



Jeffrey C. O'Brien
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January 17, 2020

VIA EMAIL

Mr. Geoffrey Spray
Minnesota Department of Commerce Securities Division
85 E. 7th Place, Suite 500
St. Paul, MN 55101-2198

Re: Burning Brothers Brewing, LLC – MNVest Offering
Our File No. 20171049.000

Dear Mr. Spray:

On behalf of Burning Brothers Brewing, LLC, a Minnesota limited liability company (the "Company"), we are filing here-with a notice of the Company's intent to sell \$1,000,000.00 in Convertible Promissory Notes (the "Securities") pursuant to exemption from registration requirements provided under §80A.461 of the Minnesota Statutes (MNVest Registration Ex-emption). In connection with the requirements under Minnesota Statutes and related regulations, enclosed are the following documents related to the Company's Confidential Investor Package:

- a. Investor Overview;
- b. Summary of Terms;
- c. Risk Factors;
- d. Articles of Organization and Operating Agreement;
- e. Subscription Agreement;
- f. Compilation of Financial Statements;
- g. Escrow Agreement;
- h. Portal Operator Agreement;
- i. Advertisement;
- j. Cyber Security Policy; and
- k. Completed MNVest Issuer Notice Form.

Sincerely,
CHESTNUT CAMBRONNE PA

A handwritten signature in black ink, appearing to read 'Jeffrey C. O'Brien', written over a horizontal line.

Jeffrey C. O'Brien

Enclosures
cc: Burning Brothers Brewing, LLC

**EXHIBIT A TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE**

Investor Overview

INVESTOR PACKAGE

Burning Brothers Brewing, LLC

Minimum Offering: \$25,000.00
Maximum Offering: \$1,000,000.00

Convertible Promissory Notes
Minimum Purchase Price: \$1,000.00

DO NOT REPRODUCE
THIS INFORMATION IS CONFIDENTIAL
DO NOT DISTRIBUTE UNDER ANY CIRCUMSTANCES
WITHOUT THE PRIOR WRITTEN APPROVAL OF THE COMPANY

The Date of this Investor Package is January 15, 2020
The Date of Expiration of the Offering is December 31, 2020

Burning Brothers Brewing, LLC
UP TO \$1,000,000.00 of Convertible Notes

Burning Brothers Brewing, LLC, a Minnesota limited liability company, is offering Convertible Promissory Notes for an aggregate minimum of \$25,000.00 and maximum of \$1,000,000.00, at a minimum offering price of \$1,000.00, pursuant to this Investor Package. The minimum required investment is \$1,000.00, unless waived by the Company, in its sole discretion.

All funds received from investors will be held in an escrow account at Sunrise Banks in until such time as the Company has received subscriptions for Convertible Notes (an aggregate amount of \$25,000.00) or until the earlier expiration or termination of the Offering, as provided herein. Once we have reached this minimum threshold, we may begin using proceeds received from those investors.

The offering price of the Convertible Notes has been arbitrarily determined by the Company. Before this Offering, there was no market for our securities, and such a market may not develop in the future. The Convertible Notes will be "restricted securities" under the Securities Act, must be held for investment purposes only and are subject to substantial limitations on resale or other transfer. You must purchase the Convertible Notes for your own account and must assume the economic risk of investment for an indefinite period of time.

YOU ARE URGED TO SEEK INDEPENDENT ADVICE FROM YOUR LEGAL AND FINANCIAL ADVISORS RELATING TO THE SUITABILITY OF AN INVESTMENT IN OUR COMPANY AND OUR SECURITIES, IN LIGHT OF YOUR OVERALL FINANCIAL NEEDS AND WITH RESPECT TO THE LEGAL AND TAX IMPLICATIONS OF SUCH AN INVESTMENT.

THIS DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING AND INDIVIDUAL TAX ADVICE, PARTICULARLY BECAUSE THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN A CORPORATION OR LIMITED LIABILITY COMPANY SUCH AS OUR COMPANY ARE UNCERTAIN AND COMPLEX AND MANY CONSEQUENCES WILL NOT BE THE SAME FOR ALL TAXPAYERS. ACCORDINGLY, YOU SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF YOUR OWN TAX ADVISOR, TAX COUNSEL OR ACCOUNTANT WITH RESPECT TO YOUR PROSPECTIVE INVESTMENT IN THE COMPANY. NOTHING IN THIS OFFERING DOCUMENT OR THE ACCOMPANYING DOCUMENTS IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE.

INVESTOR SHALL FOLLOW ALL INSTRUCTIONS AT BBB.SPPX.IO.

On behalf of Burning Brothers Brewing, LLC, a Minnesota limited liability company ("Burning Brothers," "we" or the "Company"), we are pleased that you have expressed an interest in purchasing Convertible Notes (the "Convertible Notes") in the Company. In order to streamline the subscription process, the Company has created a "Funding Portal" located at bbb.sppx.io to coordinate the Company's acceptance of investor subscriptions and issuance of the Convertible Notes to purchasers. In order to proceed with your purchase of the Convertible Notes, please visit and refer to the instructions found on the Funding Portal.

IMPORTANT NOTICES TO PROSPECTIVE INVESTORS

We have prepared this Investor Package for distribution to prospective investors for their use and information in evaluating an investment in the Convertible Notes. You are urged and invited to ask questions of and obtain additional information from us concerning the terms and conditions of this offering (the "Offering"), the Company, our business, and any other relevant matters (including, but not limited to, additional information to verify the accuracy of the information set forth herein). Such information will be provided to the extent that the Head of Business Operations possesses such information or can acquire it without unreasonable effort or expense. You will be asked to acknowledge in the Subscription Agreement attached hereto as Exhibit E that you were given the opportunity to obtain such additional information and that you either did so or elected to waive such opportunity.

Prospective investors having questions or desiring additional information should contact Thomas R. Foss, at thom@burnbroswbrew.com or (651) 444-8882.

You should not construe the contents of this Investor Package as legal, tax, or investment advice, and you should consult your own attorney, accountant, and business advisor as to legal, tax, and related matters concerning an investment in the Convertible Notes.

THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE CONVERTIBLE NOTES. THIS INVESTOR PACKAGE DOES NOT CONSTITUTE AN OFFER TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. ALL INFORMATION CONTAINED HEREIN IS AS OF THE DATE OF THIS INVESTOR PACKAGE, AND NEITHER THE DELIVERY OF THIS INVESTOR PACKAGE NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, IMPLY THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE SUCH DATE.

THE CONVERTIBLE NOTES ARE HIGHLY SPECULATIVE, ILLIQUID, INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE PURCHASED ONLY IF YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT. SEE THE "RISK FACTORS" ATTACHED HERETO AS EXHIBIT C.

IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULE 147A (CODE OF FEDERAL REGULATIONS, TITLE 17, PART 230.147A (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

SALES WILL BE MADE ONLY TO RESIDENTS OF MINNESOTA. OFFERS AND SALES OF THESE SECURITIES ARE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THE SECURITIES, ANY RESALE OF THE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN Minnesota. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER.

Should the Company Issue a certificate or other document evidencing the security, the following legend must be displayed conspicuously:

OFFERS AND SALES OF THESE SECURITIES WERE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THESE SECURITIES, ANY RESALE OF THESE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER.

A PURCHASER IS PERMITTED TO CANCEL THE PURCHASER'S COMMITMENT TO INVEST AT ANY TIME BEFORE FORTY-EIGHT HOURS BEFORE EXPIRATION OF THE OFFERING DEADLINE IF NOTICE OF CANCELLATION IS DELIVERED ELECTRONICALLY OR PHYSICALLY IN WRITING TO THE COMPANY. IF A PURCHASER IS GIVEN NOTICE OF AN EARLY CLOSING, THE PURCHASER MAY CANCEL THE COMMITMENT WITHIN SEVENTY-TWO HOURS OF DELIVERY OF THE NOTICE.

IF WE CLOSE THE OFFERING BEFORE THE OFFERING DEADLINE, WE MUST DELIVER A NOTICE OF THE CLOSING TO EACH PURCHASER AND POTENTIAL PURCHASERS BY POSTING THE NOTICE CONSPICUOUSLY ON OUR WEBSITE, AT LEAST FIVE DAYS BEFORE THE EARLY CLOSING. IF YOU WISH TO CANCEL YOUR SUBSCRIPTION PURSUANT TO EARLY CLOSING, YOU MUST DO SO WITHIN 72 HOURS OF DELIVERY OF NOTICE.

IF WE FAIL TO RAISE THE MINIMUM OFFERING AMOUNT BEFORE THE OFFERING DEADLINE, THIS OFFERING WILL BE VOID AND THE ESCROW AGENT MUST RETURN ALL FUNDS HELD IN ESCROW TO THE PURCHASERS.

**EXHIBIT B TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE**

Summary of Terms

Burning Brothers Brewing, LLC
CONFIDENTIAL TERM SHEET

The following is a summary of the basic terms and conditions of a proposed offering of Convertible Promissory Notes for \$1,000,000.00 by Burning Brothers Brewing, LLC, a Minnesota limited liability company (the "**Company**"), to certain qualified investors.

THIS TERM SHEET IS FOR DISCUSSION PURPOSES ONLY AND IS NOT BINDING ON THE COMPANY OR THE PROSPECTIVE INVESTORS. NEITHER THE COMPANY NOR ANY PROSPECTIVE INVESTORS SHALL BE OBLIGATED TO CONSUMMATE AN INVESTMENT UNTIL APPROPRIATE DOCUMENTATION HAS BEEN PROVIDED TO PROSPECTIVE INVESTORS.

Securities Offered:	Up to \$1,000,000.00 of Convertible Promissory Notes (the "Notes")
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Offering Price:	\$1,000.00 per Note
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Minimum Investment:	\$1,000.00
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Maximum Investment:	Pursuant to Minn. Stat. §80A.461, Subd. 3(7), each non-accredited investor in this Offering is limited to a maximum investment amount of \$10,000.00. There is no maximum investment amount with respect to any accredited investors.
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Minimum Offering:	\$25,000.00
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Capital Structure:	The Company has two (2) classes of Membership Interests, designated as Class A and Class B. 1,000 Class A Units were previously issued to the Company's founders (the "Founders") in consideration for their contributions to the Company. 213 Class B Units were previously issued to the holders of certain promissory notes given by the Company. Up to \$1,000,000.00 of Convertible Promissory Notes will be sold pursuant to this offering. The Company's Operating Agreement sets forth the Classes of membership interest and the rights with respect thereto and the number of Units Issued as to each such Class. Upon maturity, the Notes will be converted into Class B Units
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Special Perks:	The Notes shall provide for a five (5) year maturity date and an interest rate of six percent (6%). Upon the Maturity Date of the Notes, the Company shall have the option to convert the outstanding principal balance and accrued interest thereon into Units of the Company's membership interests, with the number of Units to be issued upon conversion determined as of the Maturity Date and determined by a qualified business valuation expert.
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Corporate Governance:

The Company is managed by a Board of Governors (the "**Board**"), and the day-to-day operations of the Company are performed by the officers appointed by the Board. The Board is comprised of two (2) Governors, elected by a majority of the outstanding Members. Thomas R. Foss and Dane R. Breimhorst are the Company's current Board of Governors. Dane R. Breimhorst, who also serves as the Company's Head of Brewing Operations, is an accomplished culinary expert and home brewer with more than 25 years of brewing experience. He has researched and developed gluten-free brewing processes that make outstanding beer for the gluten-free community, as well as the general craft brewing market. He is responsible for all aspects of the brewing and packaging operations. Thomas R. Foss, who also serves as the Company's Head of Business Operations, worked for 15 years in the education, manufacturing and finance sectors prior to starting the Company. His duties included project management, business operations and strategic consulting. He is responsible for all business operations and financial aspects, including purchasing, AR/AP and regulatory licensing.

