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

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

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Broken Dirt LLC

Entity Type: Limited Liability Company

Entity #: 10034020

Status: Good Standing

AK Formed Date: 12/11/2015

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2025

Entity Mailing Address: 6967 LASER DR, ANCHORAGE, AK 99504

Entity Physical Address: 6967 LASER DR, ANCHORAGE, AK 99504

Registered Agent

Agent Name: William Schneider

Registered Mailing Address: 6967 LASER DR, ANCHORAGE, AK 99504

Registered Physical Address: 6967 LASER DR, ANCHORAGE, AK 99504

Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	ANDRE STOIBER	Member	3.90
	BABETTE MILLER	Member	5.29
	CHAD REED	Member	4.59

AK Entity #	Name	Titles	Owned
	Joe Edward Kaiser	Member	12.34
	JOHN CONNOLLY	Member	7.55
	Jonathan Hughes	Member	3.00
	KATHLEEN LAWRENCE	Member	0.95
	KEITH LOPEZ	Member	8.36
	KYLER DUNFORD	Member	3.87
	LARRY GREENSTEIN	Member	10.27
	RICK MILLER	Member	10.00
	SAMUEL MILLER	Member	4.90
	WILLIAM SCHNEIDER	Manager, Member	24.98

Filed Documents

Date Filed	Type	Filing	Certificate
12/11/2015	Creation Filing	Click to View	Click to View
4/18/2016	Initial Report	Click to View	
11/17/2016	Change of Officials	Click to View	
11/17/2016	Change of Officials	Click to View	
1/13/2017	Biennial Report	Click to View	
7/10/2017	Change of Officials	Click to View	
12/18/2017	Change of Officials	Click to View	
1/22/2018	Change of Officials	Click to View	
2/09/2018	Change of Officials	Click to View	
3/02/2018	Change of Officials	Click to View	
8/22/2018	Change of Officials	Click to View	
2/05/2019	Biennial Report	Click to View	
11/07/2019	Change of Officials	Click to View	
12/28/2020	Biennial Report	Click to View	
10/28/2021	Change of Officials	Click to View	
12/19/2022	Biennial Report	Click to View	
2/18/2023	Certificate of Compliance		Click to View
7/10/2023	Change of Officials	Click to View	

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FOURTH AMENDED AND RESTATED OPERATING AGREEMENT OF BROKEN DIRT, LLC

THIS FOURTH AMENDED OPERATING AGREEMENT is entered into as of October 11, 2022 (the "Effective Date") by the Members of Broken Dirt, LLC (the "Company"). This Agreement amends and restates in its entirety any and all prior operating agreements of the Company and supersedes any prior agreements.

WHEREAS, the Company was formed as a limited liability company under the laws of the State of Alaska by the filing on December 11, 2015, of the Articles of Organization in the office of the Alaska Commissioner of the Department of Commerce, Community and Economic Development;

WHEREAS, the Members desire to execute this Agreement to provide for their respective rights, obligations, and duties with respect to the Company, and the management and governance of the Company;

The undersigned have agreed to operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

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

1. DEFINITIONS. Unless the context otherwise specifies or requires, capitalized terms in this Operating Agreement shall have the respective meanings assigned to them in this definition section for all purposes of this Operating Agreement.

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

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

1.3 "Applicable Law" means all state, county and municipal laws, regulations, administrative codes, policies, licensing schemes, or other legal frameworks regulating the Regulated Industry, including but not limited to Title 17, Chapter 38 of the Alaska Statutes and Title 3, Chapter 306 of the Alaska Administrative Code (or such replacement or successor statutes or codes); provided that if the Regulated Industry becomes legal at the federal level then Applicable Law shall also include federal laws, regulations, administrative codes, policies, licensing schemes, or other legal frameworks regulating the Regulated Industry.

1.4 "Articles of Organization" or "Articles" means the Articles of Organization filed in accordance with the Act.

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1.5 "Bankruptcy" means, and a Member shall be deemed "Bankrupt" upon, (i) the entry of a decree or order for relief in an involuntary bankruptcy case where the Member is the debtor; (ii) the appointment of a receiver, liquidator, assignee, custodian, trustee, or other similar agent for the Member or for any substantial part of the Member's assets or property; (iii) the ordering of the winding up or liquidation of the Member's affairs; (iv) the filing with respect to the Member of a petition in any involuntary bankruptcy case, which petition remains undismissed for a period of ninety (90) days; (v) the commencement by the Member of a voluntary case under any bankruptcy, insolvency, or other similar law; (vi) the making by the Member of any general assignment for the benefit of creditors without the consent of the remaining Members; or (vii) the failure by the Member generally to pay its debts as such debts become due if such failure has an adverse effect upon the Company.

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

1.7 "Capital Contribution" means any property or services, including cash, rendered or contributed to the Company by or on behalf of a Member.

1.8 "Code" means the Internal Revenue Code, as in effect and hereafter amended and applicable regulations thereunder. Any reference herein to a specific section of the Code shall be deemed to include reference to any corresponding provisions of future law.

1.9 "Company" means Broken Dirt, LLC.

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

1.11 "GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants' Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession.

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

1.13 "Majority vote" or "majority of the Members" or "majority vote of the Percentage Interests" or "majority of the Percentage Interests" means an affirmative vote of the Members holding more than 50% of the Percentage Interests.

1.14 "Manager" means William Schneider ("Schneider"), or his or her successor as may be appointed pursuant to the terms of this Operating Agreement.

1.15 "Member" or "Members" means the persons listed on the attached Exhibit A and any other person or entity who shall in the future execute this Operating

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Agreement pursuant to its provisions or applicable law, and be admitted as a Member pursuant to Section 11.3 of this Operating Agreement.

1.16 "Membership Interest" means the Member's collective rights, including but not limited to, the Member's right to share in profits, Member's right to a share of Company assets on dissolution of the Company, Member's voting rights, and Member's rights to participate in management of the Company.

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

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

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

1.20 "Regulated Industry" means any trade in cannabis and cannabis-related products, services, or other commerce that the Company pursues or engages in under this Operating Agreement, including growing, manufacturing, and retailing cannabis and cannabis derivatives and edibles, as well as designing and selling associated accessories, apparel, artwork, and other products, whether carried out in the State of Alaska or in any other jurisdiction in which the Company may legally pursue and carry out the Regulated Industry.

1.21 "Supermajority vote" or "supermajority of the Members" or "supermajority vote of the Percentage Interests" or "supermajority of the Percentage Interests" means an affirmative vote of the Members holding seventy percent (70%) or more of the Percentage Interests entitled to vote.

2. FORMATION, NAME, PLACE OF BUSINESS.

2.1 Formation of Company. The Members of the Company hereby:

2.1.1 Authorize formation of the Company by the Members as a limited liability company pursuant to the Act, and further ratify the filing of the Articles of Organization with the State of Alaska, Department of Community and Economic Development, Division of Corporations, Business and Professional Licensing;

2.1.2 Confirm and agree to their status as Members of the Company;

2.1.3 Execute this Operating Agreement for the purpose of confirming the existence of the Company and establishing the rights, duties, and relationship among the Members, and between the Members and the Company;

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2.1.4 Agree (i) that, if the laws of any jurisdiction in which the Company transacts business so require, the Company shall appropriately file all documents necessary for the Company to qualify to transact business under such laws, and (ii) to execute, acknowledge, and file any amendments to the Articles as may be required to lawfully operate the Company as a limited liability company.

