of 302 Cowles Street, Fairbanks, AK 99701.

2.7. *Members.* The name, present mailing address, and Percentage of each Member is forth on *Exhibit* A.

2.8 *No Partnership Intended for Nontax Purposes.* The Members have formed the Company under the Act, and expressly do not intend to form a partnership under Alaska partnership law or a corporation under the Alaska Corporations Code. The Members, in their capacities as Members, of the Company do not intend to be partners of or among each other, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any other Member is a partner that Member who makes such representation shall be liable to any other Member that incurs personal liability by reason of such wrongful representation. Notwithstanding the foregoing, the Members acknowledge that it is their intent to be treated as partners solely for federal income tax purposes and the Company will file tax returns consistent with that treatment. The Members agree to make any amendments to this Agreement and the Articles as necessary to ensure that the Members will be treated as partners for federal income tax purposes.

2.9. *Filings in Compliance with Law; Title.*

2.9.1 The Managing Member shall take any and all actions necessary to perfect and maintain the status of the Company as a limited liability company under the Act, including

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

2.9.2 The Managing Member, if responsible for the winding up of the Company, shall file a certificate of dissolution with the Corporations Section of the State of Alaska, Department of Community and Economic Development, upon the dissolution and the completion of winding up of the Company.

2.9.3 All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

2.10. *Member Acknowledgement of Non-Securities Registration.* By signing this Agreement, each Member acknowledges that he or she is buying for investment purposes and that the securities, if any, will not be resold without registration under AS 45.55.070 or exemption from it. No Member may register any interest in the Company under any federal or state securities law without the express written consent of all Members. Each Member expressly acknowledges that this is a highrisk purchase of Units, and no guarantees, warranties or representations of any kind have been made regarding its potential profitability. Each Member represents that he or she has sufficient business judgment and economic wherewithal to invest in this Company and that the loss of any investment will not cause any significant financial harm. The Members understand that some of the restrictions inherent in this form of business, and specifically set forth in this Agreement, may have an adverse impact on the fair market value of the Membership Interest if a Member attempts to sell or borrow against the Member's interest in the Company.

Article III
Capital

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall each contribute cash to the Company in the amount of $ 5,000.00.

3.2. *Additional Capital Contributions Required.*

3.2.1. If, pursuant to Article V of this Agreement, the Members, at any time or from time to time, determine that the Company requires additional Capital Contributions, then each Member shall contribute his share of additional Capital Contributions. A Member's share of the additional Capital Contributions shall be equal to the product obtained by multiplying the Member's Percentage and the total additional Capital Contributions which the Members require to be contributed during the term of this Agreement shall not exceed $5,000.00 at a time. Within thirty (30) days after the Members have determined the amount of additional Capital Contribution required, each Member shall pay the Member's share, in cash or by certified check, to the Company.

3.2.2. Except as provided in *Section* 3.2.1, no Member shall be required to contribute any additional capital to the Company, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

3.7. *Loans.* Subject to AS § 10.50.145, any Member, Managing Member or employee, may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

3.8. *No Withdrawal of Members' Capital Contributions.* No Member shall demand or receive a return of its Capital Contributions.

Article IV
Allocations and Distributions

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section* 4.3, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections* 4.2.1 and 4.2.2) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventyfive (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section* 4.3, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section* 4.2.1.1 shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section* 4.2.3.4.3.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section* 4.3, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section* 4.2.2.1 shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the Members deem necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the Interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to *Section* 4.2.3.4.1 and before any further allocation of Profit pursuant to *Section* 4.2.1.3, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in *Sections* 4.3.1 and 4.3.2 are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under *Section* 4.1 or 4.2, as appropriate, then the members shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under *Sections 4.1 and 4.2.*

