

FIRST AMENDED OPERATING AGREEMENT OF AKASHA HOLDINGS, LLC

This Operating Agreement ("Agreement") of Akasha Holdings, LLC, a Texas limited liability company, ("Company"), is entered into on June ___, 2021 to be effective to the fullest extent under the law as of the 11th day of June, 2020 (the "Effective Date").

RECITALS:

WHEREAS, the Certificate has been filed with the Secretary of State of the State of Texas; and

WHEREAS, the Members desire to enter into this Agreement to manage the affairs of Company;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I FORMATION AND PURPOSE

Section 1.1. Formation. Company was organized under the Texas Business Organizations Code ("TBOC") pursuant to the filing of the Certificate of Formation. Except as expressly provided to the contrary in this Agreement, the rights, duties, status and liabilities of the Members, and the formation, administration, dissolution, and continuation or termination of Company, shall be as provided in the TBOC.

Section 1.2. Name. The name of Company is "Akasha Holdings, LLC", and all Company business must be conducted in that name or such other names that comply with Law as the Members may select from time to time.

Section 1.3. Purpose and Powers. The purposes of Company are to (i) develop real estate (ii) conduct such activities as may be necessary or appropriate in connection with the foregoing, and (iii) transact any and all other lawful business for which a limited liability company may be organized under the TBOC. Company shall have the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or in furtherance of the purposes of Company and shall have, without limitation, any and all powers that may be exercised on behalf of Company by the Board of Managers pursuant to this Agreement.

Section 1.4. Place of Business. The principal office of Company shall be as stated in the Certificate of Formation or at such place as the Board of Managers may designate, and Company shall maintain records there as required by the TBOC. Company may have such other offices as the Board of Managers may designate.

Section 1.5. Term. The term of Company shall continue until the winding up and liquidation of Company and its business is completed following a Dissolution Event, as provided in this Agreement.

Section 1.6. Tax Treatment. Unless Company elects otherwise with the Internal Revenue Service, it is intended that Company be treated initially as a partnership for tax purposes subject to change pursuant to the advice of Company's accountant and as approved by a Majority Vote of the Board of Managers.

ARTICLE II MEMBERS

Section 2.1 Members. Company shall at all times have one or more Members, who shall constitute the "members" of Company for all purposes under the TBOC. There shall be two classes of Members: (a) Class A Members; and (b) Class B Members. The Class A Members and Class B Members shall have such relative rights and obligations as are provided to them in this Agreement or as are provided in such other agreement entered into by and between Company and such Member. The respective ownership interests held by the Members shall be represented by Units shown for each Member on Exhibit "A" to this Agreement, as amended from time to time, pursuant to the terms and conditions of this Agreement. The names and addresses of the current members (individually "Member" and collectively "Members" are set forth on the signature pages of this Agreement. The term "Member" shall include all members of Company, including all Additional Members (as defined below) and all Substitute Members (as defined below), but excluding all Assignees (as defined below) and all former members. Other than the initial Class A Members, if a person desires to become a Member of Company by acquiring a membership interest directly from Company, existing Class A Members may admit such additional members ("Additional Members") to Company only upon a unanimous vote of the then existing Class A Members.

Section 2.2. Liability of Members. The liability of Members is limited to the maximum allowed by law.

Section 2.3. Indemnification. Company shall indemnify Members for judgments, settlements, penalties, fines or expenses incurred in any proceeding to which a Member is a party because the Member is or was a Member of Company except for claims of Company and/or other Members. This indemnification shall include, but is not limited to, advancement of expenses, including costs of defense, prior to and during final disposition of such proceeding. No Member shall be indemnified or benefited by this Section in relation to matters as to which such Member is liable to Company. Notwithstanding anything herein to the contrary, Company shall not be obligated to pay defense costs of a Member or former Member if Company is making a claim against such Member or former Member.

Section 2.4. Investment Representation. Each Member represents to Company and to all other Members that the Member's interest in Company (individually "Membership Interest" and collectively "Membership Interests") is for the Member's own account as an investment and not with a view to the sale or distribution thereof within the meaning of the Securities Act of 1933, as amended. Each Member further represents to Company and to all other Members that the Member has no present intention of selling or otherwise disposing of any of Membership Interest, and that no one other than the Member has or will have a beneficial interest in any such Membership

Interest. Each Member further represents to Company and to all other Members that the Member has been advised that the Membership Interests have not been registered with the Securities and Exchange Commission and/or any state. The Member agrees that the Member's Membership Interest may not be offered, sold or otherwise transferred except in compliance with all applicable securities laws and this Agreement.

ARTICLE III CONTRIBUTIONS AND CAPITAL ACCOUNTS

Section 3.1. Initial Contributions. The initial capital contributions shall be made by each initial Member as of August 31, 2020 in the amount as set forth in Exhibit "A" attached hereto and incorporated herein for all purposes. If Additional Members are permitted to join Company, each such Additional Member shall make a capital contribution in the amount and form as established by a unanimous vote of the existing Members of Company. Other investments made by Members (sweat equity) remain the property of the Company.

Section 3.2. No Interest on or Withdrawal Rights of Capital Contributions. No interest shall accrue on any capital contribution. No Member shall have the right to withdraw or to be repaid any capital contribution, except as provided in this Agreement.