2.2 Name of Company. The name of the Company shall be "Broken Dirt, LLC." The business of the Company may be conducted under any other name permitted by the Act that is selected by the Members. If the Company does business under a name other than set forth in its Articles of Organization, then it shall execute, file, and record any assumed or fictitious name certificates as required by law.

2.3 Place of Business. The principal place of business of the Company shall be 6967 Laser Drive, Anchorage, Alaska 99504. The Members may change the principal place of business to such other place within the United States as the Members may determine from time to time. The Members may establish and maintain other offices and additional places of business of the Company in or outside the State of Alaska.

2.4 Registered Office and Registered Agent. The name and address of the initial registered agent of the Company is William Schneider, at 6967 Laser Drive, Anchorage, Alaska 99504.

2.5 No Partnership Intended for Non-Tax Purposes. The Members do not intend to form a joint venture or a partnership under the laws of Alaska. The Members do not intend to be partners to one another or any third party. The Members agree and acknowledge that the Company is to be treated as a partnership solely for federal and state income tax purposes.

3. PURPOSES AND POWERS OF COMPANY.

3.1 Purposes. The purposes for which the Company is organized are:

3.1.1 To operate and/or manage establishments licensed under Title 3, Chapter 306 of the Alaska Administrative Code; to own real and personal property; to rent and lease commercial property; and for any other lawful purpose.

3.2 Powers. The Company shall have the power to do any and all lawful acts for the furtherance of the purposes of the Company and this Operating Agreement.

4. TERM. The Company commenced when the Articles of Organization were delivered to the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing. The Company shall continue in perpetuity until it is dissolved, liquidated, and terminated in conformity with the provisions of this Operating Agreement or the Act.

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5. CAPITAL.

5.1 Capital Contributions of the Members. Upon execution of this Operating Agreement, each Member will or has contributed to the Company the types and amounts of Initial Capital Contribution set forth in the attached Exhibit A.

5.2 Additional Capital Contributions of the Members. Upon the agreement of all of the Members, a Member may make an Additional Capital Contribution. The Percentage Interest of the Members shall be adjusted to reflect any Additional Capital Contribution when it is made. No Member shall be required to contribute any additional capital to the Company and no Member shall have any personal liability for any Additional Capital Contribution to the Company unless expressly assumed in writing.

5.3 Form of Capital Contributions or Additional Capital Contributions of the Members. Upon the agreement of all of the Members, any Member, including the Manager, may make any of the contributions referenced in this Section 5 in kind, or through services ("Sweat Equity").

5.4 Capital Accounts. A separate Capital Account shall be established and maintained for each Member. The Capital Account of each Member shall be (i) increased by the amount of any Capital Contributions made to the Company by the Member, (ii) increased or decreased by items of net income or net loss allocated to the Member pursuant to Section 6.1, and (iii) decreased by any distributions made from the Company to the Member.

5.5 No Interest on Capital Contributions or Capital Accounts. No Member shall be entitled to receive any interest on his, her, or its Capital Contribution or Capital Account balance.

5.6 Loans. Subject to AS 10.50.140, a Member or an employee of the Company may, at any time, make or cause a loan to be made to the Company in any amount and on such terms as agreed to by the Manager, subject to the limitations of Sections 7.5 and 7.6. Any such approved advances or loans shall not result in any increase in the amount of such Member's Capital Account or entitle such Member to any increase in its Percentage Interest. The amounts of such advances or loans shall be a debt of the Company and shall be payable or collectible only out of the Company's assets in accordance with terms and conditions agreed upon by all Members.

5.7 Liability of Members and Manager. Except as otherwise provided in the Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and none of the Members or Manager shall be obligated personally for any such debt, obligation, or liability solely by reason of being a Member or Manager. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Operating Agreement shall

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not be grounds for imposing personal liability on the Members or Manager for liabilities of the Company.

5.8 Return of Capital. No Member shall have the right to demand or to receive the return of all or any part of his, her, or its Capital Account or Capital Contributions to the Company except upon the consent of all Members, upon the dissolution of the Company, or as may be specifically provided in this Operating Agreement.

5.9 THE UNCERTIFICATED LIMITED LIABILITY COMPANY MEMBERSHIP INTERESTS PROVIDED FOR UNDER THIS OPERATING AGREEMENT, AND ANY AND ALL RELATED RIGHTS AND OPTIONS OR OTHER INTERESTS THAT MAY NOW OR HEREAFTER BE DESIGNATED AS SECURITIES FOR ANY PURPOSE WHATSOEVER, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND SUCH INTERESTS MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE MEMBERSHIP INTERESTS ARE SUBJECT TO CERTAIN VOTING AND GOVERNANCE PROVISIONS, RESTRICTIONS ON TRANSFER, AND OTHER TERMS AND CONDITIONS SET FORTH IN THIS OPERATING AGREEMENT.

ANY PARTY EXECUTING THIS OPERATING AGREEMENT ACKNOWLEDGES AND AGREES, AND REPRESENTS AND WARRANTS TO EACH OTHER PARTY TO THIS OPERATING AGREEMENT, THAT THEY ARE OBTAINING THE MEMBERSHIP INTERESTS PROVIDED FOR HEREIN FOR THE PURPOSES OF INVESTMENT AND NOT WITH AN EYE TO DISTRIBUTION, THAT ANY FURTHER SALE OR TRANSFER OF SUCH SECURITIES IS RESTRICTED BY APPLICABLE SECURITIES LAWS AND THIS OPERATING AGREEMENT, AND THAT THEY SHALL NOT SELL OR TRANSFER SUCH MEMBERSHIP INTERESTS WITHOUT (I) REGISTRATION OR EXEMPTION UNDER THE SECURITIES ACT OF 1933 AND ALL APPLICABLE STATE SECURITIES LAWS AND (II) COMPLIANCE WITH THIS OPERATING AGREEMENT.

6. ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS.

6.1 Allocation of Net Income or Net Loss. The net income or net loss, other items of income, gains, losses, deductions, and credits, and the taxable income, gains, losses, deductions, and credits of the Company, if any, for each fiscal year or portion thereof shall be allocated to the Members in proportion to their Percentage Interests or, from time to time, as the Members may agree to a different or special allocation.

6.2 Allocation of Income and Loss with Respect to Company Interests Transferred. If any Membership Interest is transferred during any fiscal year, the net income or net loss and other items referred to herein attributable to such Membership

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Interest for such fiscal year shall be allocated between the transferor and the transferee as of the date of the transfer.

6.3 Distributions. Payments of the Company's profits to the Members may be made at times and in amounts as are determined by a majority vote of the Percentage Interests at a properly-noticed meeting for that purpose. Approved distributions shall be made to the Members in proportion to their Percentage Interest. There can be no assurance that any such distribution will be made, or if made, will satisfy the Member's tax liabilities attributable to allocations of taxable income hereunder. Distributions may be made in cash or by distributing property in kind.

7. MANAGEMENT AND CONTROL OF BUSINESS.

7.1 Management of the Company. The business and affairs of the Company shall be managed by a Manager who shall be William Schneider. The Manager shall hold office until his death, disability, resignation, or removal. Upon the happening of any of these events, a successor Manager shall be appointed to fill the vacancy by a majority vote of the Members.