Convertible Promissory Notes:*Ownership Interest*

Assuming all Notes are converted into Units and based upon a current valuation of the Company, the investors, as a group, will be purchasing up to ____ % (pre-money valuation) of all Units, depending on the total amount of Notes sold in this Offering. Each Member's pro rata percentage of Units, and therefore dividends, when and if authorized by the Board, will be calculated by dividing total Units owned by such Member by the total Units outstanding.

Voting Interest

Until such time at the Notes are converted into Units, the investors of the Company shall have no authority to vote on any matters.

Shareholder Agreement:

Prior to the closing of any sale of any Convertible Promissory Notes the Company will provide prospective investors with a copy of its Operating Agreement and Bylaws, which will incorporate the terms described herein in all material respects. In order to invest in the Company, you will be required to sign the Operating Agreement.

Restrictions on Transfer:

We will be offering the Convertible Promissory Notes pursuant to certain exemptions from the registration requirements of the Securities Act and applicable state securities laws. Therefore, the Convertible Promissory Notes will not be registered with the SEC, and will be deemed "restricted securities" under the Securities Act. **You will not be able to re-sell or transfer your Convertible Promissory Notes except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom.**

In addition, any transfer of Convertible Promissory Notes will need to comply with the transfer restrictions that will be contained within Article VI of the Company's Operating Agreement. These restrictions specify that save and except for transfers to existing members of the Company, the Company and the other members, respectively, have the right to purchase the membership interest units of a member subject to certain events of transfer as specified within Sections 6.3 (voluntary transfer), 6.7 (certain involuntary transfers or violations of fiduciary duties to the Company) and 6.9 (Member desires to sell). Section 6.10 of the Operating Agreement specifies how the Fair Market Value of membership interest units subject to transfer is determined, and Section 6.11 specifies the manner in which payment is to be made. The Operating Agreement will include additional detail on these transfer restrictions.

**EXHIBIT C TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE**

Risk Factors

BURNING BROTHERS BREWING, LLC

RISK FACTORS

Investing in the Company involves a high degree of risk. You should carefully consider the risks described below and all of the other information set forth in the Investor Package before deciding to invest in our Notes. If any of the events or developments described below occurs, our business, financial condition or results of operations could be negatively affected. In that case, the value of your Notes could decline and you could lose all of your investment.

RISKS RELATED TO THE COMPANY

WE MAY EXPERIENCE FLUCTUATIONS IN REVENUE. Our net revenues and operating results may be subject to significant fluctuation and these fluctuations may impair our business. We believe that our future net revenues and operating results, both annually and quarterly, may be subject to significant fluctuations due to a variety of factors, many of which are beyond our control. These factors may include:

- the success of the Company's efforts to expand the Company's presence in an increasingly crowded market;
- legislation that may hinder our ability to run our business as intended;
- introduction of new products by our competitors;
- costs of our marketing efforts to build our brand;
- patterns of growth in the financial markets; and
- general economic conditions.

ADDITIONAL FINANCING. We are hopeful that we will be able to close on additional funding from outside sources, including bank financing with or without the Small Business Association ("SBA"). These outside funds will make it possible for us to execute our business plans. Our business plans are dependent upon us obtaining financing in connection with this Offering, and to be used to purchase (or otherwise lease) equipment. If we are unable to obtain acceptable financing, it is unlikely that we would be able to move forward with our business plans without scaling back on certain capital investments, which may be done at the discretion of the officers. Under such circumstances, we may need to terminate this Offering at the discretion of the officers.

WE MAY NEED ADDITIONAL CAPITAL IN THE FUTURE. We believe that the gross proceeds of this Offering, together with our other financing sources, will be sufficient to operate the business to the point we anticipate operating revenue being sufficient for the Company to be profitable. Our current assumptions and expectations are reflected in the financial projections included in the Investor Overview. If our expectations regarding (a) the Company's revenues and operating expenses and/or (b) the launch costs are other than as projected, we may require additional capital. The timing and amount of any such capital requirements cannot be predicted at this time. There can be no assurance that any such financing will be available, or available on terms acceptable to the Company. If financing is not available on satisfactory terms, we may be unable to develop the Company's business as projected or begin operation.

RISKS RELATED TO THE COMPANY'S BUSINESS

COMPETITIVE NATURE OF THE CRAFT BEER INDUSTRY. The Company faces intense competition in the craft beer industry. There are approximately 130 licensed breweries in Minnesota. The Company's beers will compete primarily with beers produced by other local craft brewers and foreign brewers and, to a lesser extent, national domestic brewers. A significant portion of the craft beer market is comprised of consumers seeking new and exciting tastes, flavors and experiences. As the Company's brands mature, it may become more difficult to sell these brands to this portion of the craft beer market. Other craft brewers with whom the Company competes may offer beers that these consumers perceive to be newer, more exciting, and unique, and therefore preferable. These factors could lead to declining sales. Such events would cause future sales, results of operations and cash flows to be adversely affected.

REGULATORY APPROVALS. Federal, state and local laws and regulations govern the production and distribution of beer, including permitting, licensing, trade practices, labeling, advertising and marketing, distributor relationships and various other matters. A variety of federal, state and local governmental authorities also levy various taxes, license fees and other similar charges and may require bonds to ensure compliance with applicable laws and regulations. We have not obtained the licenses and permits

necessary to support our operations. We will not be able to begin production or sale of beer at our new brewery facility and tap room until we have obtained the required Federal, state, county (if applicable), and city (if applicable) licenses and permits for our planned activities. There is no guarantee that we will be able to obtain all of the required permits. Certain actions undertaken by the Company may cause the Alcohol and Tobacco Tax and Trade Bureau or any particular state or jurisdiction to revoke its license or permit, restricting the Company's ability to conduct business. One or more regulatory authorities could determine that the Company has not complied with applicable licensing or permitting regulations or has not maintained the approvals necessary for the Company to conduct business within its jurisdiction. If licenses, permits or approvals necessary for any of our operations were unavailable or unduly delayed, or if any permits or licenses that we hold were to be revoked, our ability to conduct business may be disrupted, which would have a material adverse effect on the Company's financial condition, results of operations and cash flows.

THE LOSS OF ANY OF OUR FOUNDERS WOULD SERIOUSLY IMPAIR OUR ABILITY TO IMPLEMENT OUR STRATEGY. For the foreseeable future, we will be dependent upon the services of our Founders. The loss of the services of any of the Founders would have a material and adverse effect on our operations and ability to achieve our business plans. Similarly, a disagreement between the Founders could lead to a deadlock situation in company governance.

RISKS RELATED TO THE OFFERING

THE DETERMINATION OF THE OFFERING PRICE MAY NOT REFLECT THE VALUE OF THE COMPANY. The determination of the offering price may not reflect the value of the Company. The offering price for the Convertible Notes has been determined by the Founders based on a number of factors, including their view of the prospects for the business, and general working capital requirements. The offering price is not related to our assets, historical earnings, or other commonly established criteria of value. Our Founders paid a substantially reduced amount for the acquisition of their interests in the Company in this offering. Prospective investors must rely on their own business and investment background and their own investigation of the business and affairs of the Company in determining whether to invest in the Convertible Notes. We make no representation as to the value of the Convertible Notes and there can be no assurance that you will be able to sell the Convertible Notes at any price.

THERE MAY BE NO MARKET FOR THE COMPANY'S CONVERTIBLE NOTES. The Company's Operating Agreement contains restrictions on the transfer of Convertible Notes. In addition, federal and state securities laws restrict the transferability of the Convertible Notes. It may be difficult or impossible for an investor to liquidate his, her or its investment when desired. Therefore, investors will be required to bear the economic risks of their investment for an indefinite period of time.

THE FOUNDERS WILL EFFECTIVELY CONTROL THE COMPANY. The Founders own 100% of the Company's Founders Units and presently holds a majority of the voting power of the Company with respect to all matters that are required to be submitted to the Unit holders for their approval.

RISKS RELATED TO ADVERSE PARTIES

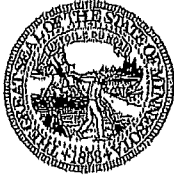
THIRD-PARTY LITIGATION. The Company's activities subject it to the typical risks of businesses becoming involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Company and would reduce its net assets. We may not be able to pay to defend ourselves. It is anticipated that the Board and officers of the Company and others will be indemnified by the Company in connection with such litigation, subject to certain conditions. There is no ongoing litigation at this time.

RISKS RELATED TO TAXES

EXCISE TAXES. An increase in excise taxes could adversely affect our financial condition and results of operations. Federal and state legislators routinely consider various proposals to impose additional excise taxes on the production of alcoholic beverages, including beer. Due in part to the prolonged economic recession and the follow-on effect on state budgets, a number of states are proposing legislation that would lead to significant increases in the excise tax rate on alcoholic beverages for their states. Any such increases in excise taxes, if enacted, would adversely affect our financial condition, results of operations, and cash flows.

**EXHIBIT D TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE**

Articles of Organization/Operating Agreement



Major

MINNESOTA SECRETARY OF STATE
ARTICLES OF ORGANIZATION FOR
A LIMITED LIABILITY COMPANY
MINNESOTA STATUTES CHAPTER 322B
Filing Fee: \$160.00



READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. Name of Company: Burning Brothers Brewing, LLC

(The Company name must include the words Limited Liability Company or the abbreviation LLC)

2. Registered Office Address: (A PO Box by itself is not acceptable)

1038 Barrett Street Saint Paul MN 55103
Complete Street Address or Rural Route and Rural Route Box Number City State Zip Code

3. Name of Registered Agent (optional):

4. Business Mailing Address: (if different from registered office address)

SAME
Address City State Zip Code

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
APR 15 2011

5. Desired Duration of LLC: (in years) (If you do not complete this item, a perpetual duration is assumed by law.)

6. Does this LLC own, lease or have any interest in agricultural land or land capable of being farmed?
(Check One) Yes No ☒

Markus R. Foss
Secretary of State

7. Organizers

I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Organizer's Name: (print)

Complete Address:

Signature:

Thomas R. Foss	1038 Barrett Street	
	Saint Paul MN 55103	
Dane R. Breimhorst	225 Richmond Street	
	Saint Paul MN 55102	

List a name, daytime phone number, and e-mail address of a person who can be contacted about this form.

Thomas Foss

Contact Name

651-398-3783

Daytime Phone Number

thom@burnbrosbrew.com

Email Address

Business Services
60 Empire Drive, Suite 100
Saint Paul, MN 55103



Mark Ritchie
Secretary of State

Office of the Secretary of State
Packing Slip

April 15, 2011

BURNING BROTHERS BREWING LLC
To Whom It May Concern
1038 BARRETT STR
SAINT PAUL, MN 55103

Page 1 of 1

Client Account Number: 87630660
Batch Number: 4264852

Document Number	Document Detail	Filing Number	Fee
42648620002	LLC New Registration (BURNING BROTHERS BRE)		160.00
Total Fees			<u>\$160.00</u>

<u>Payment Type Received</u>	<u>Payment Reference Number</u>	<u>Amount Paid</u>
Check	6451	160.00
Post-Pay	42648620001	0.00
Total Payments Received		<u>\$160.00</u>

Any overage amount on account with our agency will be refunded after 60 days if not used.