Section 3.3. Additional Capital. The Members, in their individual discretion, may loan additional capital to Company. All such loans to Company shall accrue interest at the rate of ten percent (10%) per annum. All such loan(s) shall be repaid by Company on such terms and conditions as are established by a Majority Vote of the Board of Managers. Additionally, any Member may, with the approval of the Board of Managers, make additional capital contributions to Company that is not in the form of a loan from time to time. The percentage of Member's Interests ("Membership Interest Percentage") held by each Member shall not be adjusted in connection with any additional capital contributions, except as otherwise provided for by this Agreement or determined by a Majority Vote of the Board of Managers. Except as otherwise set forth in this Section 3.3, no Member shall be required to make additional capital contributions to Company.

Section 3.4. Capital Accounts. A separate capital account (each, a "Capital Account") will be established and maintained for each Member. The Capital Account of each Member will be credited with such Member's Capital Contributions to the Company, all Profits allocated to such Member pursuant Section 3.5 to this Agreement; and will be debited with all Losses allocated such Member pursuant to Section 3.5, any items of loss or deduction of the Company specially allocated to such Member pursuant to Section 3.6 or otherwise pursuant to this Agreement, and all cash and the Carrying Value of any property (net of liabilities assumed by such Member and the liabilities to which such property is subject) distributed by the Company to such Member. To the extent not provided for in the preceding sentence, the Capital Accounts of the Members will be adjusted and maintained in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv), as the same may be amended or revised; provided, that such adjustment and maintenance does not have a material adverse effect on the economic interests of the Members. Any references in any section of this Agreement to the Capital Account of a Member will be

deemed to refer to such Capital Account as the same may be credited or debited from time to time as set forth above. In the event of any transfer of any interest in the Company in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred interest. In no event shall any loan to Company be included as part of the capital of Company. In no event, shall any loan to Company be included as part of the capital account of the Member making the loan.

Section 3.5 Allocations of Profits and Losses. Profits and Losses for any period shall be allocated to the Members in such a manner that, after such allocations have been made, each Member's Capital Account shall be equal to (to the extent possible) the hypothetical amount (the "Target Capital Account") that the Company would distribute to such Member if the Company:

- a) sold all of its assets for their Carrying Value at the end of such period;
- b) first applied the proceeds to discharge Company liabilities at face amount (including repayment of interest that has accrued and has been deducted under the Company's method of accounting); and then
- c) distributed the remaining net proceeds of this hypothetical sale in accordance with Article X.

Section 3.6 Special Allocation Provisions. Notwithstanding any other provision in this Article III:

- a) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain or Member Nonrecourse Debt Minimum Gain (determined in accordance with the principles of Treasury Regulations Section 1.704-2(d) and 1.704-2(i)) during any Company taxable year, the Members will be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to their respective shares of such net decrease during such year, determined pursuant to Treasury Regulations 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with the Treasury Regulations Section 1.704-2(f). This Section 3.6(a) is intended to comply with the minimum gain chargeback requirements in such Treasury Regulations Sections and will be interpreted consistently therewith, including that no chargeback will be required to the extent of the exceptions provided in the Treasury Regulations Section 1.704-2(f) and 1.704-2(i)(4).
- b) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate the deficit balance in his Capital Account created by such adjustments, allocations or distributions as promptly as possible.

- c) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Member is obligated to restore, in any, pursuant to any provisions of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5), each such Member will be specially allocated items of Company income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 3.6(c) will be made only if and to the extent that a Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article III have been tentatively made as if Section 3.6(b) and this Section 3.6(c) were not in this Agreement.
- d) Payee Allocation. In the event any payment to any person that is treated by the Company as the payment of an expense is recharacterized by a taxing authority as a Company distribution to the payee as a Member, such payee will be specially allocated an amount of Company gross income and gain as quickly as possible equal to the amount of the distribution.
- e) Nonrecourse Deductions. Nonrecourse Deductions will be allocated to the Members in accordance with their respective Membership Percentage Interest.
- f) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any taxable period will be allocated to the Member who bears the economic risk of loss with respect to liability to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(j).

Section 3.7 Tax Allocations. For income tax purposes only, each item of income, gain, loss and deduction of the Company will be allocated among the Members in the same manner as the corresponding items of Profits and Losses and specially allocated items are allocated for Capital Accounts purposes; provided that in the case of any Company asset the Carrying Value of which differs from its adjusted tax basis for Federal income tax purposes, income, gain, loss and deduction with respect to such asset will be allocated solely for income tax purposes in accordance with the principles of Sections 704(b) and (c) of the Code (in any manner determined by the Board of Managers) so as to take account of the difference between Carrying Value and adjusted basis of such asset. Notwithstanding the foregoing, the Board of Managers may make such allocations as they deem reasonably necessary to give economic effect to the provisions of this Agreement taking into account such facts and circumstances as the Board of Managers deem reasonably necessary for this purpose.

Section 3.8 Other Allocation Provisions. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and will be interpreted and applied in a manner consistent with such regulations. Sections 3.5 and 3.7 may be amended at any time by any manager or officer of the Company of the Company if necessary, in the opinion of tax counsel to the Company or the Company's certified public accountant, to comply with such regulations, so

long as any such amendment does not materially change the relative economic interests of the Members.