7.2 Appointment and Termination of Chief Executive Officer. The Members hereby designate the Manager as Chief Executive Officer ("CEO"), who shall hold such office as an employee of the Company and serve in that capacity until his death, disability, resignation, or removal. The CEO shall be the principal agent of the Company. Subject to the direction of the terms of this Agreement and an Executive Employment Agreement to be entered into between the CEO and the Company, the CEO shall have general supervision of the business and affairs of the Company, co-extensive with the authority and powers of the Manager as specified hereunder. Grounds for removal of the CEO shall be the same as those for removal of the Manager.

7.3 Removal of Manager. The Members may remove the Manager and elect a new Manager only in the event of the Manager's willful or intentional violation or reckless disregard of the Manager's duties to the Company, which misconduct shall also constitute justification for termination of the CEO's employment. The determination of whether such events exist shall be made by a supermajority of the Percentage Interests, including the Manager if the Manager is also a Member, and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious.

7.4 Salaries and Contract Rights. The salary, if any, of the Manager and/or other officers shall be fixed from time to time by the Members, without counting the vote of the Manager, if the Manager is a Member. The appointment of a Manager or other officers shall not of itself create contract rights.

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7.5 Duties, Rights, and Powers of the Manager. Except as otherwise expressly provided in this Operating Agreement, or under applicable law, the Manager shall have the sole and exclusive right to manage, conduct, and control the business, affairs, and properties of the Company.

7.5.1 Specific Powers. Without limiting the generality of the foregoing, the Manager shall have the specific power and authority, on behalf of the Company, to:

A. Manage the business and affairs of the Company, and to perform any and all acts or activities customary or incident to the management of the Company's business or affairs;

B. Exercise the authority and powers granted to the Company;

C. 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 this Act and this Operating Agreement;

D. Preside at meetings of the Members;

E. Sign all bonds, deeds, mortgages, and any other agreements, and such signature(s) shall be sufficient to bind the Company;

F. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

G. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

H. Except as provided in Section 7.6, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

I. Purchase liability and other insurance to protect the Company's properties and business;

J. Invest and reinvest Company reserves in short-term instruments or money market funds;

K. Borrow for and on behalf of the Company, including from Members, at annual percentage rates of interest not to exceed twenty percent (20%) and, in connection therewith, execute and deliver instruments to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the sums borrowed; subject to Section 5.6 herein, if such borrowing is from any Member, Manager or employee of the Company;

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

M. Authenticate records of the Company;

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

O. Be custodian of the corporate records;

P. Keep a register of the post office address and other contact information of each Member that shall be furnished by such Member;

Q. Have general charge of the Membership Interest and transfer books of the Company;

R. Report quarterly to Members on the status of the Company's finances, compliance with applicable regulations, business plan status, and other relevant matters;

S. Vote any shares or interests in other entities in which the Company holds an interest;

T. Employ accountants, legal counsel, agents, and other experts to perform services for the Company;

U. Take all actions necessary or appropriate to accomplish the Company's purposes in accordance with the terms of this Operating Agreement; and

V. Otherwise act in all other matters on behalf of the Company.

7.5.2 In addition to the duties and powers which the Manager may have in accordance with Section 7.5.1, and except as otherwise specifically limited in this Operating Agreement or under applicable law, the Manager shall have specific rights and powers required for the management of the business of the Company, including, the right to do the following:

A. Establish overall policy decisions with respect to the business and affairs of the Company;

B. Review and approve annual budgets and operating guidelines;

C. Approve contracts, agreements, and commitments of the Company;

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D. Approve the choice of bank depositories, and approve arrangements relating to signatories on bank accounts;

E. Approve the choice of the Company's attorneys, independent accountants, and any other consultants, including, without limitation, market consultants, leasing agents, management agents, and advertising and public relations agents;

F. Approve any change to the Company's fiscal year;

G. Approve all distributions to the Members;

H. Approve the conveyance, sale, transfer, assignment, pledge, encumbrance, or disposal of, or the granting of a security interest in, any assets of the Company;

I. Incur indebtedness or loan or extend credit to any Person in an amount not to exceed the value of the assets then owned by the Company;

J. Employ, appoint, and remove any Company employee who is involved in the day-to-day management or business of the Company;

K. Change any accounting principles used by the Company, except to the extent required by GAAP;

L. Notify entities owned in whole or in part by the Company of any changes in ownership of the Company; and

M. Approve any tax elections of the Company.

7.6 Extraordinary Transactions. Notwithstanding anything to the contrary in this Operating Agreement, the Manager shall not undertake any of the following without the approval of a majority, or greater than a majority where otherwise required by this Operating Agreement, of the Percentage Interests:

7.6.1 Allow the admission of additional Members to the Company;

7.6.2 Allow the Company to borrow money from Members, other individuals and institutions, at an annual percentage interest rate in excess of twenty percent (20%), upon approval by a supermajority vote of the Percentage Interests;

7.6.3 Discontinuance of the Company's business;

7.6.4 Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Operating Agreement, cause the termination, dissolution, liquidation, or winding-up of the Company;

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7.6.5 Taking or effecting any action that would create a financial obligation of the Company in excess of $200,000.00 in a single transaction, or exceeding that amount through a series of related transactions, upon approval by a supermajority vote of the Percentage Interests;

7.6.6 Creating subsidiaries, entering into joint ventures, filing lawsuits, or selling assets valued at over $50,000;

7.6.7 Taking or effecting any action constituting a labor agreement with any employee of the company valued at over $75,000 per year, upon approval by a supermajority vote of the Percentage Interests; and

7.6.8 Such other matters and decisions as the Members may from time to time designate by amendment to this Operating Agreement or by resolution approved by a supermajority vote of the Percentage Interests.

7.7 Conflicts of Interest. Subject to the limitations of AS 10.50.140 and Section 8.10 hereunder, the Manager, at any time, may engage in and possess interests in other business ventures of any and every type independently or with others, with no obligation to offer to the Company or any Member the right to participate therein. The Company may transact business with any Member or the Manager, subject to the limitations of AS 10.50.140.

7.8 Business Plan and Budget. Each Fiscal Year, commencing with the Fiscal Year beginning on January 1, 2023, Manager shall prepare an Annual Business Plan and Operating Budget for the Company. Each draft budget shall be delivered to the Members not later than forty-five (45) calendar days after the beginning of the Fiscal Year in question.

7.9 Third Party Reliance. Third parties dealing with the Company shall be entitled to rely upon the power and authority of the Manager as set forth herein.

7.10 Liability to Company. Except as otherwise provided in this Agreement, the Manager shall not be liable, responsible, or accountable in damages or otherwise to the other Members or to the Company for any acts performed in good faith and within the scope of authority of the Manager pursuant to this Agreement, unless otherwise provided in this Agreement; provided, however, that the Manager shall be liable for violations of laws, for acts and/or omissions to the extent attributable to the Manager's fraud, willful misconduct, gross negligence, or acts outside its scope of authority, and for any breach of the Manager's duty of loyalty to the Company or its Members and/or breach of the Manager's covenants or obligations under this Agreement.