Visit our online services web page to discover timesaving, electronic methods of doing business! www.online.sos.state.mn.us

**AMENDED AND RESTATED OPERATING AGREEMENT OF
BURNING BROTHERS BREWING, LLC**

This Amended and Restated Operating Agreement ("Agreement") is made effective as of the 31st day of December, 2017, by and among, **Burning Brothers Brewing, LLC**, a Minnesota limited liability company (the "Company") with an address of: 1750 Thomas Avenue, St. Paul, Minnesota 55104; **Thomas R. Foss, Dane R. Breimhorst, Carol Breimhorst, Craig Breimhorst, David Nordrum, Dennis Daly, Monte Rohrbach, Rebecca S. Foss, Richard B. Greenwood, Rebecca S. Foss and David A. Greenwood** as Trustees of the **Richard B. Greenwood Revocable Trust U/A dated July 28, 1994**, and **Richard B. Greenwood, Rebecca S. Foss and David A. Greenwood** as Trustees of the **Carol S. Greenwood Family Trust U/A dated July 28, 1994** (referred to hereinafter collectively as the "Members" and individually as a "Member").

RECITALS

- A. The undersigned constitute all of the current Members and Governors of the Company; and
- B. Each of the undersigned wishes to enter into this Agreement, which Agreement hereby amends, replaces and supersedes any previously executed operating agreement(s) and/or member control agreement(s) entered into by and between the Company and the Members.

NOW THEREFORE, in consideration of the foregoing and the mutual promises contained in this Agreement, the Members agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1. Definitions. The terms defined in this Article I (except as may be otherwise expressly provided in this Agreement or unless the context clearly requires otherwise) shall, for purposes of this Agreement, have the following respective meanings:

- 1.1 "Act" means the Minnesota Revised Uniform Limited Liability Company Act contained in the Minnesota Statutes, Chapter 322C. The Company hereby elects to be "Governor-Managed" pursuant to the terms of the Act.
- 1.2 "Applicable Rate" means a rate of interest equal to the greater of
 - a. the rate published by *The Wall Street Journal*, or any similar successor publication, as its "Prime Rate"; or
 - b. six percent (6%).
- 1.3 "Articles of Organization" means the Articles of Organization of the Company, as the same may be amended from time to time to the extent expressly permitted hereunder.

- 1.4 "Board" or "Board of Governors" means the Board of Governors of the Company.
- 1.5 "Bona Fide Offer" means a writing setting forth the bona fide good faith intention of a Qualified Person delivering such writing to purchase Membership Units stating the consideration to be paid therefore, the method of payment, and all other material terms and conditions of the offer.
- 1.6 "Capital Account" means the account of a Member, which is established and maintained in accordance with the provisions of the Act.
- 1.7 "Capital Contribution" means the total amount of cash and/or the fair market value of property contributed or agreed to be contributed by a Member as a capital contribution upon becoming a Member of the Company.
- 1.8 "Class A Member" means a Member holding the Company's Class A Units.
- 1.9 "Class A Units" means the Company's Class A Membership Interest Units, the holders of which are entitled to Financial Rights and Governance Rights (each as defined within Section 1.16 herein). All references within this Agreement to "the Membership Units entitled to vote" shall be deemed to refer to the Class A Units only.
- 1.10 "Class B Member" means a Member holding the Company's Class B Units.
- 1.11 "Class B Units" means the Company's Class B Membership Interest Units, the holders of which are entitled to Financial Rights and the liquidation preference set forth within Section 4.4 herein, but are not entitled to Governance Rights.
- 1.12 "Class C Member" means a Member holding the Company's Class C Units.
- 1.13 "Class C Units" means the Company's Class C Membership Interest Units, the holders of which are entitled to Financial Rights but are not entitled to Governance Rights.
- 1.14 "Confidential Information" means any information not generally known by third parties, and such term includes, but is not limited to, Company's reports, finances, accounting and legal matters, and/or any other information that a Member, Governor, or Manager know(s) or should know that the Company intends to treat as confidential.
- 1.15 "Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto. Any reference to specific sections of the Code shall be to the section as it now exists and to any successor provision.
- 1.16 "Contribution" means the total amount of money and/or the value accorded by the Board of Governors to property or services contributed by a Member to the Company with respect to his, her, or its Membership Units.

- 1.17 "Distribution" means the total amount of cash and/or the fair market value of property distributed by the Company to Members from time to time with respect to their Membership Units.
- 1.18 "Fair Market Value" means an amount equal to the aggregate cash present value of the Units being valued determined in accordance with Section 6.10 hereof.
- 1.19 "Rights" means those rights associated with a Membership Unit in connection to Net Income and Net Losses and Distributions (i.e., "Financial Rights"), the right to assign such rights, rights to vote (i.e. "Governance Rights") and receive notices in accordance with the terms of this Agreement.
- 1.10 "Governor" means a person serving on the Board of Governors. As of the date of this Agreement, the Company's Governors shall be Foss and Breimhorst.
- 1.11 "Incompetence of a Member" means a Member for whom a legal guardian and/or conservator is appointed because of medical related reasons, as well as a Member unable to perform the acts and services that the Member has theretofore customarily carried out as a Member for a period of six (6) consecutive months. Nothing herein is intended to conflict with the Americans with Disabilities Act or similar state or local laws.
- 1.12 "Manager" means a person elected, appointed, or otherwise designated as a manager by the Board of Governors, and any other person considered elected as a manager pursuant to the Act.
- 1.13 "Member" means a person or entity listed in **Schedule A** as the owner of one or more Membership Units of the Company who has signed this Agreement; any such person's heirs, executors, administrators, and personal representatives; any such person's or entity's successors; and any assigns of Membership Units, Governance Rights or Financial Rights as permitted by the Act, the Articles of Organization, and this Agreement, and as reflected in **Schedule A**. When the Rights attributable to a Membership Unit have been separated, references to Member shall mean the holder of the Rights related to such Membership Unit as appropriate in the context.
- 1.14 "Membership Unit" or "Unit" means one of the units created by the Company's Articles of Organization or other agreements of the Company into which the Members' ownership interests in the Company are divided, each such Membership Unit consisting of Rights, the right to assign such Membership Unit or any rights attributable to such Membership Unit, and to separate the Rights attributable to a Membership Unit and separately assign such rights, all in accordance with the Act, the Articles of Organization of the Company, and this Agreement.
- 1.15 "Net Income" and "Net Losses" mean the profits and losses of the Company, as the case may be, as determined for federal income tax purposes as of the close of each of the fiscal years of the Company.
- 1.16 "Permitted Transfers" shall have the meaning ascribed to it in Section 6.2.

1.17 "Purchaser" shall mean a person and/or entity that has chosen to acquire Units of any Transferring Member.

1.18 "Remaining Members" shall mean that in the event any Member constitutes a Transferring Member under this Agreement, all Members other than the Transferring Member.

1.19 "Required Records" mean those records required to be maintained by the Company pursuant to the Act.

1.20 "Transfer" means any proposed, claimed or asserted voluntary or involuntary disposition of Units, other than a Permitted Transfer, by any Unit holder or by his agent, executor, administrator, trustee, receiver or other legal representative in any manner whatsoever including, but not limited to, disposition by gift, sale, exchange or devise, pledge, mortgage, assignment, grant or a security interest or other encumbrance, attachment, levy, or execution or seizure by creditor whether or not by judicial process, assignment for the benefit of creditors, distribution by executor, administrator or trustee, and passage under any judicial order or legal process including passage by reason of descent and distribution, dissolution of marriage, bankruptcy, legal incapacity or insanity and transfer to a receiver for the administration of property of a Unitholder.

1.21 "Transferring Unitholder" means a Member whose Units, whether voluntarily or involuntarily, become subject to a Transfer, or whose Units become subject to any of the options contained in this Agreement by reason of the occurrence of any events set forth in Article VI hereof.

1.22 "Valuation Date" means the last day of the last full month preceding the month in which any Transfer or other events giving rise to an option or obligation to purchase the Unitholder's Units provided in this Agreement occurs.

ARTICLE II AMENDMENTS

Section 2.1 Amendment of Agreement. No change, modification or amendment of this Agreement shall be valid or binding unless such change, modification or amendment is contained in a writing signed by the Members holding a majority of the outstanding Units of the Company entitled to vote.

ARTICLE III CONTRIBUTIONS AND MEMBERSHIP UNITS

Section 3.1 Membership Units and Board Authority as to Additional Membership Units. The names of the Members, their respective Contributions and the value accorded thereto, and their Membership Units are reflected on Schedule A, which is attached hereto and incorporated herein by reference. No additional Contributions shall be accepted or Membership Units granted by the Board without the consent of the owners of a majority of the outstanding and issued Membership

Units. The Required Records shall be modified to reflect any changes in the outstanding Membership Units entitled to vote.

Section 3.2 No Right to Return of Contribution. No Member shall have the right to withdraw or to demand the return of all or any part of their Contribution, except as otherwise expressly provided herein. The Company shall not be liable to the Members for repayment of their Contributions.

Section 3.3 Loans from Members or Third Parties to Company. Subject to any other restrictions contained herein, if approved by the Board of Governors, the Company may borrow money from one or more Members or from other third party lenders at such interest rate or rates and upon such other terms as are agreed upon by the Company, provided that the interest rate on any such loans shall not exceed the rate that would apply to Company borrowing on similar terms from recognized banks or financial institutions.

Section 3.4 No Interest on Contributions. No interest shall be paid to any Member on Contributions.

ARTICLE IV

ALLOCATIONS OF NET INCOME AND NET LOSSES AND DISTRIBUTIONS

Section 4.1 Capital Accounts. A separate Capital Account shall be maintained by the Company for each Member. The Capital Account for each Member shall be increased by such Member's Capital Contributions and shall be decreased by Distributions made to such Member. Each Member's Capital Account shall also be increased or decreased, as the case may be, to account for allocations of Net Income and Net Losses to such Member. As of the date on which additional Contributions are made by any Member or Distributions are made in liquidation of any Membership Units, the Capital Account balances of the Members may be restated to reflect the market values of the Company's properties as of such date and the manner in which Net Income and Net Losses would have been allocated had the Company disposed of its properties on such date, all in accordance with Treasury Regulations under the Code as in effect on the date hereof.

Section 4.2 Allocations of Net Income and Net Losses. Except as otherwise expressly provided in this Agreement, Net Income and Net Losses shall be allocated to the Members in direct proportion that their Membership Units bear to the outstanding Membership Units. Allocations for federal income tax purposes shall be made in accordance with the requirements of Treasury Regulations under the Code.

Section 4.3 Distributions Prior to Liquidation. The Board of Governors shall determine from time to time whether to make any Distributions to the Members. Such Distributions shall be made among the Members in direct proportion that their Membership Units bear to the outstanding Membership Units.