Section 3.9 Intent of Allocations/Cash Savings Clause. The parties intend that the foregoing tax allocation provisions of this Article III will produce final Capital Account balances of the Members that will permit liquidating distributions that are made in accordance with final Capital Account balances to be made (after unpaid loans and interest thereon, including those owed to Members have been paid) in a manner identical to the order of priorities set forth in Article X. To the extent that the tax allocation provisions of this Article III would fail to produce such final Capital Account balances, (i) such provisions may be amended by the Board of Managers of the Company if and to the extent necessary to produce such result and (ii) taxable income and taxable loss of the Company for prior open years (or items of gross income and deduction of the Company for such years) will be reallocated by the Board of Managers among the Members to the extent it is not possible to achieve such result with allocations of items of income (including gross income) and deduction for the current year and future years, as approved by Board of Managers.

ARTICLE IV DISTRIBUTIONS

Section 4.1. Distributions of Available Cash. From time to time, Company's cash on hand may exceed its current and anticipated needs including, without limitation, needs for operating expenses, debt service, reserves, and mandatory distributions, if any. To the extent such excess cash exists, Company may make distributions to the Members on a pro rata basis in accordance with their Membership Percentage Interests as set forth in Exhibit "A" (which may be amended from time to time) at such times and in such amounts as may be determined in the reasonable discretion of the Board of Managers. The amount of any such distribution of Available Cash shall be determined by the Board of Managers in good faith. No distribution shall be declared and paid by Company if, after giving effect to the distribution: (i) Company would be unable to pay its debts as they become due in the usual course of business; (ii) The fair market value of Company's total assets would be less than the sum of its liabilities (other than liabilities to Members with respect to their Membership Interests in Company) and liabilities for which recourse of the creditors is limited to specific property of Company.

Section 4.2 Distributions in Liquidation. Any distributions made in connection with the liquidation of the Company will be made in accordance with Article X. For this purpose, a Member's Membership Percentage Interest shall be calculated assuming all Units then held are fully vested, unless otherwise provided in a separate agreement between the holder of a Unit and Company.

Section 4.3. Compliance with of the Code. The provisions of this Agreement as they relate to the maintenance of capital accounts are intended and shall be construed to cause the allocations of profits, losses, income, gain and credit to have "substantial economic effect" under 704(b) of the Code and the Treasury Regulations promulgated thereunder. Nothing in this Agreement shall be construed as creating a deficit restoration obligation.

Section 4.4. Profits Interest. Notwithstanding the foregoing, with respect to any Unit intended to constitute a "profits interest" (within the meaning of IRS Revenue Procedure 93-27), the holder of such Unit shall be entitled to distributions or proceeds of sale only to the extent provided in a written agreement between the holder of such Unit and the Company. The Board of Managers will consult with the Company's tax advisors to ensure that such agreement imposes limitations on such distributions or proceeds adequate to cause such Unit to qualify as a "profits interest".

ARTICLE V FISCAL YEAR AND BOOKS AND RECORDS

Section 5.1. Fiscal Year. Company's fiscal year shall be the calendar year.

Section 5.2. Books and Records. All Members shall be advised by the Company of the location of Company's principal place of business. Company shall keep at its principal place of business at a location to be decided and agreed upon by a Majority Vote of the Board of Managers:

- a) a list containing the full name and last known mailing address of all current and former Members.
- b) a copy of the Certificate of Formation and all amendments thereto or restatements thereof of such certificate, together with executed copies of any powers of attorney pursuant to the certificate, amendments or restatements, which have been executed.
- c) a copy of each of Company's federal, state and local income tax returns and financial statements for the three (3) most recent years, or, if such returns or statements were not prepared for any reason, copies of the information and statements necessary to enable Members to prepare their own federal, state and income tax returns for such periods.
- d) a copy of every current and prior operating agreement of Company, and every amendment to such agreements.
- e) a current statement of the capital contributions made by each Member specifying the amount of cash and/or the agreed value of property contributed by such Member.
- f) a statement of the cash, property and services that each Member has agreed to contribute or render to Company in the future, the principal balance outstanding under any promissory note payable in respect of a capital contribution, and the amount of the capital contribution with which each such Member shall be credited upon receipt of such cash, property or services, or any part thereof, by Company.
- g) a statement of the times or events upon which additional capital contributions to or withdrawals from capital shall be made, if any.

- h) all other documents or writings required to be made available to the Members by this Agreement or the TBOC.

Upon not less than ten (10) days prior written notice to the Board of Managers, a Member, and/or a Member's representative, may inspect and copy any record of Company. All costs and expenses incurred by Member in conjunction with such inspection and copying shall be solely the responsibility of Member. Company's failure to keep or maintain records or information shall not be grounds for imposing liability against any Member to any creditor of Company for the debts, obligations or liabilities of Company.

ARTICLE VI MANAGEMENT AND COMPENSATION

Section 6.1. Management. The management of the business and affairs of Company shall be conducted by the Board of Managers and shall be subject to the terms of this Agreement unless and until such time as a Majority Vote of the Members agree to a separate operations plan vested in a Managing Member ("Managing Member"). The Board of Managers shall direct, manage and control the business of Company to the best of the Board's ability. Except for situations in which the approval of the Members is expressly required by this Agreement, the Board of Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of Company's business subject to the terms of this Agreement.