7.11 Agents. The Manager may designate one or more individuals as agents of the Company for any purpose. No agent need be a Member. Each agent shall have the authority and shall perform the duties designated by the Manager. Vacancies may be filled or new offices created and filled by the Manager. Any agent appointed by

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the Manager may be removed by the Manager whenever, in their sole judgment, the best interests of the Company would be served. However, such removal shall be without prejudice to the contract rights, if any, of the person so removed.

8. MEMBERS.

8.1 Members. The Members of the Company are listed on Exhibit A, which may be revised from time to time, to reflect the addition or withdrawal of Members.

8.2 No Personal Liability. Except as otherwise provided by in the Act, by law, or expressly in this Agreement, no Member will be obligated personally for any debt, obligation, or liability, solely by reason of being a Member.

8.3 Member Qualifications and Conditions.

8.3.1 To be admitted as a Member, a Person shall provide documentation satisfactory to the Company that (a) the Person is not prohibited under Applicable Law from directly or indirectly owning or controlling a Membership Interest in in an entity operating in the Regulated Industry, for any reason, including without limitation, the residence of such Person, and any criminal history of such Person; and (b) the Person's direct or indirect ownership or control of a Membership interest in the Company would not prevent the Company from obtaining, maintaining, operating under, renewing, or otherwise enjoying the full benefit of any necessary licenses, permits, approvals, or other permissions necessary under Applicable Law for the Company to operate in the Regulated Industry.

8.3.2 It is understood that in order to remain a Member, all Members shall maintain personal compliance with all Applicable Laws and shall provide the Company with any and all documentation, verifications, or other aid or assistance as required or requested for the Company to continue its compliance with Applicable Law. Violation of this Section subjects a Member to removal for cause pursuant to Section 12.5.

8.3.3 The restrictions in this Section 8 shall not apply in the event of any occurrence that applies to all Members and which would have the effect of making all Members removed for cause (as defined in Section 12), such as a change in Applicable Law that makes it impossible for the Company to legally operate in the Regulated Industry under Applicable Law.

8.4 Approval of Members. Any action of the Company requiring approval of the Members, unless otherwise provided in this Agreement, shall require approval by a majority of the Percentage Interests of the Members.

8.5 Meetings. There shall be quarterly meetings of the Members. Additional meetings of the Members may be called by fifty percent (50%) of the Percentage Interests or by the Manager. Meetings shall be held at the principal place of business of the Company or as designated in the notice or waivers of notice of the meeting.

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8.5.1 Notice. Notice of any meeting of the Members shall be given no fewer than five (5) days and no more than thirty (30) days prior to the date of the meeting. Notices shall be delivered in the manner set forth in Section 15.4 and shall specify the purpose or purposes for which the meeting is called. The attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

8.5.2 Quorum. The holders of a majority of the Percentage Interests, present in person or represented by proxy, shall constitute a quorum for transaction of business at any meeting of the Members. If the holders of less than a majority of the Percentage Interests are present at said meeting, the holders of a majority of the Percentage Interests present at the meeting may adjourn the meeting at any time without further notice.

8.5.3 Manner of Acting. The act of the holders of a majority of the Percentage Interests present at a meeting at which a quorum is present shall be the act of the Members, unless the act of a greater number is required by statute, this Operating Agreement, or the Articles.

8.6 Action Without Meeting. Unless specifically prohibited by the Articles or this Operating Agreement, any action required to be taken at a meeting of the Members may be taken without a meeting if consented to in writing or by electronic transmission by a majority of the Members, unless the act of a greater number is required by statute, this Operating Agreement, or the Articles. The Manager shall have the sole discretion to set a reasonable time period for consideration and voting on any action to be taken without meeting. A record shall be maintained by the Company of each such action taken without meeting. Action taken in accordance with this Section 8.6 shall be effective when all consents necessary to approve the action have been signed, unless the consent specifies a later effective date. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given in writing to those Members who were entitled to vote but did not consent in writing.

8.7 Remote Meetings. The Members may participate in and act at any meeting of Members through the use of electronic communication, conference telephone, videoconference, the Internet, electronic transmission, or other means by which persons not physically present in the same location may communicate with and hear each other on a substantially simultaneous basis. Participation by such remote meeting methods shall constitute attendance and presence in person at the meeting of the person or persons so participating. The Members or Manager, whoever called for the meeting, shall ensure those Members attending remotely have access to any written materials reviewed at the meeting.

8.8 Proxies. Each Member entitled to vote at a meeting of the Members, or to express consent or dissent to action in writing without a meeting, may authorize another person or persons to act for such Member by written proxy. Such proxy shall be

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transmitted to the Manager or deposited at the principal offices of the Company not less than twenty-four (24) hours before a meeting is held or action is taken. However, in the presence of exigent circumstances, notice of proxy may be accepted by the Manager, in the Manager's sole discretion, at any reasonable time prior to the meeting or action taken on an item. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

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

8.10 Other Activities of Members; Restrictions on Competition.

8.10.1 Any Member, or any affiliate thereof, may have other business interests or may engage in other business ventures of any nature or description whatsoever, whether currently existing or hereafter created, subject to the limitations of AS 10.50.140, to the extent applicable to such Member. No Member, or affiliate thereof, shall incur any liability to the Company as a result of their or its pursuit of such other permitted business interests, ventures, and competitive activity, and neither the Company nor the other Members shall have any right to participate in such other business ventures or to receive or share in any income or profits derived therefrom, subject to the limitations of AS 10.50.140, to the extent applicable to such Member.

8.10.2 As joint owners of a closely held limited liability company, all Members agree to act in good faith towards all other Members when voting or deciding on issues affecting the Company, and each Member has an affirmative duty to fully disclose all potential conflicts of interest to the other Members prior to any vote. Unless approved by all of the remaining Members entitled to vote, any Member with a conflict of interest may not vote on the issue in question.

8.10.3 Notwithstanding the foregoing, no Member may have other business interests or may engage in other business ventures of any nature that competes, directly or indirectly, with the business of the Company without the prior written consent of a supermajority of the Percentage Interests of the Company. As used in this paragraph, the terms "compete" and "business of the Company" shall mean: own a direct or indirect financial interest in, or operate, a "marijuana cultivation facility" a "retail marijuana store," a "marijuana product manufacturing facility," or a "marijuana concentrate manufacturing facility," as those terms are defined under Title 3, Chapter 306 of the Alaska Administrative Code, within one hundred (100) miles of the Municipality of Anchorage. Violation of this Section subjects a Member to removal for cause pursuant to Section 12.5.

8.11 Other than the duties as a Member of the Company listed in this Operating Agreement no Member shall be required or expected to provide labor or

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services to the Company with respect to the day-to-day business activities of the Company without compensation for such labor or services on terms and conditions to be agreed to between the Member and the Company.

9. INDEMNIFICATION.

9.1 Right of Indemnification. In accordance with the Act and this Operating Agreement, the Company shall indemnify, defend, and hold harmless any person who is a Member, Manager, or other officer of the Company, and the person's officers, directors, partners, joint venturers, employees, or agents (individually, in each case, an "Indemnitee") to the fullest extent permitted by law, from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including costs, attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits, or proceedings, whether civil, criminal, administrative, or investigative, in which the Indemnitee may be involved or threatened to be involved, as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnitee continues to be a person who is a Member, Manager, or other officer of the Company, or the person's officers, directors, partners, joint venturers, employees, or agents, at the time any such liability or expense is paid or incurred. However, this provision shall not eliminate or limit the liability of an Indemnitee (i) for any breach of the Indemnitee's duty of loyalty to the Company or the Members, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Indemnitee received any improper personal benefit.