Section 4.4 Distributions Upon Dissolution and Winding Up. At the time of the dissolution and winding up of the Company, following the allocation of all Net Income and Net Losses and the payment of all Company obligations, the remaining assets shall be distributed as follows:

- (a) First, to the Class B Members until such time as such Class B Member has received distributions equal to such Class B Member's aggregate Capital Contributions;
- (b) Second, after the Class B Members have received distributions equal to their aggregate Capital Contributions, the remaining assets shall be distributed to each of the Class A Members and Class C Members in accordance with any positive balances in their respective Capital Accounts, in direct proportion that their Membership Units bear to the outstanding Membership Units.

Section 4.5 No Distribution by Reason of Withdrawal. Withdrawal from the Company or Transfer of Membership Units shall not entitle any Member to receive any Distribution from the Company except as expressly provided hereunder.

Section 4.6 Distributions in Kind. No Member shall have any right to demand or receive a Distribution from the Company in any form other than cash, nor shall any Member be compelled to accept any distribution of property in kind except under circumstances where all Members receive undivided interests in property or substantially equivalent interests in property on the basis of their Membership Units. In the event of a Distribution of property in kind, such property shall be assumed to have been sold at its fair market value at the time of the Distribution, and the resulting gain or loss shall be allocated among the Members according to their Membership Units, and their Capital Accounts shall be adjusted accordingly.

Section 4.7 Effect of Assignment on Allocation of Net Income and Net Losses and Distributions. Net Income and Net Losses allocable to any Membership Units transferred or assigned during a year shall be allocated between the assignor and assignee based upon the length of time during any fiscal year of the Company, as measured by the effective date of the assignment, that the Membership Units were owned by each of them, or, in the discretion of the Board of Governors, based upon a cut-off of the Company books as of the effective date of the assignment. All Distributions after the effective date of the assignment shall be made to the assignee. The agreement between assignor and assignee should take into account the extent that such Distributions may be attributable to the results of operations during the time that the Membership Units were owned by the assignor.

Section 4.8 Additional Capital Contributions. The Board of Governors shall determine from time to time whether additional Capital Contributions are required. In the event that the Board makes such a determination, each Member shall make such Capital Contribution as is determined by the Board, based on the ratio which the Units owned by such Member bears to the total number of Units owned by all Members. In the event that one or more Members are unwilling or unable to make the additional Capital Contribution determined by the Board, those Members who make the additional Capital Contribution determined by the Board shall have the option to receive additional Membership Units in the Company, based on the amount of the additional

Capital Contribution made by such Member. Those Members unwilling or unable to make the additional Capital Contribution determined by the Board shall receive no additional Membership Units in the Company. The number of additional Membership Units to be received shall be determined as follows:

- a. If there shall not have been a determination of the Fair Market Value of the Units pursuant to Section 6.8(a), below, within six (6) months prior to the date the Board determines an additional Capital Contribution is necessary (the "Call Date"), then the Company shall determine, within ten (10) days of the Call Date, the Fair Market Value of the Units as of the Call Date, such determination to be made pursuant to subsections (b) - (e), below.
- b. The Fair Market Value may be determined by unanimous agreement of the Members holding all of the outstanding Units of the Company entitled to vote (the "Call Date Valuation"). In the event the Members are unable to agree upon the Fair Market Value of the Units within ten (10) days of the Call Date, the Company shall on that tenth (10th) day and at its sole expense, appoint a qualified independent appraiser to determine the Fair Market Value of the Units as of the Call Date (the "First Appraisal"). Said appraisal shall be completed within fifteen (15) days of the appointment of the appraiser.
- c. If a Member disagrees with the results of the First Appraisal ("Disagreeing Member"), the Disagreeing Member shall, within ten (10) days of the date of the First Appraisal and at its sole expense, select a qualified independent appraiser to conduct a separate appraisal of the Fair Market Value of the Units as of the Call Date (the "Second Appraisal"). Said appraisal shall be completed within fifteen (15) days of the appointment of the appraiser. The Disagreeing Member shall provide a copy of the report of such independent appraiser to the Company and to all Non-Disagreeing Members. If the Disagreeing Member does not cause a Second Appraisal to be timely made, the First Appraisal shall govern and conclusively determine the Fair Market Value of the Units.
- d. If the Second Appraisal is timely made and submitted, the Fair Market Value of the Units shall be the Fair Market Value as determined by averaging the appraised values set forth in the two valuations closest to one another. The value so determined shall be the Fair Market Value of the Units as of the Call Date and shall be binding on the parties.
- e. The number of additional Units to be received by a Member making an additional Capital Contribution determined by the Board shall be equal to the amount of the Capital Contribution made by such Member, divided by the Fair Market Value of one (1) Unit as of the Call Date, as determined by subsections (a) - (d), above.
- f. All appraisers selected to make an appraisal shall be duly qualified by training and experience to competently appraise the business and assets of the Company. In determining Fair Market Value, all appraisers shall be instructed to appraise the market value of the assets of the Company and reduce there from all liabilities of the Company to determine the total Fair Market Value of all of the issued and outstanding Units. The Fair Market Value of each Unit shall be

equal to the Fair Market Value of all of the issued and outstanding Units, divided by the total number of issued and outstanding Units. Each appraiser shall be instructed not to give any consideration to the fact that such Units are not readily transferable.

ARTICLE V TAX MATTERS

Section 5.1 Tax Characterization and Returns. The Members acknowledge that the Company will be treated as partnership Subchapter S corporation for tax purposes. Within ninety (90) days after the end of each fiscal year, the Chief Manager of the Company will cause to be delivered to each person who was a Member at any time during such fiscal year a Form K-1 and such other information, if any, with respect to the Company as may be necessary for the preparation of such Member's federal or state income tax (or information) returns, including a statement showing each Member's income, gain, or loss and credits with respect to their Units for such fiscal year for federal or state income tax purposes.

Section 5.2 Accounting Decisions. All decisions as to accounting matters shall be made by the Board of Governors in its sole discretion. The Company, at the sole discretion of the Board, may make or revoke such elections as may be allowed pursuant to the Code, including the election referred to in the Code, or any successor thereto, to adjust the basis of Company property.

ARTICLE VI BUY-SELL PROVISIONS

Section 6.1 Restrictions on Transfer. Except for Permitted Transfers, unless the prior written consent of the Company and the Members holding all of the outstanding Units of the Company entitled to vote (including the Units subject to the proposed Transfer) has first been obtained, no Member or its respective agent or legal representative of any kind shall at any time Transfer its Units except in accordance with the provisions of this Agreement and any attempt to do so will be null and void ab initio.

Section 6.2 Permitted Transfers. The following shall constitute Permitted Transfers:

- a. Any Transfer by a Member to another Member made in compliance with Section 6.6; and
- b. Any Transfer made by a Member in conformity with Section 6.6, provided that all other non-transferring Members consent in writing to such Transfer.

Section 6.3 Options Arising from Proposed Transfers.

- a. Notice and Intended Transfer. Each Member shall promptly advise the Company and the other Members in writing of the existence of all serious negotiations with any natural person and/or entity for the Transfer of any Units held by such Member. In the event any Member desires to Transfer, or determines that all or a portion of its Units should be Transferred, pursuant to a Bona Fide Offer, that Member then becomes a Transferring

Member and shall notify the Company and the other Members of that fact in a writing stating:

- (i) the Member's intention to make such Transfer;
- (ii) the number of Units intended to be Transferred;
- (iii) the identity of the person or entity making the Bona Fide Offer;
- (iv) the event giving rise to the intended Transfer; and
- (v) a copy of the Bona Fide Offer.

Such written notice is referred to herein as a "Notice of Bona Fide Offer". Notices shall contain the following information: (a) that the Transferring Member desires to sell Units; (b) the consideration for the Transfer; and (c) the terms of Transfer and attached to such notice shall be a copy of all agreements and documents pertinent to said Transfer.

b. Member Option.

- (i) For a period of thirty (30) days from the later of:
 - A. the date of delivery to the Company of a Notice of Bona Fide Offer (the "Notice Date"); or
 - B. the date of determination of the Fair Market Value of the Units subject to such Notice of Bona Fide Offer pursuant to Section 6.8 hereof;

The Remaining Members shall have and are hereby granted the right, privilege and option to elect to purchase all or a portion of the Units owned subject to the Bona Fide Offer by the Transferring Member as of the Notice Date. The purchase price of any Units acquired by the exercise of an option granted shall be the Fair Market Value of such Units. All amounts paid hereunder shall be payable in such amounts and at such times and pursuant to such other terms and conditions as further provided in Sections 6.8 and 6.10. Each Member shall have the initial right to purchase that portion of the Units of the Transferring Member equal to the ratio which the Units owned by such Member on the Notice Date bears to the total number of Units owned by all Remaining Members on the Notice Date. A Member may exercise the option granted in this subsection containing a statement of such Member's election to exercise or not exercise its option hereunder and the number of Units, if any, which it elects to acquire. Failure to provide a timely written election shall constitute the election of the Member not to exercise its option.

- (ii) In the event that one or more of the Remaining Members fails to exercise fully their initial right hereunder, the Transferring Member shall notify in writing all other Remaining Members and the Company of that fact within ten (10) days after the expiration of the initial Member option period specified in Section 6.3(b)(i)(A). Each Remaining Member who has fully exercised the Remaining Member's initial right hereunder shall thereafter have a secondary right to purchase all of the Units of the Transferring Member which the Remaining

Members have not theretofore elected to purchase under this Agreement in the ratio which such Remaining Member's existing number of Units owned on the Notice Date (exclusive of Units acquired by reason of the exercise of its initial or other rights hereunder) bears to the total number of Units owned on the Notice Date by all other Remaining Members who have fully exercised all initial and secondary rights hereunder (exclusive of Units acquired by reason of the exercise of their initial or other rights hereunder). Such secondary right may be exercised by providing written notice to the Transferring Member, the Company and the Remaining Members who have duly exercised all initial and secondary rights hereunder in the manner provided above within ten (10) days after delivery of notice of such Remaining Member of the existence of Units subject to its secondary rights hereunder. The purchase price and terms of the secondary right shall be identical to those set forth subsequently in this Section. The secondary right provided hereunder shall be renewed in the same manner until all of the Transferring Members' Units have been purchased or until no Remaining Member seeks to purchase any of the Units of the Transferring Member which the Remaining Member have not theretofore elected to purchase under this Agreement.

Section 6.4 Company's Option. If the Remaining Members do not fully exercise their rights pursuant to Section 6.3(b) to purchase all of the Units owned by the Transferring Member as of the Notice Date, the Transferring Member shall provide the Company with written notice of that fact within ten (10) calendar days after the expiration of the last option period provided under Section 6.3(b)(i)(B). The Company shall have and is hereby granted the right, privilege and option to elect to purchase all or a portion of the remaining Units owned and offered by the Transferring Member. The purchase price of any Units acquired by the exercise of an option granted shall be the Fair Market Value of such Units. All amounts paid hereunder shall be payable in such amounts and at such times and pursuant to such other terms and conditions as further provided in this Article VI. The Company's option hereunder may be exercised by providing written notice to the Transferring Member of its acceptance or rejection of such option and the number of Units it elects to acquire within thirty (30) days of the receipt of notice by the Company from the Transferring Member required by this Section 6.4. The Company's failure to provide timely response shall constitute its election not to exercise its option hereunder.