Section 6.2. Number, Tenure and Qualifications of Initial Managers. The number of Managers of Company shall be three (3), or such other number, not less than one, as may be determined by a Majority Vote of the Members. Managers need not be residents of the State of Texas or Members of Company. The Managers shall be Suzanne J. DuBose and Douglas W. Turner. Following issuance of at least 75,000 Class B Units, two (2) of the Managers of the Board of Managers will be elected by a Majority Vote of the Class A Units and one (1) manager of the Board of Managers will be elected by a Majority Vote of the Class B Units. The Members shall elect Managers to hold office until their resignation or until removed by the Members by Majority Vote.

Section 6.3. Powers of Manager. Without limiting the general powers of Managers set forth above, Managers shall have the power and authority to act on behalf of Company as follows:

- a) to acquire property from any person as a Majority Vote of the Managers may determine. The fact that a Member is directly or indirectly affiliated or connected with any such person shall not prohibit Managers from dealing with that person;
- b) to borrow money for Company from banks, other lending institutions, a Member, or an affiliate of a Member on such terms as the Majority Vote of the Managers deems appropriate, and in connection therewith, to hypothecate, encumber and

grant security interests in the assets of Company to secure payment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of Company except by the Majority Vote of the Managers.

- c) to purchase liability insurance and other insurance to protect Company's property and business.
- d) to acquire and own real and/or personal property in the name of Company.
- e) to invest Company funds.
- f) to employ accountants, legal counsel, property managers and/or other parties to perform services for Company and to compensate them from Company funds.
- g) to be licensed as and serve as a general contractor.
- h) to enter into leases, contracts, construction contracts, property management agreements and other agreements on behalf of Company.
- i) to do and perform all other acts as may be necessary or appropriate to conduct Company's business.

The Managers of Company shall execute on behalf of Company all agreements, contracts, instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of Company's property, assignments, bills of sale, leases, contracts, partnership agreements, operating agreements of other limited liability companies, and any other instruments, agreements or documents desirable and/or necessary, in the sole opinion and discretion of the Managers, to do the business of Company.

Unless authorized in writing by the Board of Managers, no employee or other agent of Company shall have any power or authority to bind Company in any way. No Member shall have any power or authority to bind Company unless the Member has been specifically duly authorized in writing by the Board of Managers to act as an agent of Company.

Section 6.4. Restrictions on Authority of Managers. Managers shall not have the authority to do any of the following acts without the Majority Vote of the Members:

- a) cause or permit Company to engage in any activity that is not consistent with the purposes of Company.
- b) knowingly do any act in contravention of this Agreement.
- c) knowingly do any act which would make it impossible for Company to carry on the ordinary business of Company, except as otherwise provided in this Agreement.

- d) confess a judgment in a material amount against Company.
- e) sell or otherwise dispose of all or substantially all of Company's assets other than in the ordinary course of business, except for a liquidating sale in connection with the dissolution of Company.
- f) file bankruptcy for Company.
- g) direct the business and affairs of Company and exercise the management rights and powers in a manner that is not consistent with this Agreement.
- h) cause a significant change in the nature of Company's business.
- i) merge, reorganize or consolidate Company.

Section 6.5. Liability for Certain Acts. Managers shall perform the duties of Manager in good faith, in a manner that such Manager reasonably believes to be in the best interests of Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager who so performs the duties as Manager shall not have any liability solely by reason of being or having been a Manager of Company. Manager does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of Company. Manager shall not be liable to Company or to any Member for any loss or damage sustained by Company or any Member unless the loss or damage shall have been the direct result of fraud, deceit, gross negligence, willful misconduct, intentional material breach of this Agreement or a wrongful taking by Manager.

Section 6.6. No Exclusive Duty to Company. Managers shall not be required to manage Company as their sole and exclusive function. Managers and all Members may have other business interests and may engage in other activities. Neither Company, nor any Manager, nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities or to the income or proceeds derived there from.

Section 6.7. Bank Accounts. Manager shall open bank accounts in the name of Company, and Manager designated as the Managing Member shall be the sole signatory thereon unless otherwise mutually agreed by the Board of Managers.

Section 6.8. Compensation. Managers may receive compensation for time spent in the management of Company in a form and amount, and at such times as determined by Majority Vote of the Board of Managers. The compensation of any Manager under this section shall be in the form of "guaranteed payments", unless otherwise specified in this Agreement, as defined under §707(c) of the Code, as amended, and shall be treated as ordinary and necessary business expenses of Company in arriving at the amount of Company's tax net profits or losses.

Section 6.9. Reimbursement for Expenses. Company shall reimburse Managers and Members for expenses reasonably incurred on behalf of Company, provided Company receives adequate documentation of such expense and such expense is both disclosed to and approved by the Board of Managers.

Section 6.10. Tax Matters. The Board of Managers may consult with an accountant concerning tax matters as the Board of Managers deems appropriate. The Board of Managers shall file on behalf of Company with the Internal Revenue Service all notices, returns and other communications as may be required or desirable. The Members hereby designate the Board of Managers to act as the "tax matters partner" pursuant to Code §631(a)(7).

