AK Entity #: 10035364
Date Filed: 06/05/2016
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-6/5/2016 12:20:49 PM

Entity Name: Black Rapids LLC
Entity Number: 10035364
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent
Name: Grant Anderson
Physical Address: 721 CLOUD ROAD, NORTH POLE, AK 99701
Mailing Address: 302 COWLES ST, FAIRBANKS, AK 99709

Entity Physical Address: 721 CLOUD ROAD, NORTH POLE, AK 99701

Entity Mailing Address: 302 COWLES ST, FAIRBANKS, AK 99705

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 99705	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

JUN 2 6 2017

Alaska Business License # **1032790**

Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

JUN 2 6 2017

This is to certify that

BLACK RAPIDS LLC

302 COWLES ST FAIRBANKS AK 99709

owned by

BLACK RAPIDS 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:

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

Alaska Entity #10035364

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

Black Rapids LLC

IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **February 01, 2016.**

Chris Hladick
Commissioner

JUN 2 6 2017

This Operating Agreement (this "Agreement") is entered into this 3rd day of July, 2016 by and among Grant Anderson (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 1.704-2(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 1.704-1(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: Rebel Roots, LLC Operating Agreement Page 2 of 23

(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 1.704-1(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 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"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.

"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. Rebel Roots, LLC Operating Agreement Page 5 of 23

amendments to this Agreement and the Articles as necessary to ensure that the Members will be treated as partners for federal income tax purposes.

2.10. Filings in Compliance with Law; Title.

2.10.1 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.

2.10.2 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.

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

2.11. 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 high-risk 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 $____.

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.

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 1.704-1(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 1.704-1(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 1.704-2(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 1.704-2(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 1.704-2(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 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(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 1.704-2(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 1.704-2(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 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-l(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(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 704-3(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 1.704-1(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 1.704-2(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 predecessors-in-interest 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 tenant-in-common 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 fifty-one 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 attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members holding fifty-one 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 Mamaging 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.

5.7.14. 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. Rebel Roots, LLC Operating Agreement Page 16 of 23

6.1.1.1.1. The Purchase Price shall be paid out over a three (3) year period at the end of each calendar year. The Purchase Price shall be determined as follows:
Year 1 & 2: Vested percentage x Member's percentage of LLC Units x 10% x LLC's net profits
Year 3: Vested percentage x Member's percentage of LLC Units x 5% x LLC's net profits
For example: If Selling Member is 60% vested, owns 25% of the outstanding and issued LLC Shares and the Company makes $100,000 in Year 1, $100,000 in Year 2 and $100,000 in Year 3 then the Selling Member would receive:
Year 1 = $1,500 (60% x 25% x 10% x $100,000)
Year 2 = $1,500 (60% x 25% x 10% x $100,000)
Year 3 = $750 (60% x 25% x 5% x $100,000)

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. Therefore each of the initial Members shall start with a 40% vested interest in the Company. Starting on January 1, 2018, and each year thereafter each Member shall acquire an additional 20% vested interest until the Member reaches 100% vested interest. Any member who becomes a Member after May 2017 shall vest at 20% per year.

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 pass-through 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 non-interested 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 re-payment 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;

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 seventy-five (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 seventy-five (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 third-party costs and expenses incurred by the Tax Matters 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

EXHIBIT A
Members
Percentage
Member/Address Contribution Ownership Interest
Grant Anderson $ 100%
302 Cowles Street
Fairbanks, AK 99701