Section 6.5 Right to Transfer. If the Remaining Members and the Company do not elect to acquire at least that number of Units of the Transferring Member described in the Notice of Bona Fide Offer, the Transferring Member shall have the right, for a period of ninety (90) days from the expiration of the option period provided in Section 6.4, to Transfer the number of Units identified in the Notice of Bona Fide Offer to the Person identified in, and on the exact same terms and conditions as specified in, the Notice of Bona Fide Offer. Such Transfer shall not be made on terms and conditions other than those set forth in the Notice of Bona Fide Offer, no matter how slight any such variance may be. If the Transferring Member's Units are not so transferred within said ninety (90) day period, the proposed Transfer shall be null and void and said Units shall thereafter remain subject to all of the provisions of this Agreement.

Section 6.6 Obligations of Transferees. All transferees of Units that were transferred in accordance with any of the Transfer provisions of this Agreement shall take said Units subject to, and be entitled to the benefits of, all of the terms, conditions, restrictions, and agreements contained in this Agreement. As a condition precedent to the validity and completion of any Permitted Transfer or other proposed Transfer of Units, the transferee must execute a counterpart of this Agreement and such other pertinent documents, including, but not limited to, any other written Member Control Agreement then in effect, or any other agreements as are deemed necessary by the Company to transfer all of the obligations and rights of the Transferring Member in the Units to the transferee of such Units. Any proposed Transfer or Permitted Transfer in which a proposed transferee refuses to comply with the provisions of this Section shall be null and void ab initio.

Section 6.7 Additional Events Giving Rise to Options or Mandatory Purchase.

Events Giving Rise to Options. Upon the occurrence of any of the following events, then the Member to whom such event applies shall be deemed a Transferring Member and the Remaining Members and the Company shall have, and are hereby granted, the right, privilege and option to acquire all of the Units owned by the Transferring Member subsequent to the occurrence of such an event with respect to:

- i. The filing of a valid bankruptcy petition with respect to a Member;
- ii. Incompetence of a Member;
- iii. The divorce of a Member; or
- iv. A Member
 - A. violates any material term of this Agreement and fails to fully cease such prohibited activity within twenty (20) days of delivery of written notice by the Company or other Member to that Member asserting the occurrence of such activity;
 - B. engages in any other action which materially violates the fiduciary duties as Member, Governor and/or Manager, as the case may be, with respect to the Company and/or the Members;
 - C. is convicted of, pleads no contest to and/or pleads guilty to any felony that involves dishonesty, theft, embezzlement, misappropriation and/or fraud with respect to the Company; and/or
 - D. any act occurs or condition exists which would constitute a Transfer of any Units if the restrictions upon Transfers set forth in this Agreement did not exist and which act or condition does not constitute a Permitted Transfer or a Transfer authorized or permitted to and completed in full compliance with this Agreement.

A Member to whom any of the foregoing events apply, shall provide to the Company immediate written notice of such events.

Section 6.8 Transferring Units to Heirs. Upon the occurrence of the death of a Member, the surviving Member and the Company shall have the option of purchasing the deceased Member's Units pursuant Section 6.3. If the surviving Member or the Company do not exercise its rights to purchase pursuant to Section 6.3, the deceased Member's Units shall transfer to their respective heirs and successors, provided that any such transferee shall be required to sign any guarantees that the Member would be required to sign. The transferee shall provide to the Company immediate written notice of such events.

The options granted in Sections 6.7 and 6.8 may be exercised in accordance with the provisions of Sections 6.3 and 6.4. The Company shall provide written notice to all Members promptly after any Governor or Manager of the Company, other than the Transferring Member, first has actual knowledge that any event described in Sections 6.7 or 6.8 has occurred; the date upon which the Company delivers such notice shall be deemed to be the Notice Date under Section 6.3 with respect to such event. The purchase price of the Units subject to the option enumerated in Sections 6.7 and 6.8 shall be their Fair Market Value and shall be payable in such amounts and at such times as provided in Sections 6.10 and 6.11. In the event the Company and the Remaining Members do not elect to purchase all of the Units subject to the options provided in Section 6.7, the Transferring Member shall not be required to sell its Units hereunder; however, the provisions of this Agreement shall continue to apply to any Units retained by such Transferring Member.

Section 6.9 Member Desires to Sell.

(a) At any time, either Member (the "Initiating Member") may by delivery of a written notice (the "Buy-Sell Notice") to the other Member (the "Responding Member") initiate the buy-sell procedures set forth in this Section 6.9.

(b) The Buy-Sell Notice shall contain the following terms: (i) a statement that the notice is the Buy-Sell Notice referred to in this Section 6.9, (ii) the price per Unit (the "Unit Price") at which the Initiating Member is willing to purchase all, but not less than all, of the Units owned by the Responding Member, (iii) an irrevocable offer of the Initiating Member to the Responding Member to, at the sole election of the Responding Member exercised pursuant to Section 6.9 (c), either (1) purchase from the Responding Member all, but not less than all, of the Units owned by the Responding Member for a purchase price per Unit equal to the Unit Price, or (2) sell to the Responding Member all, but not less than all, of the Units owned by the Initiating Member for a purchase price per Unit equal to the Unit Price.

(c) Within thirty (30) days after its receipt of the Buy-Sell Notice (the "Response Period"), the Responding Member shall by delivery of a written notice to the Initiating Member (the "Response Notice") elect to either (1) sell to the Initiating Member all, but not less than all, of the Units owned by the Responding Member for a purchase price per

Unit equal to the Unit Price, or (2) purchase from the Initiating Member all, but not less than all, of the Units owned by the Initiating Member for a purchase price per Unit equal to the Unit Price.

(d) If the Responding Member does not deliver to the Initiating Member the required Response Notice during the Response Period, then, effective as of the first day following expiration of the Response Period, such failure shall be deemed to be an irrevocable acceptance and agreement of the Responding Member to sell to the Initiating Member all of the Units owned by the Responding Member for a purchase price per Unit equal to the Unit Price. Any election or deemed election of the Responding Member with respect to the Buy-Sell Notice shall be irrevocable and shall be binding on both the Responding Member and the Initiating Member.

(e) The closing of the purchase and sale of Units pursuant to this Section 6.9 (the "Closing") shall be pursuant to a equity purchase agreement customary for transactions in which the buyer and the seller are familiar with the issuer of the equity interests being purchased and sold and shall occur at the offices of the Company or at such other location agreed to by the Responding Member and the Initiating Member at 10:00 a.m. (Central time) on the first business day following the sixtieth (60th) day after the expiration of the Response Period.

(f) The Units sold pursuant to this Section 6.9 shall be transferred free and clear of all liens, claims and encumbrances (other than restrictions pursuant to this Agreement or restrictions on transfer imposed by applicable securities laws).

(g) The Company and each Member shall take all actions as may be reasonably necessary to consummate the purchase and sale contemplated by this Section 6.9, including (without limitation) entering into such agreements and delivering such consents as may be necessary, including (without limitation) any written agreements or consents as may be necessary to waive any restrictions on transfer of the Units contained in this Agreement.

(h) At the Closing, the Member having become obligated to transfer its Units pursuant to this Section 6.9 (the "Selling Member") shall deliver to the Member having become obligated to purchase the Selling Member's Units pursuant to this Section 6.9 (the "Buying Member") documents or instruments necessary to effect the irrevocable assignment and transfer of all of the Selling Member's Units, including (without limitation) the certificate or certificates representing the Selling Member's Units, endorsed as necessary, against receipt of the purchase price therefor.

(i) At the Closing, the aggregate purchase price to be paid for the Selling Member's Units pursuant to this Section 6.9 (the "Purchase Price") shall be paid by the Buying Member in full in immediately available funds, or, if the Buying Member so elects, the Purchase Price may be paid with a combination of immediately available funds and a promissory note executed by the Buying Member and delivered to the Selling Member (the "Note"), with up to fifty percent (50%) of the Purchase Price being paid pursuant to the Note, such Note to be payable with interest at a variable per annum rate of interest

equal to two percent (2%) over the "Prime Rate" as published in The Wall Street Journal on the first day of each calendar month, fully amortized over three (3) years with equal quarterly payments of principal (plus accrued interest), and secured by the Selling Member's Units pursuant to a pledge and security agreement in form and substance reasonably satisfactory to the Selling Member.

(j) At the Closing:

(i) the Buying Member shall either (1) secure the release of the Selling Member, and any affiliate of the Selling Member, from any personal liability associated with any financing of the Company or any of its subsidiaries and any obligations under this Agreement, or (2) indemnify the Selling Member from any liability in connection with any financing of the Company or any of its subsidiaries and any obligations thereafter arising under this Agreement;

(ii) any loans to the Selling Member by the Company shall be repaid by the Selling Member in full in immediately available funds;

(iii) any loans by the Selling Member to the Company shall be repaid by the Company in full in immediately available funds;

(iv) the Buying Member shall deliver to the Selling Member:

(1) the Purchase Price in accordance with Section 6.9(i), and

(2) a general release, in form and substance reasonably satisfactory to the Selling Member, for the benefit of the Selling Member and its affiliates, of all claims relating to the Company, except for claims relating to the performance or enforcement of the provisions of this Section 6.9; and

(v) the Selling Member shall deliver to the Company and the Buying Member:

(1) a written resignation, in form and substance reasonably satisfactory to the Buying Member, executed by the Selling Member providing for the resignation of the Selling Member and any of its affiliates or representatives from all positions the Selling Member or any of its affiliates or representatives holds as a manager, officer, director, employee or other position with the Company or any subsidiary of the Company,

(2) a general release, in form and substance reasonably satisfactory to the Buying Member, for the benefit of the Company, the Buying Member and their respective affiliates, of all claims relating to the Company, except for claims relating to the performance or enforcement of the provisions of this Section 6.9, and

(3) any other certificates, documents or instruments required by this Section 6.9 to be delivered by the Selling Member at the Closing.

(k) If the Selling Member shall default in its obligation to sell all of its Units in accordance with the terms of this Section 6.9, then (i) the Buying Member shall have the right to purchase the Units of the Selling Member for an amount equal to eighty percent (80%) of the Purchase Price (the "Buy-Sell Default Price"), (ii) the Selling Member and any of its affiliates and/or representatives shall be deemed removed from all positions with the Company or any of its subsidiaries without any action needing to be taken by the Company, the Buying Member or any other person or entity, and (iii) notwithstanding any provision of this Agreement to the contrary, all rights of the Selling Member under this Agreement to vote or consent to any matter shall automatically be terminated without any action needing to be taken by the Company, the Buying Member or any other person or entity. If the Selling Member shall continue to default in its obligation to sell all of its Units for a period of ten (10) days after written notice from the Buying Member to the Selling Member, the Buying Member shall be entitled to initiate legal (or arbitration) proceedings to compel the Selling Member to complete the sale of all of its Units to the Buying Member for the Buy-Sell Default Price, and the Buying Member shall have the right to recover from the Selling Member all attorneys' fees, court costs and other expenses of litigation (or arbitration) incurred by the Buying Member in connection with such proceedings. The Selling Member and the Buying Member agree that in the situation in which the Buy-Sell Default Price applies, the Buying Member will suffer damages because of the Selling Member's default, and that if the Buy-Sell Default Price is less than the fair market value of the Selling Member's Units, the difference will be regarded as liquidated damages and not as a penalty.