9.2 Advances of Expenses. Expenses incurred by an Indemnitee in defending any claim, demand, action, suit, or proceeding subject to this Section 9 shall be advanced by the Company prior to the final disposition of such claim, demand, action, suit, or proceeding, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount, if it shall be determined in a judicial proceeding or a binding arbitration that such Indemnitee is not entitled to be indemnified as authorized in this Section 9.

9.3 Other Rights. The indemnification provided by this Section 9 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, vote of the Members, as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, Manager, or other officer of the Company, or any affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns, and legal representatives of the Indemnitee.

9.4 Insurance. The Company may purchase and maintain insurance on behalf of the Members, the Manager, and such other persons as the Members shall determine against any liability that may be asserted against or expense that may be incurred by such persons in connection with the offering of interests in the Company or

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the business or activities of the Company, regardless of whether the Company would have the power to indemnify such persons against such liability under the provisions of this Operating Agreement.

10. BANK ACCOUNTS, BOOKS AND RECORDS, STATEMENTS, TAXES, FISCAL YEAR.

10.1 Bank Accounts. To the extent reasonably practicable, all funds of the Company shall be deposited in the Company's name in such checking and savings accounts, time deposits, certificates of deposit, mutual funds, money market instruments, or other accounts as shall be designated by the Manager from time to time. The Manager shall arrange for the appropriate conduct of such account or accounts, or such other mechanisms for managing funds of the Company.

10.2 Books and Records. The Manager shall keep, or cause to be kept, accurate books and records showing the financial condition of the Company, including copies of the Company's financial statements and the federal, state, and local tax returns of the Company for at least the most recent six (6) fiscal years. All Members shall have access to the books and records at any reasonable time during regular business hours and shall have the right to copy said records at such Member's expense.

10.2.1 Where Maintained. The books, accounts, and records of the Company at all times shall be maintained at the Company's principal office or at such other place authorized by the Manager.

10.2.2 Fiscal Year. The fiscal year of the Company for all purposes shall be the calendar year. The Manager shall have authority to change the beginning and ending dates of the fiscal year.

10.3 Accounting Decisions. All decisions as to accounting matters shall be made by the Manager, subject to the provisions herein.

10.4 Tax Matters Member. The Manager 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 in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related 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 a majority of the Members.

10.5 Tax Elections. The Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of

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methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the Manager's sole and absolute discretion.

10.6 Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

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

11.1 Transfer of Membership Interests.

11.1.1 Definition of Transfer. The term "transfer," when used in this Section 11 with respect to a Membership Interest, shall include any sale, assignment, gift, pledge, hypothecation, mortgage, exchange, or other disposition. However, a "transfer" shall not include any pledge, mortgage, or hypothecation of or granting of a security interest in a Membership Interest in connection with any financing obtained on behalf of the Company.

11.1.2 Void Transfers. No Membership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Section 11. Any transfer or purported transfer of any Membership Interest not made in accordance with this Section 11 shall be void *ab initio*.

11.2 Restrictions of Transfers.

11.2.1 Consent Required. No Member may transfer all or any portion of or any interest or rights in his or her Membership Interest or his or her Capital Account without: (i) the express written consent of non-transferring Members then holding a majority of the Percentage Interests; or (ii) following the procedures outlined in Section 11.2.4. Each Member acknowledges the reasonableness of this prohibition in view of the relationship of the Members.

11.2.2 Substitution. Any transferee of a Membership Interest shall become a Substituted Member upon (i) satisfaction of the requirements of Section 11.2.1; (ii) the transferee agreeing to be bound by all the terms and conditions of the Articles and this Operating Agreement; (iii) the transferee providing documentation satisfactory to the Company that the transferee is a resident of the State of Alaska, and is otherwise permitted to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code; and (iv) receipt of any necessary regulatory approvals. Unless and until a transferee is admitted as a Substituted Member, the transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder. A Member who has transferred his or her Membership Interest shall cease to be a Member upon transfer of the Member's entire Membership Interest and thereafter shall have no further powers, rights, and privileges as a Member hereunder except as provided in Section 9.

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

11.2.4 Right of First Refusal. In the event that one Member wishes to transfer all or part of its Membership Interest in the Company, and in the absence of the express written consent of non-transferring Members then holding a majority of the Percentage Interests, the transferring Member shall first make the Membership Interest available to the other Member(s) in the manner set forth below in this Section 11.2.4.

A. The right of a Member to transfer its Membership Interest in the Company to any third party is expressly conditioned upon such transferring Member first offering to transfer his or her Membership Interest to the remaining Member(s) for the same price and upon the same terms as the proposed transfer to a person or entity not a Member of the Company. The procedure for this right of first refusal shall be as follows:

1. Prior to any proposed transfer of Membership Interest, the transferring Member shall send each of the remaining Members a copy of the proposed agreement between the transferring Member and the proposed transferee and notify the remaining Members of the transferring Member's intention to enter such agreement and make such transfer. The remaining non-transferring Members shall each have the right, within thirty (30) calendar days of receipt of such notice, to acquire the transferring Member's interest on the same terms as the proposed agreement.

2. If more than one non-transferring Member elects to purchase the transferring Member's Membership Interest, then the Percentage Interest that each such electing Member shall be entitled to purchase shall be determined by agreement among the electing non-transferring Members. Or, if the electing non-transferring Members are unable to so agree, then the offered membership interest shall be split in equal percentage among the non-transferring members who elected to purchase the membership interest.

3. If the remaining Member(s) do not acquire the interest of the transferring Member, the transferring Member may then transfer his or her interest in the Company to the person or entity named in the proposed agreement; provided that such transfer is on the same terms and conditions and for the same price set forth in the proposed agreement sent to the remaining Members.

11.2.5 Family Transfer. Notwithstanding the foregoing, each Member shall have the right, without the consent of the other Members of the Company,

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to assign of all of its Membership Interest to either the spouse of the Member or to the direct descendant of the Member (the "Family Assignee"). Such Family Assignee, upon written notice to the Company and satisfaction of the conditions of Section 11.2.2, shall become a substituted Member of the Company with all rights and obligations of a Member under this Agreement. Such Assignment to a Family Assignee shall not be construed to be a sale or transfer subject to the provisions of Section 11.2.

11.3 Admission of Additional Members. The admission of additional members to the Company through the sale, issuance, or other conveyance of Membership Interest by the Company, is not considered a transfer of Membership Interest under this Section 11. Subject to the terms of this Agreement, additional Persons may be admitted as Members of the Company under this Section 11.3 at such time and on such terms as may be deemed appropriate by a supermajority vote of the Percentage Interests. To be admitted as a Member, a Person shall agree in writing to be bound by this Agreement and provide documentation satisfactory to the Company that the transferee is a resident of the State of Alaska, and is otherwise permitted to own the Membership Interests pursuant to applicable laws, including without limitation, Title 3, Chapter 306 of the Alaska Administrative Code. The Members understand that, in the event of the admission of a new member, the then existing Members' Percentage Interests shall be reduced pro rata in amounts that equal the amount of the new member's Percentage Interest.