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.7041(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this *Article IV* (other than those pursuant to Sections 4.3.2.1 and 4.3.2.2), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This Section 4.3.1 is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.7041(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.7042(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this *Article* IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.7042(g). Allocations of items of gross income and gain pursuant to this *Section* 4.3.2.1 shall be made as described in Regulation Sections 1.7042(f) and (j). This *Section* 4.3.2.1 is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.7042(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.7042(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article* V, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.7042(i)(4). Allocations of items of gross income and gain pursuant to this *Section* 4.3.2.2 shall be made as described in Regulation Sections 1.7042(i)(4) and (j). This *Section* 4.3.2.2 is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.7042(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Bookups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704l(b)(2)(iv)(d)(3) and Regulation Section 17041(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 7043(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.7041(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the 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 basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Non-recourse Deductions.* Non-recourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Non-recourse Deductions.* Any Member Non-recourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Non-recourse Deduction is attributable in accordance with Regulation Section 1.7042(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessorsininterest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article* IV.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections* 4.1 or 4.2.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the members.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest Holder entitled to any interest in those assets shall receive that interest as a tenantincommon with all other Interest

Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the members. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section* 4.2 and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section* 4.4.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under Section 706 of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

Article V
Management

5.1. *General.* The business and affairs of the Company shall be managed by the Members.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Fairbanks, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members holding not less than fiftyone percent (51%) of the Percentages then held by Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorneyinfact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members holding fiftyone percent (51%) or more of the Percentages then held by Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority or specify other percentage of the Percentages then held by Members.

5.2.4. Telephonic Meeting. Members of the Company may participate in any meeting of the Members by means of conference telephone or similar communication if all persons participating in such meeting can hear one another for the entire discussion of the matter(s) to be

voted upon. Participating in a meeting pursuant to this Section shall constitute presence in person at such meeting.

5.2.5. Presumption of Assent. A Member of the Company who is present at a meeting of the Members at which action on any matter is taken shall be presumed to have assented to the action taken, unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail to the secretary of the meeting immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Member who voted in favor of such action.

5.2.6. Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with the Manager before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

5.3. *Personal Service*. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the Members, no Member shall be entitled to compensation for services performed for the Company. Upon substantiation of the amount and purpose thereof, the Members shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. Limitation of Liability and Independent Activities.

5.4.1. *Limitation of Liability*. The Members shall not be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320, or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities*. Members of this Company have a duty of undivided loyalty to this Company in all matters affecting this Company's interests. Any Member may engage in or possess an interest in other business ventures of any nature and description, independently or with others, including, without limitation, the ownership, financing and management of the business venture, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*.

5.5.1. *Indemnification*. To the fullest extent permitted by applicable law, a Member shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Member by reason or any act or omission performed or omitted by such Member in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Member by this Agreement; *provided, however*, that any indemnity under this

Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Member shall have any personal liability on account thereof.

5.5.2. *Notice*. In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which indemnity may be sought by a Member pursuant to *Section* 5.5.1, such Member shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Members to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Member, at the Company's expense, to represent each Member and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Member advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Member with respect thereto.

5.6 *Managing Member*. The Members may elect a Managing Member or other officers at a Members meeting. The Managing Member and other officers shall hold office until a successor shall have been elected and qualified or until said Managing Member's earlier death, resignation, or removal.

5.6.1. *Powers and Duties of Managing Member.* The Managing Member shall have the powers and duties set forth below, and all other duties at outlined by the Company:

5.6.1.1. Preside at meetings of the Members.

5.6.1.2. Sign all bonds, deeds, mortgages, and any other agreements, and such signature(s) shall be sufficient to bind the Company. The Manager shall perform such other duties as the Members shall designate.

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

5.6.1.4. Authenticate records of the Company;

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

5.6.1.6. Be custodian of the corporate records;

5.6.1.7. Keep a register of the post office address of each Member that shall be furnished by such Member; and

5.6.1.8. Have general charge of the Unit transfer books of the Company.

5.6.2. *Salaries and Contract Rights.* The salary, if any, of the Managing Member and other officers shall be fixed from time to time by the Members. The appointment of a Managing Member or other officers shall not of itself create contract rights.