(l) If the Buying Member (for this purpose such Buying Member is referred to as the "Defaulting Member") shall default in its obligation to purchase all of the Units of the Selling Member in accordance with the terms of this Section 6.9 (for this purpose, such Selling Member is referred to as the "Non-Defaulting Member"), then (i) the Non-Defaulting Member shall have the right to purchase the Units of the Defaulting Member for an amount equal to eighty percent (80%) of the Purchase Price which would have been paid to the Defaulting Member had the Non-Defaulting Member elected to purchase all of the Defaulting Member's Units in response to the Buy-Sell Notice in accordance with Section 6.9(c) (the "Reverse Buy-Sell Default Price"), and the other provisions of this Section 6.9 shall also apply as though such election had been made, (ii) if the Non-Defaulting Member desires to exercise such right, it must give written notice of exercise to the Defaulting Member within fifteen (15) days after the date set for the proposed Closing at which the Defaulting Member was to purchase the Non-Defaulting Member's Units, and if it does not give such notice within such time period, the right shall expire, (iii) the Closing shall be scheduled as though the date of the Non-Defaulting Member's notice of exercise were the expiration of the Response Period under Section __ (e), and (iv) upon the Non-Defaulting Member's notice of exercise, the Defaulting Member and any of its affiliates and/or representatives shall be deemed removed from all positions with the Company or any of its subsidiaries without any action needing to be taken by the

Company, the Non-Defaulting Member or any other person or entity and, notwithstanding any provision of this Agreement to the contrary, all rights of the Defaulting Member under this Agreement to vote or consent to any matter shall automatically be terminated without any action needing to be taken by the Company, the Non-Defaulting Member or any other person or entity. If the Non-Defaulting Member does not timely exercise its right to purchase under this Section 6.9(1), it shall be entitled to receive, within three (3) business days after demand to the Defaulting Member, a payment from the Defaulting Member of cash equal to all reasonable third-party expenses incurred by the Non-Defaulting Member in connection with the proposed sale of all of its Units to the Defaulting Member; and this Section 6.9 shall otherwise no longer apply to the possible transactions resulting from the Defaulting Member's Buy-Sell Notice, which shall be deemed abandoned and neither Member may give a Buy-Sell Notice within six (6) months after the expiration of the Non-Defaulting Member's option period above in this Section 6.9(1). If the Non-Defaulting Member exercises its right to purchase under this Section 6.9(1) and the Defaulting Member shall thereafter default in its obligation to sell its Units for the Reverse Buy-Sell Default Price for a period of ten (10) days after written notice from the Non-Defaulting Member to the Defaulting Member, the Non-Defaulting Member shall be entitled to initiate legal (or arbitration) proceedings to compel the Defaulting Member to complete the sale of its Units to the Non-Defaulting Member for the Reverse Buy-Sell Default Price, and the Non-Defaulting Member shall have the right to recover from the Defaulting Member all attorneys' fees, court costs and other expenses of litigation (or arbitration) incurred by the Non-Defaulting Member in connection with such proceedings. The Non-Defaulting Member and the Defaulting Member agree that in the situation in which the Reverse Buy-Sell Default Price applies, the Non-Defaulting Member will suffer damages because of the Defaulting Member's default, and that if the Reverse Buy-Sell Default Price is less than the fair market value of the Defaulting Member's Units, the difference will be regarded as liquidated damages and not as a penalty.

(m) If the Selling Member or the Defaulting Member (as applicable) shall default in its obligation to sell all of its Units in accordance with the terms of this Section 6.9, the Buying Member or the Non-Defaulting Member (as applicable) may, at its option, in addition to all other remedies it may have, send to the Selling Member or the Defaulting Member (as applicable) by registered mail, return receipt requested, a certified or cashier's check made payable to the Selling Member or the Defaulting Member (as applicable) in the amount of the purchase price required by this Section 6.9, and concurrently therewith give notice of such action to the Company. The Company shall then (i) transfer on the Company's books and records all Units standing in the name of the Selling Member or the Defaulting Member (as applicable) to the Buying Member or the Non-Defaulting Member (as applicable), and (ii) cancel in its records the certificates representing the Units so transferred, issue in the name of the Buying Member or the Non-Defaulting Member (as applicable) a new certificate representing such Units, if applicable, and deliver such new certificate to the Buying Member or the Non-Defaulting Member (as applicable).

(n) If the Non-Defaulting Member exercises its right to purchase under Section 6.9(1), but defaults in its obligation to purchase all of the Defaulting Member's Units in accordance with Section 6.9(1), then (i) the Defaulting Member shall be entitled to receive, within three (3) business days after demand, a payment from the Non-Defaulting Member of cash equal to all reasonable third-party expenses incurred by the Defaulting Member in connection with the proposed sale of its Units to the Non-Defaulting Member, and (ii) this Section 6.9 shall otherwise no longer apply to the possible transactions resulting from the Defaulting Member's Buy-Sell Notice, which shall be deemed abandoned.

(o) Upon the transfer of a Member's Units pursuant to this Section 6.9, such Member shall cease to be a Member of the Company.

(p) During the period of time commencing on the date of the Buy-Sell Notice and ending on the earlier of: (i) the date of the consummation of the sale and purchase pursuant to this Section 6.9, or (ii) the date a Member defaults on its obligations to sell or purchase, as applicable, Units pursuant to this Section 6.9, the Company and the Members shall cause the Company to continue to operate in a manner consistent with its prior practices and this Agreement.

(q) No Buy-Sell Notice may be given while (i) the Members have rights and obligations under this Section 6.9 regarding a Buy-Sell Notice that has previously been given (i.e., until the possible transactions resulting from a previously given Buy-Sell Notice have been abandoned or deemed abandoned), or (ii) the Company or all of its managers or Members are parties to a letter of intent or letter of understanding or a binding written agreement that contemplates the merger of the Company or the sale of all or fifty percent (50%) or more of the outstanding equity interests or the assets of the Company.

(r) The Company and the Members agree that the parties hereto would be irreparably damaged if this Section 6.9 is not specifically enforced in the event of a breach or threatened breach hereof. If any controversy concerning the rights or obligations under this Section 6.9 arises, or if this Section 6.9 is breached or threatened to be breached, the parties hereto agree that remedies at law would be inadequate and that, therefore, such rights and obligations, and this Section 6.9, shall be enforceable by specific performance. The remedy of specific performance shall not be an exclusive remedy, but shall be cumulative of all other rights and remedies of the parties hereto at law, in equity or under this Agreement.

Section 6.10 Valuation.

a. Annual Valuation. The Members of the Company, shall have the right, but not the obligation, to unanimously agree in writing as to the Fair Market Value of the Units for the purposes of this Agreement. The determination or redetermination of such Fair Market Value shall be made by the unanimous consent of the Members in a writing signed by all of the Members. The Fair Market Value of the Units determined in the

manner provided in this Section shall be binding for the purposes of this Agreement except to the extent set forth in Section 6.10(b) below.

b. Appraisal.

i. If there shall not have been a determination of the Fair Market Value of the Units pursuant to Section 6.10(a) within six (6) months prior to a Valuation Date, then the Fair Market Value of the Units to be sold shall be determined pursuant to subsections (ii) - (vii), below.

ii. The Fair Market Value may be determined by unanimous agreement of the Transferring Member and the Company. In the event the Transferring Member and the Company are unable to agree upon the Fair Market Value of the Units within twenty (20) days of the Notice Date, the Company shall on that 20th day and at its sole expense, appoint a qualified independent appraiser to determine the Fair Market Value of the Units as of the Valuation Date (the "First Appraisal") for the purposes of the Transfer between the Transferring Members and those Remaining Members who have not agreed upon the Fair Market Value of the Units to be Transferred. Said appraisal shall be completed within thirty (30) days of the appointment of the appraiser. The Company shall provide the report of such independent appraiser to the Transferring Member and all Remaining Members.

iii. If the Transferring Member refuses the results of the First Appraisal, the Transferring Member may, within fifteen (15) days after the date of delivery of the First Appraisal to him, notify the Company and each Remaining Member in writing of the fact. If such notice has been timely given, the Transferring Member, at its sole expense, may then select a qualified independent appraiser to conduct a separate appraisal of the Fair Market Value of the Units as of the Valuation Date and submit that appraisal to the Board within forty five (45) days after the deliver to the Transferring Member of the First Appraisal. The Transferring Member shall provide a copy of the report of such independent appraiser to the Company and each Remaining Member. If the Transferring Member does not cause a Second Appraisal to be timely made, the First Appraisal shall govern and conclusively determine the Fair Market Value of the Units.

iv. If the Second Appraisal is timely made and submitted and if, as between the First Appraisal and the Second Appraisal, the lower appraisal is not less than eighty percent (80%) of the higher appraisal, the Fair Market Value of the Units shall be the Fair Market Value as determined in the First Appraisal. If the lower appraisal is less than eighty percent (80%) of the higher appraisal, the appraisers who submitted the First and Second Appraisal shall then mutually select a third qualified independent appraiser, the expense of which shall be equally shared by the Company and the Transferring Member, to make an appraisal of the Fair Market Value of the Units as of the Valuation Date (the "Third Appraisal"). In the event a Third Appraisal is required and the First and Second Appraisers

cannot mutually agree on a selection of a qualified third appraiser within ten (10) days after the submission of the Second Appraisal, a third appraiser shall be chosen by the Chief Judge of the Tenth Judicial District of the State of Minnesota upon the request of the Board, the Transferring Member or either of the two appraisers.

v. The Third Appraisal shall be completed within thirty (30) days after its selection, and the Fair Market Value set forth in the Third Appraisal shall be averaged with either of the First or Second Appraisals, whichever of those two appraisal's value is closest to the appraised value set forth in the Third Appraisal. The value so determined shall be the Fair Market Value for the purposes hereof and shall be binding on the parties.

vi. Except as otherwise expressly provided above, the costs of an appraisal shall be borne by the party ordering or requesting such appraisal. If a Third Appraisal is used to determine the Fair Market Value, the cost of such Third Appraisal shall be paid by the party whose appraisal is not used in the determination of the Fair Market Value.

vii. All appraisers selected to make an appraisal shall be duly qualified by training and experience to competently appraise the business and assets of the Company. In determining Fair Market Value, all appraisers shall be instructed to appraise the market value of the assets of the Company and reduce there from all liabilities of the Company to determine the total Fair Market Value of all of the issued and outstanding Units. The Fair Market Value of the Units being sold shall be equal to the Fair Market Value of all of the Units, divided by the total number of issued and outstanding Units, and multiplied by the number of Units being sold. Each appraiser shall be instructed not to give any consideration to the fact that such Units are not readily transferable.

Section 6.11 Payments for Units.

a. Closing Date. The Closing of the transaction with respect to the sale of Units of a Transferring Member pursuant to this Agreement, shall occur at a time of day and place mutually agreeable to the Transferring Member (or the representative of such Member) and the Purchasers on a date not later than sixty (60) days subsequent to the expiration of the last option period applicable to any of the Units or, in the event that the Company is obligated to purchase a Transferring Member's Unit, then Closing shall be no later than sixty (60) days after the last option period with respect to the Remaining Members.

b. Payment Terms. The purchase price of any Units acquired in a sale pursuant to this Agreement shall be paid in cash or certified funds. Unless the Members holding all of the outstanding Units of the Company entitled to vote unanimously agree otherwise, twenty percent (20%) of the purchase price shall be paid at Closing. The remaining

principal balance of the purchase price shall be paid in sixty (60) equal consecutive monthly installments commencing on the first day of the month following the Closing Date and continuing on each and every month thereafter, together with interest accrued on the unpaid balance at the Applicable Rate.

