
Limited Liability Operating Agreement of Bang Bang Bar, LLC

Effective Date: 16 August 2017

Members: Antonius Bloch, Caesar Chavez, and Jimmy Hand

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This operating agreement (“Agreement”) is made and entered into this date, 16 August 2017, by Bang Bang Bar, a Washington State Limited Liability Company (the “Company”), and its members Antonius

Bloch, Caesar Chavez, and Jimmy Hand.

The Members hereby adopt this agreement as the “Operating Agreement” of the Company to set forth the rules, regulations, and provisions regarding the management and the business of the Company, the governance of the Company, the conduct of its business, and the rights and privileges of its Members. Now therefore, the Members and the Company, intending to be legally bound, hereby agree as follows:

Article 1: Organization and Business Purpose

1.1: Formation On, 17 February 2014, the Company was formed by filing a Certificate of Formation with the Washington State Secretary of State under the Washington Limited Liability Company Act (Revised Code of Washington State)

1.2: Name The name of the Company shall be Bang Bang Bar. The Company may do business under these names and under any other name or names which the Managers select. If the Company does business under a name other than that set forth in its Certificate of Formation, the Company shall file a DBA (Doing Business As) name as required by law.

1.3: Term The LLC will commence its business as of the date of the filing of the Certificate of Formation and will continue until dissolution pursuant to [Article 9](#) of this Agreement.

1.4: Principal Office The location of the principal place of business of the Company within the State of Washington shall be 1000 Federal Boulevard S, Twin Peaks, Washington.

1.5: Registered Agent Antonius Bloch shall be the registered agent in the State of Washington. The location of the registered agent’s office is 1000 Federal Boulevard S, Twin Peaks, Washington.

1.6: Members The name, present mailing address, initial capital contributions, and percentage interest of each Member is set forth in [Schedule A](#), as amended from time to time.

1.7: Admission of Additional Members No additional members may be admitted to the Company without the prior unanimous written consent of all the Managers. An additional member is given a percentage of interest from each current member in accordance with the percentage interest of each current member. As an example, an additional 20% owner would take 5% of 20% of the interest percentage from a 5% owner, leaving him with 4%. In this same example, a 95% owner would yield 95% of 20% of his interest percentage, leaving him with 76%. A decision of the Managers to add a Member would require this contribution from all current Members, regardless of consent.

1.8: Managers The Company will be Manager-Managed. A Manager is also a Member, but a Member is not necessarily a Manager. The name, present mailing address, initial capital contributions, and percentage interest of each Manager is set forth in [Schedule A](#), as amended from time to time.

1.9: Election of Managers Managers have been in place since the formation of the Company. Any change to Manager personnel must be approved by a majority vote of Managers.

1.10: Business Purpose The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed within the Washington.

Article 2: Capital Contributions

Capital contributions shall mean the money, property, or services contributed to an LLC in exchange for an ownership percentage interest in the LLC. For purposes of this Article capital contributions shall not include time spent by each Member.

2.1: Initial Capital Contributions The capital contributions made by each Member to the Company is set forth in [Schedule A](#).

2.2: Additional Capital Contributions If a Member would supply an additional capital contribution, the following must all be satisfied:

1. the majority of Managers must grant consent;
2. all Members must have an opportunity to contribute a proportional amount, such that their percentage Interest is maintained; and
3. the contributing Member will be assigned Interest based on the current valuation of the Company, which will be determined by the Managers.

2.3: Percentage Interest Each Member will own a percentage interest in the LLC. Each Member's Percentage Interest is set forth in [Schedule A](#).

2.4: No Interest on Capital Contributions Members shall not be paid interest on their capital contributions.

2.5: Return of Capital Contributions Except as otherwise provided in this Agreement, no Member shall have the right to receive any return of any capital contribution or to demand distribution.

Article 3: Allocations of Profits and Losses, Distributions, Withholdings, and Method of Accounting

3.1: Allocation of Profits and Losses The Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Member in proportion to his/her percentage interest in the Company as set forth in [Schedule A](#) and in accordance with [Treasury Regulation 1.704-1\(b\)\(2\)\(ii\)\(d\)](#).

3.2: Distributions The Managers shall determine and distribute available funds in such amount and at such time as they see fit. Available funds shall mean the net cash of the Company available after the Managers have allocated appropriate provisions for expenses and liabilities. Distributions for purposes of liquidation of the Company or in liquidation of the Member's interest shall be made in accordance with the positive capital account balances pursuant to [Treasury Regulation 1.704-1\(b\)\(2\)\(ii\)\(b\)\(2\)](#). In the event that a Member shall have a negative capital account balance, there shall be a qualified income

offset, as set forth in [Treasury Regulation 1.704-1\(b\)\(2\)\(ii\)\(d\)](#).