Section 6.11. Manager Resignation. Managers may resign in their capacity as Managers at any time by giving written notice to the Board of Managers of Company. The resignation of a Manager shall take effect upon receipt of notice by the Board of Managers or at such later time as shall be specified in such notice; and the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager shall not affect any rights held by Manager as a Member in Company and shall not constitute a withdrawal from membership unless otherwise set forth in this Agreement or other agreement between Company and such Member.

Section 6.12. Removal. At a meeting called expressly for that purpose, a Manager may be removed at any time, with or without cause, by the unanimous Vote of the Members. The removal of a Manager shall not affect any rights as a Member in Company and shall not constitute a withdrawal from membership unless otherwise set forth in this Agreement or other agreement between Company and such Member.

Section 6.13. Vacancies. Any vacancy occurring for any reason on the Board of Managers of Company shall be filled by a Majority Vote of the Members.

ARTICLE VII COMPANY PROPERTY

Section 7.1. Title to Property. To the extent possible under the laws governing the jurisdiction where the property is located, Company shall hold title to all property in the name of Company and not in the name of any Member. However, to the extent such is deemed unnecessary or unwise due to the expenses associated with same or difficulty under the governing laws of said jurisdiction, such property shall be held in the name of a person or entity which the Board of Managers shall designate. Notwithstanding the foregoing, property purchased in the name of Company and/or with Company funds, shall be the property of Company. A Member has no interest in any item of Company's property except as otherwise set forth in this Agreement or any agreement between Company and a Member. To the extent possible, all property acquired or owned by Company shall be acquired, held and conveyed in the name of Company. All transfers of property of Company shall be executed in the name of Company by Managers or by the Member authorized in writing by the Board of Managers to act on behalf of Company. No Member may execute an instrument of conveyance on behalf of Company without such specific written authorization from the Board of Managers. Notwithstanding the foregoing, in conjunction with the

portion of the property described as the “Main House”, the furnishings therein and the land on which it is situated located at Desa Kelusa, Kecamatan Payangan, Kabupaten Gianyar, Ubud, Bali evidenced by the architectural drawings which are attached hereto as Exhibit “B” which may be amended from time to time prior to and during construction, Suzanne J. DuBose, will have the right to lease or buy back the Main House from Company at a future date on the terms set forth in a lease or purchase agreement. Such terms will be agreed to by the Majority Vote of the Board of Managers and, in the interim, she may occupy and use the Main House from time to time as compensation in accordance with Section 6.8 herein.

ARTICLE VIII MEETINGS AND VOTING

Section 8.1. Unanimous Vote. In each instance in this Agreement that a unanimous vote is required, the affirmative vote of all Members entitled to vote shall be necessary.

Section 8.2. Eligibility. Except as otherwise specifically provided in this Agreement, Class A Members shall have 1 vote per Class A Unit and Class B Members shall have no votes per Class B Unit as a matter is presented to the Members for approval. Members will be entitled to vote on matters presented to the Members for approval based on such relative voting power. Notwithstanding the foregoing:

- a) Disassociated Members shall not be entitled to vote.
- b) an assignee of all or any portion of a Member's Percentage Interest shall only be permitted to vote if and when such assignee is admitted as a Substitute Member (as defined below).
- c) no Member may vote in conjunction with a vote on whether Company should purchase all or any portion of that Member's Percentage Interests.

Section 8.3. Approval by Written Consent. Instead of voting at a meeting, any Member may indicate approval of any action of Company by executing a written consent. Other forms of communication can be used as necessary, including meetings via telephone and email.

Section 8.4. Meeting. A meeting of the Members of Company shall be held upon the request of Members holding at least thirty percent (30%) of the Membership Percentage Interests in Company. The Members calling the meeting shall give notice of the meeting by email and by either personal delivery or by certified mail, return receipt requested, addressed to each other Member at such address as it appears in Company's records. Not less than ten (10) days and not more than fifty (50) days notice shall be given for a meeting. Each notice of a meeting of the Members of Company shall specify the time, place and matters to be considered at such meeting. Meetings can be held via telephone or alternate mode of communication as agreed by the Members.

Section 8.5. Waiver of Notice. Whenever any notice of a meeting of the Members is required to be given by this Agreement or by the laws of the State of Texas, a waiver of notice

signed before or after the meeting by the Member entitled to notice shall satisfy all requirements of prior notice.

ARTICLE IX

MEMBERSHIP STATUS AND INTEREST

Section 9.1. Nature of Membership Interest. The Membership Interests in Company are personal property.

Section 9.2. Withdrawals, Conveyance or Encumbrance of Membership Interests. Except as provided in this Agreement, no Member shall have the right to withdraw from Company. Except as provided in this Agreement, no Member shall sell, assign, give, transfer, convey, otherwise dispose of, pledge, cause a lien to be placed against or otherwise encumber (collectively “Transfer”) all or any portion of the Membership Interests.