As evidence of any installment payment obligations incurred by the payment terms of this section, each Purchaser shall issue to the Transferring Member on the Closing Date a Promissory Note providing for payment as set forth above.

Section 6.12 Company Action.

a. Amounts Due. Any sums due and payable by the Company pursuant to this Article VI to a Member or successor shall be reduced by any indebtedness which may be due and owing by any such Member to the Company.

b. Termination. The terms of this Article VI shall terminate upon the occurrence of any of the following events:

- i. the unanimous affirmative written consent of the Company and the Members holding all of the outstanding Units of the Company entitled to vote;
- ii. the cessation of the business of the Company as agreed to by the Members holding all of the outstanding Units of the Company entitled to vote; or
- iii. the valid entry of an order for relief under Chapter 7 of the Bankruptcy Code with respect to the Company, or the dissolution or complete liquidation of the Company.

ARTICLE VII
AGREEMENT TO AVOID DISSOLUTION

Section 7.1 Dissolution Avoidance Consent. Each Member agrees that, at the request of the Company and no later than thirty (30) days after the occurrence of an event that terminates the continued membership of a Member, each Remaining Member with Rights shall consent to the continuation of the Company as a legal entity without dissolution and to the continuation of its business.

Section 7.2 Status of Terminated Member if Dissolution is Avoided. If dissolution is avoided under Section 7.1, then the Member whose interest has terminated shall lose all Rights. Notwithstanding the foregoing, however, if the Remaining Members with Rights unanimously agree, the terminated Member shall retain the Rights owned before the termination of Membership, unless such Member has transferred all of such Member's Units and/or all of such Member's Rights pursuant to the terms of this Agreement.

ARTICLE VIII BUSINESS CONTINUATION AGREEMENT

Section 8.1 Agreement to Continue Business. If one or more Members fails to give the consent specified in Article VII and the Company dissolves as a result, each Member agrees that the Company and the Members shall have the right to transfer the Company's assets and business to a successor limited liability company and to continue its business in such successor as provided in Section 8.2.

Section 8.2 Procedures to Transfer and Continue Business. Following dissolution in the circumstances described in Section 8.1, the Board shall organize a new limited liability company (the "Successor") under the Act and shall prepare a plan of merger pursuant to which the Company would be merged into the Successor, which would be the surviving company, and the Membership Units of the Members in the Company would be converted into Membership interests or units in the Successor with substantially identical rights as those under the Company. If approved by the Members holding a majority of the outstanding Units of the Company with Rights, such merger shall be promptly effected in accordance with law. The articles of organization and operating agreement of the Successor shall, to the greatest extent practicable, be identical to the Articles of Organization and Operating Agreement of the Company. Each Member agrees to waive any dissenters' rights with respect to such merger. If, notwithstanding the agreement in the previous sentence, the Act allows a Member to assert dissenters' rights, and a Member asserts dissenters' rights, such rights shall be limited as and subject to the offset provided in the Act.

ARTICLE IX OFFICES

Section 9.1. Registered Office. The registered office of the Company shall be located within the State of Minnesota as set forth in the Articles of Organization. The registered office need not be identical with the principal executive office of the Company and may be changed from time to time by the Board of Governors.

Section 9.2. Other Offices. The Company may have other offices, including its principal executive office, at such places within and without the State of Minnesota as the Board of Governors may determine from time to time.

ARTICLE X MEMBERS

Section 10.1. Place of Meetings. All meetings of the Members of the Company shall be held at its principal executive office unless some other place for any such meeting within or without the State of Minnesota is designated by the Board of Governors in the notice of meeting. Any regular or special meeting of the Members of the Company called by or held pursuant to a written demand of Members shall be held in the county where the principal executive office of the Company is located.

Section 10.2. Regular Meetings. Regular meetings of the Members of the Company shall be held on an annual or less frequent basis as determined by the Board of Governors. At regular meetings, the Members shall elect a Board of Governors and transact such other business as may be appropriate for action by Members. If a regular meeting of Members has not been held for a period of fifteen (15) months, one or more Members holding not less than three percent (3%) of the voting power of the Members may call a regular meeting of Members by delivering to the Chief Manager or Treasurer a written demand for a regular meeting. Within thirty (30) days after the receipt of such a written demand by the Chief Manager or Treasurer, the Board of Governors shall cause a regular meeting of Members to be called and held on notice no later than ninety (90) days after the receipt of such written demand, all at the expense of the Company.

Section 10.3. Special Meetings. Special meetings of the Members, for any purpose or purposes appropriate for action by Members, may be called by the Chief Manager, by the acting Chief Manager in the absence of the Chief Manager, by the Treasurer, or by the Board of Governors or any two or more Governors. Such meeting shall be held on such date and at such time and place as shall be fixed by the person or persons calling the meeting and designated in the notice of meeting. A special meeting may also be called by one or more Members owning ten percent (10%) or more of the voting power of the Members. The Members calling such meetings shall deliver to the Chief Manager or Treasurer a written demand for a special meeting, which demand shall contain the purposes of the meeting. Within thirty (30) days after the receipt of such a written demand for special meeting of Members by the Chief Manager or Treasurer, the Board of Governors shall cause a special meeting of Members to be called and held on notice no later than ninety (90) days after the receipt of such written demand, all at the expense of the Company. Business transacted at any special meeting of Members shall be limited to the purpose or purposes stated in the notice of meeting. Any business transacted at any special meeting of Members that is not included among the stated purposes of such meeting shall be voidable by or on behalf of the Company unless all of the Members entitled to vote have waived notice of the meeting.

Section 10.4. Notice of Meetings. Except where a meeting of Members is an adjourned meeting and the date, time, and place of such meeting were announced at the time of adjournment, notice of all meetings of Members stating the date, time, and place thereof, and any other information required by law or desired by the Board of Governors or by such other person or persons calling the meeting, and in the case of special meetings, the purpose or purposes thereof, shall be given to each Member of record entitled to vote at such meeting not less than three (3) nor more than sixty (60) days prior to the date of such meeting. If a plan of merger or exchange or the sale or other disposition of all or substantially all of the assets of the Company is to be considered at a meeting of Members, notice of such meeting shall be given to every Member, whether or not entitled to vote. The notice of meeting at which there is to be considered a proposal to adopt a plan of merger or exchange or the sale or other disposition of all or substantially all of the assets of the Company shall be given not less than fourteen (14) days prior to the date of such meeting, shall state the purpose of such meeting, and, where a plan of merger or exchange is to be considered, shall include a copy or a short description of the plan. Notices of meetings shall be given to each Member entitled thereto by mailing a copy thereof to such Member at an address designated by such Member or to the last known address of such Member, by handing a copy thereof to such Member, or by any other delivery that conforms to law. Notice by mail shall be

deemed given when deposited in the United States mail with sufficient postage affixed. Notice shall be deemed received when it is given.

Section 10.5. Notice Waiver. Any Member may waive notice of any meeting of Members. Waiver of notice shall be effective whether given before, at, or after the meeting and whether given orally, in writing, or by attendance. Attendance by a Member at a meeting is a waiver of notice of that meeting, except where the Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting, or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and does not participate in the consideration of that item at the meeting.

Section 10.6. Record Date. For the purpose of determining Members entitled to notice of and to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Board of Governors may, but need not, fix a date as the record date for any such determination of Members, which record date, however, shall in no event be more than sixty (60) days prior to any such intended action or meeting.

Section 10.7. Quorum. The owners of collectively sixty percent (60%) or more of the Membership Units of the Company entitled to vote at a meeting shall constitute a quorum at a meeting of Members for the purpose of taking any action other than adjourning such meeting. If the owners of a majority of the Membership Units entitled to vote are not represented at a meeting, the Members present in person or by proxy shall constitute a quorum for the sole purpose of adjourning such meeting, and the owners of a majority of the Membership Units entitled to vote so represented may adjourn the meeting to such date, time, and place as they shall announce at the time of adjournment. Any business that might have been transacted at the adjourned meeting had a quorum been present, may be transacted at the meeting held pursuant to such an adjournment and at which a quorum shall be represented. If a quorum is present when a duly called or held meeting is convened, the Members present may continue to transact business until adjournment, even though the withdrawal of a number of Members originally represented leaves less than the number otherwise required for a quorum.

Section 10.8. Voting and Proxies. At each meeting of the Members, every Member shall be entitled to one (1) vote for each Membership Unit which carries voting rights, except as may be otherwise provided in the Articles of Organization or as may be required to provide for cumulative voting (if not denied by the Articles of Organization). No appointment of a proxy shall be valid for any purpose more than eleven (11) months after the proxy was authorized. All proxies shall be in writing (which shall include telegraphing, cabling or telephotographic transmission), notarized, and shall be filed with a manager of the Company before or at the meeting at which the appointment is to be effective. An appointment of a proxy for Membership Units entitled to vote held jointly by two or more Members shall be valid if signed by any one of them, unless a manager of the Company receives from any one of such Members written notice either denying the authority of another of such Members to appoint a proxy or appointing a different proxy. All questions regarding the qualification of voters, the validity of appointments

of proxies, and the acceptance or rejection of votes shall be decided by the presiding manager or governor of the meeting.

Section 10.9. Action by Members. The Members shall take action by the affirmative vote of the owners of a majority of the Membership Units present, in person or represented by proxy, and entitled to vote, except where a different vote is required by law, the Articles of Organization, or this Operating Agreement.

Section 10.10. Action by Writing. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting by written action signed by the Members who own the number of Membership Units entitled to vote that would be required to take the same action at a meeting of Members at which all Members entitled to vote were present. If any written action is taken by less than all Members entitled to vote, all Members entitled to vote shall be notified immediately of its text and effective date. The failure to provide such notice, however, shall not invalidate such written action.

ARTICLE XI

GOVERNORS

Section 11.1. General Powers. The business and affairs of the Company shall be managed by or under the direction of its Board of Governors (Governor-Managed). The Governors may exercise all such powers and do all such things as may be exercised or done by the Company, subject to the provisions of applicable law, the Articles of Organization, and this Operating Agreement. Notwithstanding the foregoing, upon conversion of the convertible note pursuant to the Note Purchase Agreement, the business and affairs of the Company shall commence to be managed by or under the direction of its Members, whereupon the Governors shall not take any action without the affirmative vote of a majority (or such greater vote as may expressly be required hereunder) of the outstanding and issued Membership Units.

Section 11.2. Number, Tenure, and Qualification. The number of Governors which shall constitute the whole Board of Governors shall be fixed from time to time by resolution of the Members, subject to increase by resolution of the Board of Governors. In the event that the Members fail to otherwise fix the number of Governors, the number of Governors shall be two (2), subject to increase by resolution of the Board of Governors. No decrease in the number of Governors pursuant to this Section shall effect the removal of any Governor then in office except upon compliance with the provisions of Section 11.7. Except as otherwise expressly provided herein, each Governor shall be elected at a regular meeting of Members and shall hold office until the next regular meeting of Members and thereafter until a successor is duly elected and qualified, unless a prior vacancy shall occur by reason of death, resignation, or removal from office. Governors shall be natural persons, but need not be Members.