5.6.3. *Resignation or Removal.* The Managing Member or officer may resign at any time by giving written notice to the Members. Any such resignation is effective when the notice is delivered, unless the notice specifies a later date, and shall be without prejudice to the contract rights, if any, of such officer. The Members may remove the Managing Member or officers, with or without cause. The removal shall be without prejudice to the contract rights, if any, of the person so removed.

5.7. *Action Requiring Unanimous approval of Members.* Without first obtaining unanimous approval of the Members, acts of the type described in the following subparagraphs of this paragraph 5.7 are not within the Managing Member's power and authority. If any such action is taken by the Managing Member without obtaining unanimous approval of the Members, it shall be contrary to and in breach of this Agreement.

5.7.1. The Managing Member may not confess a judgment against the Company.

5.7.2. The Managing Member shall not authorize, approve or direct any Sale of all or substantially all of the Company Properties.

5.7.3. Unless a Dissolution Event has occurred, the Managing Member shall not dissolve the Company.

5.7.4. Amend this Agreement to provide for another class of Units.

5.7.5. File or consent to filing a petition for or against the Company under any federal or state bankruptcy, insolvency or reorganization act.

5.7.6. Any expenditure or obtaining a loan over $50,000.00.

5.7.7. The payment of an annual salary in excess of $47,500.00 to any Member.

5.7.8. The selection of a qualified business appraiser for any purpose set forth in this Operating Agreement.

5.7.9. Loan money to any Member, entity or individual.

5.7.10. Admit any substitute or additional Members into the Company, except as otherwise permitted by the Agreement.

5.7.11. Amend this Agreement.

5.7.12. Change or reorganize the Company into any other legal form.

5.7.13. Expel a Member.

5.7.14. Liquidate the Company.

5.7.15. Distribute more than $10,000 per member in any tax year.

5.7.16. Redeem, liquidate, purchase or otherwise acquire the Membership Interest of any Member.

5.7.17. Return the Capital Contribution of any Member.

5.7.18. Contribute Company property to a charity.

5.7.19. Register any interest in this company for an offering under any federal or state securities law.

5.7.20. Change the tax status of the Company.

5.8. *Duty to Act in Best Interest of LLC.* As joint owners of a closely held limited liability company, all Members agree to act in the best interests of the Company when voting or deciding on issues affecting the Company, and each Member acknowledges his or her duty to act in good faith towards all other Members. The duty of care set forth in AS 10.50.135 is expressly adopted and incorporated into this Agreement. Each Member has an affirmative duty to fully disclose all potential conflicts of interest to the other Members prior to any vote. Any Member with a conflict of interest may not vote on the issue in question.

Article VI
Transfers and Admission of New Members

6.1. *Transfer Restrictions.* This Section shall apply to all transfers of a Member's Units, whether voluntarily, involuntarily or upon death.

6.1.1. *Transfers by the Members.* Except as otherwise provided in this Agreement, no Member may Transfer all or any part of the Units held by such Member (a "Selling Member") without the prior written consent of the Company and the nonselling Members (collectively, the "Nonselling Members"), unless the Selling Member has made an offer that conforms to the requirements of subparagraph 6.1.1.1 (an "Offer") and such Offer has not been accepted in the manner described in Sections 6.1.1.2 or 6.1.1.3. A Member may not Transfer all or any part of the Units to a competitor of the Company, as determined in good faith by the Manager.

6.1.1.1. *Offer by Selling Member.* The Offer shall be made by the Selling Member to the Company for Purchase Price (as set forth in 6.1.1.1.1 below) of his or her Units, and shall consist of a written offer to Transfer all or any part of the Units proposed to be Transferred (the "Offered Units"). The cost of purchase is the Purchase Price (as set forth in 6.1.1.1.1 below). A statement attached to the Offer (the "Offer Statement") shall set forth a full disclosure of the Offer, including (a) the intention to Transfer; (b) the name and address of any prospective transferee identified at the time of the Offer Statement; (c) the number of Offered Units; and (d) the terms and conditions of the Transfer.

6.1.1.1.1. Purchase Price. A commercial assessor shall assess the value of all real property and assets owned by the LLC to determine the total value of the LLC. The total value of the LLC shall then be multiplied by the Member's percentage of LLC Units to determine the Purchase Price.