12. WITHDRAWAL AND DISSOCIATION OF A MEMBER.

12.1 Voluntary Withdrawal. In the event that a Member anticipates a change to their eligibility to remain a Member pursuant to Section 8.2, believes it would be in the best interest of the Company to no longer be a Member of the Company, or no longer wishes to be a Member of the Company for any other reason, any Member who holds less than twenty percent (20%) of the Percentage Interests may voluntarily withdraw from the Company. Any Member who holds more than twenty percent (20%) of the Percentage Interests may voluntarily withdraw from the Company upon approval of a Majority of the remaining Members. In either instance, the withdrawing Member will be liable to the remaining Members for any damages incurred by the Company and remaining Members including, but not limited to, the loss of future earnings. The voluntary withdrawal of a Member will have no effect upon the continuance of the Company business and the withdrawing Member's interest shall be transferred to the remaining Members on a *pro rata* basis consistent with their then-current Percentage Interests. The withdrawing Member shall not be entitled to compensation, accrued distributions, or repayment of Capital Contributions without the express written consent of a majority of the remaining Members. If such majority elects to provide compensation for the interest of the withdrawing Member, the Members will serve written notice of such election upon the withdrawing Member within thirty (30) days after receipt of the withdrawing Member's notice of intention to withdraw, including the purchase price and method and schedule of payment for the withdrawing Member's Membership Interest, if any. The purchase amount of any buyout of a Member's interest under this Section 12.1 shall be no greater than the

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Book Value of the withdrawing Member's Membership Interest as defined in Section 13 below.

12.2 Involuntary Withdrawal. The involuntary withdrawal of a Member will have no effect upon the continuance of the Company business and the Company will not be dissolved following such occurrence. Events leading to the involuntary withdrawal of a Member from the Company will include, but not be limited to: death of a Member; Member mental incapacity; Member disability preventing reasonable participation in the Company; Member incompetence; Member bankruptcy; and other involuntary levy or transfer of a Member's Membership Interest by judicial order or otherwise. Any Member (or its appropriate representative) who experiences an event leading to involuntary withdrawal (the "Affected Member") shall notify the Company in writing of the event and the date of the event. In the absence of such notice, the other Members may give notice to the Affected Member's representative, or upon notice of any involuntary levy or transfer of a Member's Interest by judicial order or otherwise, then within thirty (30) days of such notice, such Member shall either give written assurances that such event has not occurred, or has been cured. Failure to timely respond shall be deemed effective as notice of intent for compulsory sale.

12.2.1 Compulsory Sale of Affected Member's Interest. In the event of such occurrence as described in Section 12.2, the Company first, and then the remaining Members thereafter, shall have the right either to purchase all (but not less than all) of the Affected Member's Membership Interest (the "Estate Interest"), or to admit the Affected Member's distributees or beneficiaries into the Company as Substituted Members. If the Company or any remaining Members elect to purchase the Estate Interest, the Company will serve written notice of such election, including the purchase price and method and schedule of payment for the Estate Interest upon: the Affected Member, if not declared legally incompetent; the guardian of the disabled Affected Member, if one has been appointed; or the deceased Affected Member's spouse, personal representative, executor, administrator, trustee, committee, or analogous fiduciary (collectively the "Legal Representative") within fifteen (15) days after making such election.

12.2.2 Purchase by the Company. Within sixty (60) days after the receipt of notice under Section 12.2, the remaining Members shall meet, and upon the majority approval of the remaining Members (without counting the Membership Interest of the Affected Member), the Estate Interest shall be purchased by the Company for a purchase price equal to the Fair Market Value of the Estate Interest determined according to the provisions of Section 12.2.4, less the amount, if any, of any unpaid additional contributions or commitments of the Affected Member. The Purchase Price of such interest shall be paid by the Company to the Legal Representative of the Affected Member in immediately available funds within sixty (60) days of determination of the Fair Market Value of the Estate Interest or, at the Company's option, said debt may be evidenced by a promissory note bearing interest at the Prime Rate, which shall be due and payable upon the earlier of (i) expiration of five (5) years or (ii) the sale or disposition of all of the Company Property. The Estate Interest purchased by the Company shall be divided

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proportionately amongst the remaining Members on a *pro rata* basis according to their then-current Percentage Interests.

12.2.3 Purchase by the Members. If the Company elects not to purchase the Estate Interest pursuant to Section 12.2.2, the Estate Interest shall be purchased for the Fair Market Value of the Estate Interest by any Member who gives notice to the Company within fifteen (15) days of the Company's election to not purchase the Estate Interest. If more than one Member exercises its option (the "Exercising Members"), the Membership Interest and the corresponding Purchase Price shall be divided amongst and apportioned to the Exercising Members in equal amounts or in such other proportion as the Exercising Members shall agree upon. The purchase price of such interest shall be paid by the Exercising Member or Members to the Legal Representative in immediately available funds within sixty (60) days of determination of the Fair Market Value.

12.2.4 Purchase Price. The Fair Market Value of an Affected Member's Estate Interest to be purchased by the Company or any Member or Members, shall be determined by agreement between the Legal Representative and the Company, which agreement is subject to approval by a majority of the remaining Members. For this purpose, the Fair Market Value of the Estate Interest shall be computed as the amount that could reasonably be expected to be realized by the Affected Member upon the sale of the Company in the ordinary course of business at the time of the event leading to the involuntary withdrawal listed in Section 12.2. If the Legal Representative and the Company cannot agree upon the Fair Market Value of the Estate Interest within thirty (30) days of the date notice is provided per Section 13.4, the Fair Market Value shall be determined by appraisal, as follows:

A. The Company and the Legal Representative each to choose one appraiser qualified to conduct business valuations and the first two appraisers so chosen to choose a third appraiser. The decision of a majority of the appraisers as to the fair market value of such Estate Interest shall be final and binding and may be enforced by legal proceedings. The Legal Representative and the Company shall each compensate the appraiser appointed by it and the compensation of the third appraiser shall be born equally by such parties.

12.2.5 Transfer to Beneficiaries. If the Company and/or Members do not elect to purchase the Estate Interest pursuant to Sections 12.2.2 and 12.2.3 or do not provide notice of such election within 90 days after acquiring knowledge of the death or disability of the Affected Member, then the Company shall admit the Affected Member's distributee, beneficiary, or heir into the Company as Substituted Member pursuant to Section 11.2.2, but such substitution will be exempt from the requirement of Section 11.2.2(i).

12.2.6 Ineligible Beneficiary. In the event that the Affected Member's distributees, beneficiaries, or heirs do not or will not comply with the terms of Section 11.2.2; are not permitted or eligible to own the Estate Interest pursuant to

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applicable laws or Section 8.2 of this Agreement; or do not become so eligible within sixty (60) days following notice that the Company and/or the Members elected to not purchase the Estate Interest, then the Estate Interest shall not transfer to the distributee or beneficiary and the Legal Representative shall convey the Estate Interest to a third party who shall be admitted as an Substitute Member pursuant to Section 11.2.2, but such substitution will be exempt from the requirement of Section 11.2.2(i). In the event that no Substitute Member is admitted or has admission as a Substitute Member pending within 180 days after the Company acquired knowledge of the death or disability of the Affected Member, the Estate Interest shall transfer to the Company, to be divided proportionately amongst the remaining Members on a *pro rata* basis according to their then-current Percentage Interests, and the purchase price shall be the Book Value of the Estate Interest, as defined in Section 15. The purchase price of the Estate Interest under this section shall be paid by the Company to the Legal Representative in immediately available funds within sixty (60) days of determination of the Book Value or, at the Company's option, said debt may be evidenced by a promissory note bearing interest at the Prime Rate, which shall be due and payable upon the earlier of (i) expiration of five (5) years or (ii) the sale or disposition of all of the Company Property. The Estate Interest purchased by the Company shall be divided proportionately amongst the remaining Members on a *pro rata* basis according to their then-current Percentage Interests.