Section 9.3. Sale or Assignment of Membership Interest and Right of First Refusal. A Member may Transfer their Member's Membership Interests in accordance with Article 9 but, in no event, may a Member transfer less than all of the Member's Membership Interests. If a Member desires to transfer all of the Member's Membership Interests, such Member shall give notice of such fact to the Board of Managers along with a copy of the proposed assignment, offer or proposed purchase agreement documents to Company, setting forth the name and address of the proposed assignee, the price, the manner of payment and all other terms and conditions of the proposed Transfer. Such notice shall also contain an offer (“Offer”) by the Offeror to sell Offeror's Membership Interests to Company at the lower of:

- a) the Appraised Value (as defined below) of the Offeror's Membership Interest.
- b) the price proposed by the Assignee; and in the manner of payment and upon such other terms and conditions as contained in the proposed Offer. Within twenty (20) days after Company receives the notice from Offeror, Company will call a special meeting of the Members, to be held not more than thirty (30) days after the call, to decide whether Company should purchase all (but not less than all) of the offered Membership Interests. The Offer must be approved by a Majority Vote of the Members other than Offeror. A written notice of acceptance by Company shall be delivered to Offeror within sixty (60) days after receiving the Offer or the Offer shall be deemed to be rejected. If Company accepts the Offer, within twenty (20) days after the date Company provides notice of acceptance to the Offeror, the closing shall be held. Thereafter, Company shall adjust the Profit and Loss percentages of remaining Members of Company to reflect that the Offeror's Membership Interest no longer exists. If the Offer is rejected, the Offeror shall be entitled to sell to the proposed assignee all (but not less than all) of the Offeror's Membership Interests in accordance with the terms of the Offer for a period of ninety (90) days after Company rejects the Offer; provided, however, that if such a sale is made, the Offeror agrees to immediately notify Company of such sale.

Section 9.4 Treatment of Assignee. The assignee of Membership Interests ("Assignee") from an existing Member of Company has no right to participate in the management of the business and the affairs of Company or to become a Member, except as otherwise provided in this Agreement. The Assignee is only entitled to receive distributions and return of capital and to be allocated the net profits and losses attributable to the Membership Interest acquired by the Assignee.

Section 9.5. Admission of Substitute Member. An Assignee may be admitted as a substitute member ("Substitute Member") of Company and entitled to all voting rights, and all other rights of the Member. An Assignee shall become a Substitute Member only upon the unanimous Vote of all Members of Company other than the Member whose Membership Interests are held by the Assignee. The Members of Company may vote for or against the admission of an Assignee as a Substitute Member in their sole and absolute discretion. As a condition of becoming a Substitute Member, Assignee must execute this Agreement and/or any amendments hereto, as a further condition of becoming a Substitute Member. Thereafter, the Assignee shall have the rights and powers and shall be subject to the restrictions and liabilities of a Member.

Section 9.6. Equity Dilution of Membership Interest. Members, by a Majority Vote of current Class A Members, may cause Company to issue Units in addition to those issued as of the Effective Date (including, without limitation, Units which are subject to vesting or other substantial risks of forfeiture). Admission of any Additional Member following the date of this Agreement shall require the consent of at least a Majority Vote of current Class A Members and such issuance of additional Units may require dilution in Membership Interests. Such equity dilution shall affect all Class A Members on a pro-rata basis as each Member's Membership Interest Percentage will be adjusted in accordance with their Membership Interest Percentage.

ARTICLE X

DISSOCIATION, DISSOLUTION, LIQUIDATION AND TERMINATION

Section 10.1. Dissociation. Any of the following events shall constitute the dissociation of a member:

- a) Automatic Dissociation. A Member, without any further action by the Members, automatically shall be dissociated and shall cease to be a Member of Company if the Member, with the unanimous approval of the other Members, withdraws from being a Member of Company.
- b) Other Dissociation. Unless the Member obtains the written consent of all the other Members of Company to the continuing membership of such Member, a Member shall cease to be a Member of Company upon the happening of one or more of the following:
 - i. The Member makes an assignment for the benefit of creditors of the Membership Interests.

- ii. The Member files a voluntary petition in bankruptcy.
- iii. The Member is adjudicated bankrupt or insolvent.
- iv. The Member files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law or regulation.
- v. The Member who is an estate, the distribution by the fiduciary of the estate.
- vi. The Member who is a separate limited liability company or a partnership, the dissolution and commencement of winding up of the separate limited liability company or partnership.
- vii. The Member who is a corporation, the filing of a certificate of its dissolution or the equivalent, or the revocation of its charter and the lapse of ninety (90) days and if ninety (90) days after notice to the corporation of a revocation of its charter there is no reinstatement of its charter during such ninety (90) day period.

A Member who becomes dissociated pursuant to Section 10.1 ("Dissociated Member") and who ceases to be a Member of Company shall no longer be entitled to vote or to participate in the management of Company or to demand information pursuant to the TBOC but, depending upon the circumstances, may continue to hold a Membership Interest in Company.

Section 10.2. Purchase Price of Dissociated Members' Membership Interest. Upon dissociation, the other Members of Company shall have the option ("Option"), but not the obligation, to purchase the Dissociated Member's Membership Interest. To exercise the Option, the purchasing Member shall provide notice to the Dissociated Member setting forth the Member's desire to purchase all of the Dissociated Member's Membership Interest. If more than one (1) Member desires to purchase the Dissociated Member's Membership Interest, the purchase by each Member shall be in proportion to such Membership Interest as compared to all Members' Membership Interests (other than the Dissociated Member). A sale pursuant to the Option shall be at the total price of one hundred percent (100%) of the Appraised Value of the real property and the other assets of Company times the Membership Interest Percentage of the Dissociated Member. The closing of the conveyance of such Membership Interest of the Dissociated Member shall occur as soon as is reasonably possible and, in any event, within ninety (90) days of the date notice regarding the Option is given. Unless otherwise agreed, all such conveyances pursuant to the Option shall be paid in cash at the closing.