3.3: Distribution of Assets If any assets of the Company are distributed in Kind to the Member, those assets shall be valued on the basis of their fair market value. Unless the Member decides otherwise, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Managers. The profit or loss for each unsold asset shall be determined as if the asset had been sold at fair market value and shall be allocated as provided in [Section 3.1](#).

3.4: Withholding The Managers are authorized to withhold from distributions, profit allocations, or payments to other Members, in order to pay appropriate federal, state, or local government authority any amount required to be withheld pursuant to the provision of the applicable state or local law. All amounts withheld pursuant to this section, shall be treated as amounts distributed to such Member pursuant to [Section 3.2](#).

3.5: Method of Accounting The Company will use the method of accounting previously determined by the Managers for financial reporting and tax purposes.

3.6: Amendments to this Section The Managers are authorized, upon the advice of the Company's tax counsel, to amend this Section 3 to comply with the Code and Regulations promulgated under Section 704(b) of the Code.

Article 4: Management

4.1: Manager Managed The Company shall be manager managed. The initial managers are set forth in the articles of organization filed with the appropriate State agency. Managers holding a majority of the capital interests in the Company may elect Managers as the Managers determine. Managers listed in the articles of organization and/or this agreement will serve as the Managers of this company until a meeting of Managers is held and new Manager(s) elected.

4.2: Manager Decisions The Managers shall exercise their powers of management under [Section 4.5](#) only by a majority vote of Managers.

4.3: Tie of Managers In the case of a tie in Manager voting, the Chief Executive Officer will be granted full power of the Managers in order to break the tie.

4.4: Members Members shall not take part in the operation of the Company's affairs, unless they are elected Managers.

4.5: Powers of Managers

- i. The lease, transfer, encumbrances, or other dispositions by the Company of all or substantially all of its assets.
- ii. Any merger or consolidation involving the Company.
- iii. Any split, combination or reclassification of any Member's interest.

iv. The issuance by the Company of any additional Interests or equity interests of the Company, or the admission of any Person as a Member of the Company.

v. Any change of the Company's name or any amendment of the Certificate of Formation or this Agreement, including, without limitation, any change in the purposes of the company.

vi. The purchase, lease, exchange, or acquisition of any equity interest or assets of any other person, other than in the ordinary course of business.

4.6: Nominee Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

4.7: Company Information Upon request, the Managers shall supply to any Member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records, and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this [Section 4.7](#) shall be at the requesting Member's expense.

4.8: Exculpation Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall not subject the Managers to any liability to the Members.

4.9: Indemnification The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful.

4.10: Standard of Care The Managers shall fulfill their duties as Members in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in a manner they reasonably believe to be in the best interest of the Company.

Article 5: Banking, Payment of Expenses, and Compensation

5.1: Bank Accounts All funds of the company will be deposited in a bank or brokerage accounts in the Company's or its nominee's name. The Members shall determine the institution(s) where the accounts will be opened and maintained, the types of accounts, and who has authority with respect to the accounts and the funds therein.

5.2: Organization Expenses All expenses incurred in connection with the organization of the Company shall be paid by the Company.

5.3: Legal and Accounting Services The Company may obtain legal and accounting services to the extent reasonably necessary for the conduct of the Company's business.

5.4: Compensation The Members shall be entitled to compensation. Compensation shall be made in an amount and at such time as determined by the Management.

Article 6: Meeting and Records

6.1: Place of Meeting Meeting of the Managers shall be held at such place as determined by the Managers, inside or outside the State of Washington, pursuant to proper notice.

6.2: Notice of Meetings A notice of all meetings, stating the place, date, and time of the meeting shall be provided to each Manager at his or her address as shown on [Schedule A](#) by mail at least seven (7) days prior to the meeting or by personal delivery, telephonic, or electronic delivery at least three (3) days prior to the meeting.

6.3: Waiver of Notice Attendance of a Manager at a meeting shall constitute a waiver of notice of the meeting. Notification of a meeting may also be waived in writing.

6.4: Conference Telephone Meeting Meetings of the Managers may be held by means of conference telephone or similar communications.