12.3 Removal of a Member for Cause. A Member may be removed for cause upon a majority vote of the remaining Percentage Interests. The expulsion of such Member will have no effect upon the continuance of the Company business. The remaining Members shall give notice to the Expelled Member of their removal as a Member. Upon the giving of such notice, the Expelled Member's Membership Interest and right to participate in the management and conduct of the Company's business is terminated. A Member removed for cause shall not be entitled to compensation, accrued distributions, or repayment of Capital Contributions without the express written consent of a supermajority of the Percentage Interests.

12.3.1 A Member may be removed for cause in the case of any of the following:

A. The Member engaged in wrongful conduct that adversely and materially affected the Company's business;

B. The Member engaged in criminal, illegal or other acts of malfeasance, gross negligence, prohibited self-dealing or embezzlement;

C. The Member did not maintain compliance with the Member Qualifications and Conditions listed in Section 8.2, including failure to provide the Company with any and all documentation, verifications, or other aid or assistance as required or requested for the Company to continue its compliance with Applicable Law;

D. If it is unlawful, or inconsistent with applicable regulations, to carry on the company's business with the Member;

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E. The Member willfully or persistently committed a material breach of the Operating Agreement or a duty owed to the Company or the other members of the Company, including the Member's duty of loyalty and duty of care or engagement in a business venture that competes with the business of the Company under Section 8.9;

F. The Member engaged in conduct relating to the Company's business which makes it not reasonably practicable to carry on business with the Member;

G. Operation of Law against a Member or a legal judgment against a Member that can reasonably be expected to bring the business or societal reputation of the Company into disrepute; or

H. There has been a transfer of substantially all of the Member's Interest not in accordance with this Operating Agreement.

12.3.2 The determination of whether such events exist shall be made by a majority of the Percentage Interests, and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious.

12.4 On any purchase and sale made pursuant to this section, a dissociated Member will only have liability for Company obligations that were incurred during their time as a Member. Immediately upon purchase of a withdrawing Member's interest, the Company will prepare, file, serve, and publish all notices required by law to protect the withdrawing Member from liability for future Company obligations. Where the remaining Members have purchased the interest of a dissociated Member, the purchase amount will be paid in full, but without interest, within 180 days of the date of withdrawal. The Company will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Company.

12.5 The remaining Members retain the right to seek all available legal damages from a dissociated Member where the dissociation resulted from a malicious or criminal act by the dissociated Member or where the dissociated Member had breached their fiduciary duty to the Company or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Company or to the reputation of the Company.

13. BOOK VALUE.

13.1 The term "Book Value" means the book value, computed in accordance with GAAP, of a Member's Percentage Interest in the Company as of the end of the last full taxable year immediately preceding the year in which the event giving rise to the need for valuation occurred. Notwithstanding anything contained in this Agreement to the contrary, the computation of Book Value shall be subject to the following provisions:

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13.1.1 Book Value shall not include any proceeds collected or collectible by the Company under any policy or policies of life or disability insurance insuring the life or disability of a Member, as a result of the death or disability of a Member.

13.1.2 No additional allowance of any kind shall be made for the goodwill, trade names, or any other intangible asset or assets (the "Intangible Assets") of the Company other than the aggregate dollar amount for any of those Intangible Assets appearing on the most recent balance sheet of the Company prior to the date on which Book Value is to be determined.

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

13.1.4 No adjustment shall be made to Book Value as a result of any event occurring subsequent to the date as of which Book Value is to be determined.

13.1.5 Anything contained in this Agreement to the contrary notwithstanding, Book Value shall be calculated for the purposes of this Agreement on an accrual basis even if the Company shall have used a different accounting method for that or any prior period.

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

14. DISSOLUTION, LIQUIDATION, AND TERMINATION.

14.1 Events Causing Dissolution. The Company shall be dissolved and shall commence winding up its affairs upon the first to occur of any of the following events:

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

14.1.2 The sale or other disposition by the Company of all or substantially all of the Company's assets and the collection of all amounts derived from any such sale or other disposition, including all amounts payable to the Company under any promissory notes or other evidences of indebtedness taken by the Company and the satisfaction of contingent liabilities of the Company in connection with such other disposition (unless the Members shall elect to distribute such indebtedness to the Members in liquidation);

14.1.3 The occurrence of any default that, under the Act, would cause the dissolution of the Company or that would make it unlawful for the business of the Company to be continued.

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14.2 Winding Up. Upon the dissolution of the Company, the Manager shall wind up the Company's affairs and satisfy the Company's liabilities. The Manager shall liquidate all of the Company property and assets as quickly as possible consistent with obtaining the full fair market value of said property and assets. During this period, the Manager shall continue to operate the Company, and all of the provisions of this Operating Agreement shall remain in effect. The Manager shall notify all known creditors and claimants of the dissolution of the Company in accordance with the provisions of the Act.

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

14.3.1 First, to creditors, including Members who are creditors, until all of the Company's debts and liabilities are paid and discharged (or provisions are made for payment thereof); and

14.3.2 The balance, if any, to the Members, in proportion to their Percentage Interests as of the date of such distribution, after giving effect to all contributions, distributions, and allocations for all periods.

14.4 Distributions in Kind. In connection with the termination and liquidation of the Company, the Manager shall attempt to sell all of the Company property and assets. To the extent that property or assets are not sold, each Member will receive his or her Percentage Interest of any distribution in kind. Any property or assets distributed in kind upon liquidation of the Company shall be valued on the basis of an independent appraisal or by supermajority of the Members, and treated as though the property or assets were sold and the cash proceeds distributed.

14.5 No Recourse Against Other Members. The Members shall look solely to the assets of the Company for the return of their investment, and, if the property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return such investment, no Member shall have any recourse against any other Member.

14.6 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, any Member with a deficit in the Member's Capital Account shall not be obligated to contribute such amount to the Company to bring the balance of such Member's Capital Account to zero.

14.7 Articles of Dissolution. On completion of the distribution of Company property and assets as provided herein, the Company is terminated, and the Members (or such other person or persons as the Act may require or permit) shall file articles of dissolution with the appropriate state agency, cancel any other filings made pursuant to the Act, and take such other actions as may be necessary to terminate the Company.

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15. GENERAL PROVISIONS.

15.1 Compliance with Act. The Members and the Manager agree not to take any action or fail to take any action which, considered alone or in the aggregate with other actions or events, would result in the termination of the Company under the Act.

15.2 Lawful Purpose. When used throughout this Operating Agreement, the term "lawful purpose" and any similar phrase shall mean any purpose allowed for under the laws of the State of Alaska, irrespective of issues related to federal law or the laws of any other state.