6.1.1.1.2. *Vesting.* The Members agree that it is essential to the success of the Company that all of the Members retain ownership for a minimum period of time. To accomplish this purpose, it is necessary for a vesting period to acquire a sellable interest in the Units of the Company. The Members shall have no vested interest for the company for the first three years of ownership. At the end of the third year of membership in the LLC, the Member shall then become 100% vested.

6.1.1.1.2. Payment of Purchase Price. The purchase price may be paid by promissory note. The term of the note shall be fifteen (15) years with monthly payments. The interest rate shall be four (4) percent APR. There shall be no prepayment penalty.

6.1.1.2. *Acceptance of Offer by Company.* The Company may elect within fourteen (14) days after receipt of the Offer ("Company Offer Period") to purchase and accept some or all of the Offered Units at Purchase Price as stated in the Offer Statement by giving written notice within the Company Offer Period to the Selling Member and to the Nonselling Members.

6.1.1.3. *Acceptance of Offer by Nonselling Members.* If the Company has not elected to purchase and accept all the Offered Units within the Company Offer Period, then the Nonselling Members may elect within fourteen (14) days after the expiration of the Company Offer Period ("Nonselling Member Offer Period") to purchase and accept all of the Offered Units not so purchased by the Company by giving written notice within the Nonselling Member Offer Period to the Selling Member and to the Company. If more than one Nonselling Member elects to purchase and accept all of the Offered Units not so purchased by the Company within the Nonselling Member Offer Period under this Section 6.1.1.3, then the number of Units each such electing Nonselling Member shall be entitled to purchase shall be determined by agreement among the electing Nonselling Members or, if they are unable to so agree, then each electing Nonselling Member shall be entitled to purchase a pro rata amount of the Offered Units not so purchased by the Company based upon a percentage equal to the number of Units in the Company owned by such Nonselling Member relative to the total number of Units in the Company owned by all such electing Nonselling Members.

6.1.1.4. *Closing of Purchase by Company and/or Nonselling Members.* If the Company elects to purchase all of the Offered Units, the closing of such transaction shall occur within one hundred twenty (120) days of the end of the Company Offer Period or such later date as specified in the Offer Statement. If the Company elects to purchase less than all of the Offered Units and the Nonselling Members elect to purchase the balance of the Offered Units not so purchased by the Company, the closing of such transaction shall occur, if at all, within one hundred twenty (120) days of the end of the Nonselling Member Offer Period or such later date as specified in the Offer Statement.

6.1.1.5. *Offer Not Accepted by Nonselling Member.* If the Company and the Nonselling Members have not elected to purchase and accept all (but not less than all) of the Offered Units within the time periods specified above, the Selling Member may Transfer some or all of the Offered Units on terms no more favorable to the prospective transferee than those set forth in the Offer Statement. Any such Transfer must be completed within one hundred twenty (120) days following the expiration of the Nonselling Member Offer Period. After such one hundred twenty (120) days have expired, any Transfer shall again become subject to all the restrictions of this Agreement.

6.1.1.6. *Incompetence of a Member.* The ability of any Member to participate in the management of the Company shall terminate if that Member is adjudged mentally incompetent by a court, or if a guardianship or conservatorship is ordered for the Member, but that Member's right to receive passthrough income or losses shall accrue to any guardian, conservator, administrator or other appointed person.

6.2. *No Other Transfer Effective.* Except as herein provided, no Transfer of any right, title, or interest in Units by a Member shall be effective, and the Company shall not record or recognize any such Transfer, until there has been compliance with the provisions of this Agreement. If no Offer is made as herein required, the Company and the Members may nevertheless exercise their rights hereunder as to the Units being Transferred, and they may do so at any time, even after the Transfer of the Units.

6.3. *Legend on Certificates.* Each Member hereby agrees that the following legend shall be written, printed or stamped on the back of all certificates, if any, representing Units:

> This security is not registered under AS 45.55.070 and cannot be resold without registration or an exemption from registration. In addition, this security is subject to certain restrictions on the ownership and transfers appearing in the LLC Operating Agreement and other membership agreements.