6.5: Records The Managers shall cause the Company to keep at its principal place of business or at another location agreeable by the Managers, the following:

- i. A current list in alphabetical order of the full name and the last known street address of each Member;
- ii. A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- iii. Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;

- iv. Copies of any financial statements of the limited liability company for the three most recent years.
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Article 7: Limitation of Liability, Independent Activities, and Indemnification

7.1: Limitation of Liability To the extent permitted by law, the Management and Members shall not be liable for damages or otherwise to the Company or any Member or Manager, for any act, omission or error in judgment performed, omitted or made by it or them in good faith and in a manner reasonably believed by it or them to be within the scope of authority granted by this Agreement provided that such act, omission, or error in judgment does not constitute bad faith, fraud, gross negligence, intentional misconduct, or knowing violations of the law.

7.2: Limitations of Third Parties 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 no Member and no Managers of the Company shall be obligated personally for any such debt, obligation, or liability by reason of being a Member of the Company.

7.3: Independent Activities Members may engage in or possess an interest in other businesses of any nature or description, including, but not limited to, ownership, employment by, or financing, except for businesses that are in direct competition with the Company, as determined by the Management.

7.4: Indemnification To the extent permitted by law, Members, employees, or any other agent ("Covered Persons") thereof shall be entitled to indemnification from the Company from and against any judgments, settlements, penalties, fines, or expenses incurred in a proceeding to which such Covered Person is a party because he or she is, or was a Member, or was serving at the request of the Company, provided that such Covered Person acted in good faith and in a manner reasonably believed to be in the best interest of the Company, except that no Covered Person shall be entitled to indemnification from or on account of acts or omissions of the Covered Person adjudged to be gross negligence, intentional misconduct, or a knowing violation of the law.

Article 8: Transfers, Assignment, and Withdrawal

8.1: Transfers Prohibited Except as otherwise provided in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, assign, or otherwise dispose of (collectively, "Transfer") an interest in the Company without the prior written majority vote of all Managers.

8.2: Right of First Refusal Notwithstanding [Section 8.1](#), a Member may transfer all or part of the Member's interest ("Interest") in the Company in compliance with the terms below:

- i. The transferring Member must provide written notice to all other Members, stating the price and terms on which the Member is prepared to sell his/her interest ("Offer").

ii. The Company shall have the first option to purchase the Interest from the transferor on the terms listed in the Offer. The Company shall have thirty (30) days after the receipt of the Offer to exercise its option to purchase by providing written notice to the transferor.

iii. If the Company fails to notify the transferring Member of its desire to exercise its option, then the Company will be deemed to have waived its right to acquire the Interest on the terms described in the Offer and the transferring Member may sell and convey the Interest consistent with the Offer to another Member of the Company; provided, however, if the sale to another Member is made on terms that are more favorable than stated in the original Offer, the transferring Member must reoffer the sale of the Interest to the Company at the new terms and price prior to offering it to another Member.

iv. The Member desiring to purchase the Interest from the transferring Member shall have thirty (30) days after the receipt of the Offer to exercise his/her option by providing written notice to the transferor. If the Member fails to notify the transferring Member of his/her desire to exercise his/her option, then the Member will have waived its right to acquire the Interest on the terms described in the Offer and the transferring Member may sell and convey the Interest consistent with the Offer to any other person or entity with the approval of the non-transferring Member(s); provided, however, if the sale to another person or entity is made on terms that are more favorable than stated in the original Offer, the transferring Member must reoffer the sale of the interest first to the Company and if the Company does not exercise its option then to the Member at the new terms and price prior to offering it to another person or entity.

v. In the event that neither the Company nor the other Members elect to purchase the Interest, the transferring Member may sell and convey the interest consistent with the Offer to any other person or entity with the approval of the non-transferring Members, provided that such Transfer shall be made on terms no more favorable than offered to the Company and its Members. The transferee shall retain only economic rights in the Company and shall not be admitted as a full Member without the unanimous written approval of the non-transferring Member(s).

vi. Notwithstanding the foregoing provisions of [Section 8.2](#), should the remaining Member be entitled to and elect to acquire all the Interests of the other Members of the Company in accordance with the provisions of [Section 8.2](#), such that the Company becomes a single Member Limited Liability Company, the acquiring Member may assign the right to acquire Interests to a spouse, lineal descendent, or an affiliated entity if the assignment is reasonably believed to be necessary to continue the existence of the Company as a Limited Liability Company.

8.3: Invalid Transfer of Interest Each Member hereby acknowledges that any transfer of any Interest or portion thereof in violation of the term of [Article 8](#) shall be deemed invalid, null and void, and of no force or effect.

8.4: Withdrawal A Member may not withdraw from the Company prior to dissolution and winding up of the Company. However, in the event a Member chooses to withdraw prior to dissolution then the Member may attempt to transfer his/her Interest by following the provisions of [Article 8](#).