15.3 Additional Actions and Documents. The Members and the Manager agree to take or cause to be taken such further actions, to execute, acknowledge, deliver, and file, or cause to be executed, acknowledged, delivered, and filed, such further documents and instruments, and to use best efforts to obtain such consents, as may be necessary or as may be reasonably requested to fully effectuate the purposes, terms, and conditions of this Operating Agreement, whether before, at, or after the closing of the transactions contemplated by this Operating Agreement.

15.4 Notices. Any notice hereunder to any Member or the Manager shall be in writing and shall be effective when actually delivered at the address found on Exhibit A or at such other address as they may have designated by written notice received by the other parties to this Operating Agreement.

15.5 Severability. If a court of competent jurisdiction finds any provision of this Operating Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Operating Agreement in all other respects shall remain valid and enforceable.

15.6 Survival. It is the express intention and agreement of the Members that all covenants, agreements, statements, representations, warranties, and indemnities made in this Operating Agreement shall survive the execution and delivery of this Operating Agreement.

15.7 Waiver. No delay on the part of a Member or the Manager in the exercise of any right, power, or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy preclude other or further exercise of any other right, power, or remedy.

15.8 Amendments. This Agreement may be amended only upon by approval by a supermajority vote of the Percentage Interests. No amendment, or waiver of, or consent with respect to, any provision of this Operating Agreement shall be effective unless it shall be in writing and signed and delivered by a Supermajority of the Percentage

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Interests. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which a Member or the Company would otherwise have at law or in equity or otherwise.

15.9 Computations. When any calculation or other accounting computation is to be made for the purpose of this Operating Agreement, that calculation, to the extent applicable and except as otherwise specified in this Operating Agreement, shall be made in accordance with GAAP in effect at the time.

15.10 Binding Effect. Subject to any provisions hereof restricting assignment, this Operating Agreement shall be binding upon and shall inure to the benefit of the Members and their respective successors and assigns.

15.11 Limitation on Benefits of this Operating Agreement. Subject to Section 8, it is the explicit intention of the Members that no person other than the Members and the Company is or shall be entitled to bring any action to enforce any provision of this Operating Agreement against any Member or the Company, and that the covenants, undertakings, and agreements set forth in this Operating Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder) and the Company.

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

15.13 Governing Law. This Operating Agreement is a contract made under and governed by the laws of the State of Alaska. All obligations and rights of the parties stated herein shall be in addition to, and not in limitation of, those provided by applicable law.

15.14 Integration. This Operating Agreement (including the Exhibits hereto) and the Articles of Organization represent the entire agreement between the Members with respect to the transactions contemplated herein, and supersede all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein.

15.15 Counterparts. This Operating Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Operating Agreement to form one document.

15.16 Strict Construction. It is the intent of the Members upon execution hereof that this Operating Agreement shall be deemed to have been prepared by all of the parties to this Operating Agreement, to the end that no Member shall be entitled to

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the benefit of any favorable interpretation or construction of any term or provision hereof under any rule or law.

15.17 Legal Representation. The Members acknowledge (i) that Birch Horton Bittner & Cherot (the "Firm") has not represented any individual Member in connection with the drafting of this Operating Agreement and the Firm only represents Broken Dirt, LLC and no other parties with respect to this Operating Agreement; and (ii) all of the parties to this agreement have been advised to, and have been provided with the opportunity to, seek the advice of their own independent legal and tax counsel with respect to the terms of this Operating Agreement.

[signatures appear on the following page]

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IN WITNESS WHEREOF, following adoption of this Operating Agreement by the Members, the Members have executed this Operating Agreement effective as of the date first set forth above.

JOHN CONNOLLY

John Connolly (Nov 22, 2022 13:36 AKST)

Date: Nov 22, 2022

JOE EDWARD KAISER

Joe E Kaiser (Nov 23, 2022 07:37 AKST)

Date: Nov 23, 2022

KYLER DUNFORD

Kyler Dunford

Kyler Dunford (Nov 28, 2022 11:24 AKST)

Date: Nov 28, 2022

BABETTE MILLER

Babette miller (Nov 24, 2022 08:03 AKST)

Date: Nov 24, 2022

LARRY GREENSTEIN

Larry P Greenstein (Nov 28, 2022 10:40 AKST)

Date: Nov 28, 2022

SAMUEL MILLER

Samuel Miller (Nov 22, 2022 13:52 AKST)

Date: Nov 22, 2022

JONATHAN HUGHES

Jonathan Hughes

Jonathan Hughes (Nov 22, 2022 13:22 AKST)

Date: Nov 22, 2022

CHAD REED

Chad Reed (Nov 22, 2022 19:13 AKST)

Date: Nov 22, 2022

KATHLEEN LAWRENCE

Kathleen Lawrence

Kathleen Lawrence (Nov 22, 2022 19:00 PST)

Date: Nov 22, 2022

WILLIAM SCHNEIDER

William Schneider

Date: Nov 23, 2022

KEITH LOPEZ

Keith Lopez

Keith Lopez (Nov 22, 2022 13:21 AKST)

Date: Nov 22, 2022

ANDRE STOIBER

Andre stoiber (Nov 29, 2022 21:34 AKST)

Date: Nov 29, 2022

RICK MILLER

Rick Miller

Rick Miller (Nov 22, 2022 16:57 PST)

Date: Nov 22, 2022

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EXHIBIT A
COMPANY PERCENTAGE INTEREST BY MEMBER

Members' Percentage Interests (percentage values) as of the Effective Date of this Agreement are reflected in the table shown below:

MEMBER NAME	OWNERSHIP PERCENTAGE	MAILING ADDRESS E-MAIL ADDRESS	Capital Contribution
John Connolly	7.55%	12115 Heritage Circle Anchorage, AK 99516 connollynorth@gmail.com	
Kyler Dunford	3.87%	15943 Bridgeview Drive Anchorage, AK 99516 kcalvind@gmail.com	
Larry Greenstein	10.27%	3709 W 63rd Avenue Anchorage, AK 99502 ak.larry.greenstein@gmail.com	
Jonathan Hughes	3.00%	16240 Headlands Circle Anchorage, AK 99516 jonalanhughes@yahoo.com	
Kathleen Lawrence	0.95%	634 E 73rd Avenue, Unit A Anchorage, AK 99518 rs@ak.net	
Keith Lopez	8.36%	6800 MacBeth Drive Anchorage, AK 99516 klopez5360@yahoo.com	
Joe Edward Kaiser	12.34%	318 Davos Road Anchorage, AK 99587 joe.e.kaiser@gmail.com	
Babette Miller*	5.29%	401 Egavik Drive Anchorage, AK 99503 b1976m@hotmail.com	
Rick Miller*	10.00%	401 Egavik Drive Anchorage, AK 99503 ramanch@msn.com	
Samuel Miller	4.90%	171 Shelly Marie Circle Anchorage, AK 99515 sammiller012@gmail.com	
Chad Reed	4.59%	2221 Muldoon Road, #589 Anchorage, AK 99504 alaskan.reed907@gmail.com	
William Schneider	24.98%	6967 Laser Drive Anchorage, AK 99504 will@catalystcannabisco.com	
Andre Stoiber	3.90%	8120 Harvest Circle Anchorage, AK 99502 dre1268@yahoo.com	

*The totals listed for these individuals reflect a pending transfer of 10.00% Membership Interest from Babette Miller to Rick Miller. As of the Effective Date, Babette Miller holds a 15.29% Membership Interest and Rick Miller has no Membership Interest in the Company.

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