Section 10.3. Appraised Value. For purposes of this Agreement, appraised value ("Appraised Value") shall mean the collective value of the real property and other assets of Company. All real property shall be appraised by the same firm, if available, as originally appraised such real property at the time of acquisition of such real property by Company; provided, however, if the same firm is not available then the Members shall mutually and reasonably agree upon an alternate licensed real estate appraiser familiar with similar properties in the location of the real property. If other assets are held by Company, such assets shall be appraised using normal industry standards and procedures to achieve a fair market value by an appraiser qualified and licensed, if appropriate, who is mutually and reasonably acceptable to the Members.

Section 10.4 Dissolution. The Company will dissolve and its affairs will be wound up on the happening of any of the following events: (a) the decision of the holders of a Class A Majority to dissolve and liquidate the Company; (b) any event as specified in this Agreement or under the TBOC as causing the dissolution of Company including, without limitation, the sale or other disposition of all the assets of Company; or (c) entry of a decree of judicial dissolution of the Company under the TBOC. The Company will not be dissolved by the admission of Members in accordance with the terms of this Agreement. The death, insanity, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of an event that terminates the continued membership of a Member in the Company will not cause the Company to be dissolved and its affairs wound up so long as the Company at all times has at least one Member. Upon the occurrence of any such event, the business of the Company will be continued without dissolution.

Section 10.5. Winding Up Business. Upon the dissolution of Company, the Board of Managers shall wind up business and affairs and shall file with the appropriate office a Certificate of Termination for Company along with any other requisite filings under the TBOC or otherwise necessary in conjunction with winding up the business and affairs of Company. In the name of Company, for Company and on behalf of Company, the Board of Managers:

- a) may prosecute and defend suits.
- b) may complete the performance of the obligations necessary to be undertaken prior to dissolution and settle and close the business of Company.
- c) may dispose of and transfer the property of Company;
- d) may discharge the liabilities of Company; and
- e) may distribute to the Members any remaining assets of Company.

Section 10.6 Liquidation and Termination. Upon the liquidation or termination of Company, the Board of Managers shall do as follows:

- a) on dissolution of the Company, the Board of Managers will appoint a person to manage the liquidation of the Company. The liquidator will wind up the affairs of the Company in accordance with the TBOC and will have all the powers set forth in the TBOC and/or as set forth herein. The costs of liquidation will be a Company expense.
- b) upon the winding up of the Company, the assets of the Company will first be distributed to creditors, including Members and Managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made.

c) any assets remaining after the Company's liabilities and obligations have been paid or reasonable provision for the payment thereof has been made, will be distributed to the Members as follows:

(i) first, until each Class B Member has received an amount equal to his, her or its Unreturned Investment Balance, to the Class B Members on a pro rata basis in accordance with the amounts of their respective Unreturned Investment Balances;

(ii) second, until each Class A Member has received an amount equal to his, her or its Unreturned Investment Balance, to the Class A Members on a pro rata basis in accordance with the amounts of their respective Unreturned Investment Balances; and

(iii) third, any remaining assets will be distributed to the Members on a pro rata basis in accordance with their respective Membership Percentage Interests and in accordance with the terms set forth in the Class B Preferred Financing Term Sheet.

The Company will withhold from such distribution (on a proportional basis) reasonable amounts for reserves and contingent liabilities, provided that such withheld amounts will be distributed as soon as practicable if they are indeed not required to fund actual expenses or liabilities.

Section 10.7 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the Capital Account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of assets pursuant to this Agreement to all Members, upon dissolution of the Company such deficit will not be an asset of the Company and such Members will not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

ARTICLE XI MISCELLANEOUS

Section 11.1. Binding Effect. This Agreement shall be binding upon the heirs, legal representatives, successors, assigns, transferees and spouses of the parties to this Agreement.

Section 11.2. Amendment. This Agreement or Certificate may be amended or restated only by the Majority Vote of the Members; provided, however, that a unanimous vote shall be necessary if the amendment or restatement of the Agreement or Certificate goes to an issue or matter which would require such a vote by this Agreement or the laws of the State of Texas.

Section 11.3. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and delivered via email as well as either by hand delivery, sent by recognized

overnight courier (for next day delivery) or mailed, postage prepaid, certified mail, return receipt requested, addressed to the parties as follows:

Company: 1333 Old Spanish Trail, Ste. G#364
Houston, Texas 77054
Email: *sdubose@duboselawoffices.com*

Members: To the addresses/email addresses set forth on the signature pages hereof.

If any notice is hand-delivered, it shall be deemed given upon delivery. If any notice is sent by recognized overnight courier, it shall be deemed given upon delivery by the courier. If any notice is mailed, it shall be deemed given three (3) business days after deposit in the United States mail or seven (7) days after deposit outside the United States mail. A party may change its address for notices by sending a notice to the other parties pursuant to the terms of this paragraph.

Section 11.4. Severability. The invalidity or unenforceability of any provision in this Agreement shall not in any way affect the validity or enforceability of any other provision of this Agreement.

Section 11.5. Governing Law. This Agreement shall be governed by the law of the State of Texas.