Article 9: Dissolution and Liquidation

9.1: Events of Dissolution The Company shall be dissolved upon the happening of any of the following events:

- i. Unanimous written consent of all the Members.
- ii. Any event that makes it unlawful or impossible to carry on the business of the Company.
- iii. Death, expulsion, bankruptcy, or the occurrence of any event that terminates the continued membership of a Member to the Company, unless any remaining Members, within 120 days after the date of that event, elects to continue the business of the Company. In the event a Member elects to continue the business then the Terminating Member or his/her estate shall be treated as a withdrawn Member for purposes of this Agreement and [Section 8.4](#) shall apply.
- iv. Sale, transfer, or other disposition of all or substantially of the Company's assets.
- v. Any other event causing dissolution under the laws of the State of Washington.

9.2: Procedure for Winding up and Dissolution If the Company is dissolved; the Members shall wind up its affairs by taking a full account of the Company's assets and liabilities. Upon winding up the Company, the assets of the Company shall be distributed first to creditors who are not Members of the Company in satisfaction of any debts of the Company, then to Members in discharge of any debts owed to the Members, and any excess amount available after the Members have paid all of the Company's claims and obligations shall be distributed to the Members in accordance with [Article 3](#) of this Agreement.

9.3: Termination The Members shall comply with any applicable law pertaining to the winding up of the affairs of the Company and the final distribution of assets. Upon the completion of the winding up, liquidation, and distribution of assets, and the filing of a Certificate of Cancellation, the Company shall be deemed terminated.

Article 10: General Provisions

10.1: Amendment Amendments to this Agreement may be proposed by the Members. A proposed amendment will be adopted and made effected only with the majority written approval of all the Members.

10.2: Modification No modification or amendment of any provision of this Agreement shall be binding on any Member without the prior written consent of all the Members.

10.3: Governing Law This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of Washington.

10.4: Dispute Resolution Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled first by non-binding mediation and if the parties are not satisfied by the results thereof, then by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association (“AAA”). The arbitration proceedings shall be conducted in Thurston County, Washington, or such other location as the parties may mutually agree. The parties shall mutually agree on an arbitrator. If the parties are not able to mutually agree on a single arbitrator, each party will then select an arbitrator who working together will appoint a third arbitrator who will serve as the sole arbiter of the dispute. The prevailing party may enter any judgment or award rendered by the arbitrator in any court having jurisdiction thereof.

10.5: Complete Agreement This Agreement constitutes the entire and exclusive understanding and agreement of its Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition or warranty.

10.6: Severability In the event any provision of this Agreement is held to be illegal, invalid, or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted by law.

10.7: Notice All notices required to be given by this Agreement shall be in writing and sent to the appropriate address as listed on [Schedule A](#) and will be effective upon receipt.

In witness whereof, the parties hereto have executed this Agreement as of the date and year first written above.

Members Antonius Bloch, Caesar Chavez, and Jimmy Hand

Managers Antonius Bloch and Caesar Chavez

By Antonius Bloch (CEO)

Schedule A

Limited Liability Operating Agreement of Bang Bang Bar, LLC

Managers: Antonius Bloch and Caesar Chavez

Members: Antonius Bloch, Caesar Chavez, and Jimmy Hand

Members

| Name | Address | Percentage Interest |
|----------------|------------------------------------|---------------------|
| Antonius Bloch | 1000 Federal Way, Twin Peaks, WA | 48.75% |
| Caesar Chavez | 500 Gabbey Way, Bellingham, WA | 48.75% |
| Jimmy Hand | P.O. Box 11109, Papa Roach Way, MN | 2.5% |

Consent to Serve as Registered Agent I, Antonius Bloch, hereby consent to serve as Registered Agent in the State of Washington for Bang Bang Bar, LLC. I understand that as agent for the limited liability company named above, it will be my responsibility to receive service of process in its name; to forward mail to the limited liability company; and immediately notify the Office of Secretary of State in the event of my resignation or any changes in the registered office of the limited liability company for which I am an agent.

Antonius Bloch

Date

Listing of Managers The undersigned hereby agree, to serve as managers for this LLC.

| | |
|---|-------|
| _____ | _____ |
| Antonius Bloch, Chief Executive Officer | Date |

| | |
|--|-------|
| _____ | _____ |
| Caesar Chavez, Chief Technical Officer | Date |

Certification of Members The undersigned hereby agree, acknowledge and certify to adopt this Operating Agreement.

| | |
|----------------|-------|
| _____ | _____ |
| Antonius Bloch | Date |

| | |
|---------------|-------|
| _____ | _____ |
| Caesar Chavez | Date |

| | |
|------------|-------|
| _____ | _____ |
| Jimmy Hand | Date |