6.4. *Removal of a Member.* A Member's ownership interests in the Company terminates if: (1) the Member sells or assigns, or attempts to sell or assign, the Member's ownership interest in the Company without prior written approval of a majority of the Members or in contravention to this Agreement, and (2) if a majority of the noninterested Members unanimously authorize the removal of the person as a Member.

6.4.1. A Member may be removed for cause upon a majority affirmative vote of the remaining Members, as set forth below. Any Member removed for cause shall not be entitled to compensation, accrued distributions, or repayment of capital contributions. A Member may be removed if:

6.4.1.1. the Member is charged with and convicted of, or pleads no contest to, theft (in any degree) from the Company;

6.4.1.2. the Member usurps Company opportunities for that Member's personal benefit by withholding, concealing or failing to disclose such opportunities to the other Members of the Company when under a duty to do so;

6.4.1.3. the Member, without consent of the majority of other Members, utilizes Company equipment, funds, accounts, employees or property for personal use and benefit unrelated to any legitimate Company purpose.

6.5. *Payment on Disassociation.* In the event of a dissociation of a Member, such dissociated Member or its Transferee shall be paid the Fair Market Value of such Member's Units in accordance with Section 6.1. The dissociating Member shall have only the rights specified in this Agreement.

6.6. *Injunctive Relief.* If any Member shall Transfer its Units in violation of the provisions of this Agreement, the Member or Members, or the Company, or both, shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such transfer and the offending Member shall not plead in defense that there would be an adequate remedy at law, it being expressly acknowledged and agreed that damages at law will be an inadequate remedy for the violation of the provisions concerning Transfer set forth in this Agreement.

Article VII
Dissolution and Liquidation

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. upon the unanimous written agreement of the Members; or

7.1.2. upon court order.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the Managing Member shall wind up its affairs. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the Managing Member to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section* 4.2.3.4 of this Agreement.

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

Article VIII
Books, Records, and Accounting

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Members shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. *Books and Records.*

8.2.1. The Managing Member shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the Members, subject to the requirements and limitations of the Code.

8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventyfive (75) days after the end of each taxable year of the Company, the Managing Member shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member. In addition, within seventyfive (75) days after the end of each taxable year of the Company, the Managing Member shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the Managing Member shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The Managing Member shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a "tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable thirdparty costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or taxrelated administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The Managing Member shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code, except as otherwise stated in this Agreement.

8.7. *Loans.* No loans shall be contracted on behalf of the Limited Liability Company or no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Members. Such authority may be general or confined to specific instances.

8.8. *Contracts*. The Members may authorize any Member or agent of the Company, to enter into any contract or execute any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

8.9. *Accountant*. An Accountant may be selected from time to time by the Members to perform such tax and accounting services as may, from time to time, be required. The accountant may be removed by the Members without assigning any cause.

8.10. *Legal Counsel.* One or more Attorney(s) at Law may be selected from time to time by the Members to review the legal affairs of the Company and to perform such other services as may be required and to report to the Members with respect thereto. The Legal Counsel may be removed by the Members without assigning any cause.

Article IX
Amendments; General Provisions

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the Members deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the Managing Member. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The Members recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the Alaska Superior Court at Fairbanks having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the Managing Member, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the Managing Member shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement as of the date and year first above written.

Grant Anderson, Member

Miguel Espinosa, Member

Kyle Wendler, Member

EXHIBIT A
Members

Member/Address	Contribution	Percentage Ownership Interest
Grant Anderson 302 Cowles Street Fairbanks, AK 99701	$ 5,000.00	34%
Miguel Espinosa 607 Old Steese Hwy Ste B # 303 Fairbanks, Alaska 99701	$ 5,000.00	33%
Kyle Wendler 607 Old Steese Hwy Ste B # 303 Fairbanks, Alaska 99701	$ 5,000.00	33%