Section 11.6. References to Gender and Number Terms. In construing this Agreement, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so requires.


Section 11.7. Captions and References. Captions in this Agreement are only for convenience and do not define, limit, describe or otherwise affect the provisions of this Agreement.

Section 11.8. Limitation of Indemnifications. Notwithstanding any contained in this Agreement and/or any other agreement and/or document related hereto, to the extent applicable, if at all, the indemnifications contained in this Agreement and any agreement, document or instrument related hereto are subject to the provisions of the TBOC.

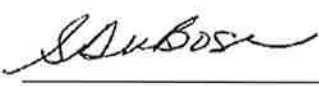
Section 11.9. Community Property Interests. Any ownership interest that any spouse of a Member has in any Membership Interest pursuant to the community property laws of the State of Texas (or any other state), including any ownership interest held following the death of any Member, shall for all purposes of this Agreement be included in, deemed subject to and part of, and bound by the terms and conditions of this Agreement, including, for example, that any action taken, offer made, or option exercised hereunder with reference to any Membership Interests shall apply to any such community property interest in such Membership Interests..

IN WITNESS WHEREOF, the parties have entered into this Operating Agreement as of the date first above set forth.

MEMBERS:



Avalon Building Group, LLC
By: Douglas W. Turner
Address: 320 Gold Ave. SW, Ste. 1400
Albuquerque, New Mexico 87102



Lako Enterprises, LLC
By: Suzanne J. DuBose
Address: 1333 Old Spanish Trail, Ste. G#364
Houston, Texas 77054

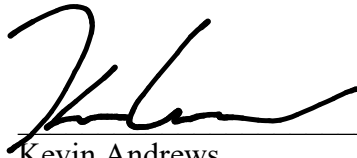
Kevin Andrews
Address: 816 W. Francis Ave., No. 1020
Spokane, WA 99205

MEMBERS:

Avalon Building Group, LLC
By: Douglas W. Turner
Address: 320 Gold Ave. SW, Ste. 1400
Albuquerque, New Mexico 87102



Lako Enterprises, LLC
By: Suzanne J. DuBose
Address: 1333 Old Spanish Trail, Ste. G#364
Houston, Texas 77054



Kevin Andrews
Address: 816 W. Francis Ave., No. 1020
Spokane, WA 99205

EXHIBIT "A"

Akasha Holdings, LLC

OPERATING AGREEMENT

INITIAL UNITS

MEMBER NAMES	NUMBER OF UNITS
<u>CLASS A MEMBERS</u>	
Lako Enterprises, LLC By: Suzanne J. DuBose	60,000*
Avalon Building Group, LLC By: Douglas W. Turner	30,000*
Kevin Andrews	10,000**
TOTAL	100,000

1

1 *Contribution consisted of goodwill, sweat equity and client and investor relationships. Lako Enterprises, LLC and Avalon Building Group, LLC's Units are subject to the vesting schedules set forth in Schedule 1 or any applicable written agreement between that Member and Company.

**Contribution consists of sweat equity. Kevin Andrew's Units are subject to the vesting schedules set forth in Schedule 1 or any applicable written agreement between that Member and Company. Kevin Andrews' Units shall be characterized as a "profits interest" (within the meaning of IRS Revenue Procedure 93-27). They shall be entitled to share in any exit transaction distributions pursuant to Section 4.2 and Article X of this Agreement subject to any and all other terms set forth in this Agreement, which may be amended from time to time, and subject to any conflicting rights of any senior Units issued after the date hereof and any investment terms applicable to Class B Membership Interests. Such distributions will be based on the fair market value of their Membership Interest at the time they become a Dissociated Member if such event occurs.

MEMBER NAMES	NUMBER OF UNITS	CONTRIBUTION
<u>CLASS B MEMBERS</u>		
Lako Enterprises, LLC By: Suzanne J. DuBose	12,200	\$122,000
Avalon Building Group, LLC By: Douglas W. Turner	2,800	\$28,000
TOTAL	150,000	\$1,500,000

[END OF EXHIBIT “A”]

SCHEDULE 1

VESTING OF CLASS A MEMBERS' UNITS

All Class A Member's Units shall vest equally on an annual basis over a period of three (3) years.

A Disassociated Member who experiences a withdrawal as a Member for any reason, other than a removal for Cause, shall be deemed to be vested in that portion of such Member's aggregate Units as of the time of their withdrawal. Vesting ceases once a Member has withdrawn and all Unvested Units shall revert to Company in accordance with this Agreement. "Unvested Units" means Units that are subject to a risk of forfeiture or repurchase at the lesser of cost or fair market value.

A Disassociated Member who experiences a withdrawal as a Member due to a removal for Cause shall forfeit all such Member's Units (both vested units and unvested units) and shall have no further interest in Company.

From time to time, Consulting Agreements and/or Unit Restriction Agreements or other agreements by and between Company and a Member may be executed and the terms of such other agreements shall be incorporated herein as if set forth herein in their entirety. If there is an ambiguity between such agreements and this Schedule 1, this Schedule 1 shall govern.

[END OF SCHEDULE 1]

EXHIBIT “B”

Akasha Holdings, LLC

OPERATING AGREEMENT

ARCHITECTURAL DIAGRAM OF MAIN HOUSE
ATTACHED

[END OF EXHIBIT “B”]