Section 11.3. Meetings. Meetings of the Board of Governors may be held at such times and places as shall from time to time be determined by the Board of Governors. Meetings of the Board of Governors may be called by the Chief Manager, by the acting Chief Manager in the absence of the Chief Manager, or by any Governor, in which case the person or persons calling

such meeting may fix the date, time, and place thereof, either within or without the State of Minnesota, and shall cause notice of the meeting to be given.

Section 11.4. Notice of Meetings. If the date, time, and place of a meeting of the Board of Governors has been announced at a previous meeting, no notice is required. In all other cases three (3) days' notice of meetings of the Board of Governors, stating the date and time thereof and any other information required by law or desired by the person or persons calling such meeting, shall be given to each Governor. If notice of meeting is required, and such notice does not state the place of the meeting, such meeting shall be held at the principal executive office of the Company. Notice of meetings of the Board of Governors shall be given to Governors in the manner provided in this Operating Agreement for giving notice to Members of meetings of Members. Any Governor may waive notice of any meeting. A waiver of notice by a Governor is effective whether given before, at, or after the meeting, and whether given orally, in writing, or by attendance. The attendance of a Governor at any meeting shall constitute a waiver of notice of such meeting, unless such Governor objects at the beginning of the meeting to the transaction of business on grounds that the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

Section 11.5. Quorum and Voting. A majority of the Governors currently holding office shall constitute a quorum for the transaction of business at any meeting of the Board of Governors. In the absence of a quorum, a majority of the Governors present may adjourn the meeting from time to time until a quorum is present. If a quorum is present when a duly called or held meeting is convened, the Governors present may continue to transact business until adjournment, even though the withdrawal of a number of Governors originally present leaves less than the number otherwise required for a quorum. The Board of Governors shall take action by the affirmative vote of a majority of the Governors present at any duly held meeting, except as to any question upon which any different vote is required by law or the Articles of Organization. A Governor may give advance written consent or objection to a proposal to be acted upon at a meeting of the Board of Governors. If the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the Governor has consented or objected, such consent or objection shall be counted as a vote for or against the proposal and shall be recorded in the minutes of the meeting. Such consent or objection shall not be considered in determining the existence of a quorum.

Section 11.6. Vacancies and New Governorships. Any vacancy occurring in the Board of Governors may be filled by the affirmative vote of a majority of the Governors remaining in office, even though said remaining Governors be less than a quorum. Any newly created governorship resulting from an increase in the authorized number of Governors by action of the Board of Governors may be filled by a majority vote of the Governors serving at the time of such increase. Any vacancy or newly created governorship may be filled by resolution of the Members.

Section 11.7. Removal of Governors. The entire Board of Governors or any Governor or Governors may be removed from office, for Cause, at any special meeting of the Members duly called for that purpose as provided in this Operating Agreement, by a vote of the Members owning a majority of the Membership Units entitled to vote at an election of Governors. For

purposes of this Section, "Cause" shall mean the material breach of the Governor's duties and responsibilities to the Company. At such meeting, without further notice, the Members may fill any vacancy or vacancies created by such removal as provided in Section 11.6. Any such vacancy not so filled may be filled by the Governors as provided in Section 11.6. Any Governor named by the Board of Governors to fill a vacancy may be removed at any time, with or without cause, by an affirmative vote of a majority of all remaining Governors (including remaining Governors that were elected by the Members and remaining Governors elected by the Governors without Member action pursuant to Section 11.6), even though said remaining Governors be less than a quorum, if the Members have not elected Governors in the interval between the appointment to fill the vacancy and the time of removal.

Section 11.8. Action in Writing. Any action required or permitted to be taken at a meeting of the Board of Governors may be taken by written action signed by all of the Governors then in office. If the action does not require Member approval, such action shall be effective if signed by the number of Governors that would be required to take the same action at a meeting at which all Governors were present. If any written action is taken by less than all Governors, all Governors shall be notified immediately of its text and effective date. The failure to provide such notice, however, shall not invalidate such written action.

Section 11.9. Limitations on Actions of the Company. The parties agree that the following actions of the Company shall require the affirmative vote of at least seventy-five percent (75%) of the issued and outstanding Units and may not be taken by the Board of Governors without such Member approval:

- a. The sale, lease, license, or other disposition, including the pledge or other encumbering, of all or substantially all of the Company's assets, or of any assets the absence of which has a material adverse effect upon the business or financial condition of the Company;
- b. The recapitalization or reorganization of the Company, the consolidation or merger of the Company with or into any other company or entity, or the consolidation or merger of another company or entity with or into the Company;
- c. The dissolution, liquidation, or termination of the business of the Company;
- d. The amendment of the Articles.
- e. The issuance of any new Units or other equity interest in the Company;
- f. Any material change in the Company's corporate structure or in the rights of its Units.

Section 11.10 Meetings by Means of Electronic Communication. Members of the Board of Governors of the Company may participate in a meeting of the Board by means of conference telephone or similar means of communication by which all persons participating in the meeting can simultaneously hear and speak to each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

ARTICLE XII MANAGERS

Section 12.1. Number and Qualification. The Managers of the Company shall consist of one or more natural persons elected by the Board of Governors exercising the functions of the offices, however designated, of Chief Manager, President, Treasurer, and Secretary. The Board of Governors may also appoint such other Managers as it may deem necessary or advisable. Except as provided in this Operating Agreement, the Board of Governors shall fix the powers, duties, and compensation of all Managers. Managers may be, but need not be, Governors of the Company. Any number of Manager positions may be held by the same person.

Section 12.2. Term of Office. A Manager shall hold office until a successor shall has been duly elected, unless prior thereto such Manager shall have resigned or been removed from office as hereinafter provided.

Section 12.3. Removal and Vacancies. Any Manager or agent elected or appointed by the Board of Governors shall hold office at the pleasure of the Board of Governors and may be removed, for Cause, at any time by the vote of a majority of the Board of Governors present. For purposes of this Section, "Cause" shall mean a material breach of the Manager's duties and responsibilities to the Company. Any vacancy in an office of the Company shall be filled by action of the Board of Governors.

Section 12.4. Chairperson of the Board. The Board of Governors may elect a Chairperson of the Board who, if elected, shall preside at all meetings of the Members and of the Board of Governors and shall perform such other duties as may be prescribed by the Board of Governors from time to time.

Section 12.5. Chief Manager. Unless provided otherwise by a resolution adopted by the Board of Governors, the Chief Manager shall have general active management of the business of the Company, and in the absence of the Chairperson of the Board or if the office of Chairperson of the Board is vacant, shall preside at meetings of the members and Board of Governors, shall see that all orders and resolutions of the Board of Governors are carried into effect, shall have authority to sign and deliver in the name of the Company any deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the Company, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the Articles of Organization, this Operating Agreement, or the Board of Governors to some other Manager or agent of the Company, may maintain records of and certify

proceedings of the Board of Governors and Members, and shall perform such other duties as may from time to time be prescribed by the Board of Governors.

Section 12.6. President. Unless otherwise determined by the Board of Governors, the Chief Manager shall be the President of the Company. If a Manager other than the Chief Manager is designated President, the President shall have such powers and perform such duties as the Board of Governors or the Chief Manager may prescribe from time to time.

Section 12.7. Treasurer. Unless provided otherwise by a resolution adopted by the Board of Governors, the Treasurer shall keep accurate financial records for the Company, shall deposit all moneys, drafts, and checks in the name of and to the credit of the Company in such banks and depositories as the Board of Governors shall designate from time to time, shall endorse for deposit all notes, checks, and drafts received by the Company as ordered by the Board of Governors, making proper vouchers therefore, shall disburse Company funds and issue checks and drafts in the name of the Company as ordered by the Board of Governors, shall render to the Chief Manager and the Board of Governors, whenever requested, an account of all such Manager's transactions as Treasurer and of the financial condition of the Company, and shall perform such other duties as may be prescribed by the Board of Governors or the Chief Manager from time to time.

Section 12.8. Secretary. The Secretary shall attend all meetings of the Board of Governors and of the Members and shall maintain records of, and whenever necessary, certify all proceedings of the Board of Governors and of the Members. The Secretary shall keep the Required Records of the Company, when so directed by the Board of Governors or other person or persons authorized to call such meetings, shall give or cause to be given notice of meetings of the Members and of meetings of the Board of Governors, and shall also perform such other duties and have such other powers as the Chief Manager or the Board of Governors may prescribe from time to time.

ARTICLE XIII MEMBERSHIP UNITS

Section 13.1. Membership Units. Membership interests in the Company shall be represented by Membership Units. Membership Units shall be deemed to be personal property but shall not be evidenced by any writing, except as provided in this Section. At the request of any Member, the Company shall state in writing the particular Membership Units, owned by that Member at the time of the statement. The statement must describe the Member's voting rights, share in profits and losses, share in distributions, and any assignment of the Member's rights then in effect, but such statement shall not be: (i) a certificated security as defined in Minnesota Statutes Section 336.8-102(a); (ii) an uncertificated security as defined in Minnesota Statutes Section 336.8-102(a); nor (iii) a negotiable instrument; and (iv) nor may such statement be used to transfer any Membership Unit, in whole or in part. For the purpose of any law relating to security interests, a Membership Unit and any rights appurtenant thereto are each a general intangible.

ARTICLE XIV **REQUIRED RECORDS**

Section 14.1. The books and records of the Company shall be maintained at the designated or principal office of the Company as listed in the Articles of Organization and shall be available for examination there by any Member or his, her or its duly authorized representatives by appointment during ordinary business hours upon ten (10) days' notice. The Company shall keep the following records: (a) a current list of the full legal name and last known business address of each Member; (b) a copy of the Articles of Organization, this Operating Agreement and all amendments to any of the foregoing, and executed copies of any powers of attorney pursuant to which any of the foregoing have been executed; (c) copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years; (d) copies of any financial statements of the Company for the three (3) most recent years; and (e) a writing setting out contributions made and agreed to be made by each Member, and, if other than cash, the agreed value of such contributions. In addition, the Company shall maintain any other books and records required to be maintained by Chapter 322C of the Minnesota Statutes, and such additional books and records as the Board of Governors or Chief Manager deems advisable.

ARTICLE XV **INDEMNIFICATION**

Section 15.1. Indemnification. The Company shall indemnify its managers and governors for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as required or permitted by law, as amended from time to time, or as required or permitted by other provisions of law.

Section 15.2. Insurance. The Company may purchase and maintain insurance on behalf of any person in such persons' official capacity against any liability asserted against and incurred by such person in or arising from that capacity, whether or not the Company would otherwise be required to indemnify the person against the liability.

ARTICLE XVI **MISCELLANEOUS**

Section 16.1 Distributions. The Board of Governors from time to time may declare, and the Company may make, distributions on its outstanding Membership Units.

Section 16.2 Fiscal Year. The fiscal year of the Company shall be such twelve (12) month period as is set by a resolution of the Board of Governors, provided, however, that the first fiscal year of the Company may be a shorter period if permitted by law and set by a resolution of the Board of Governors.

Section 16.3 Execution of Instruments. All deeds, mortgages, bonds, checks, contracts or other instruments pertaining to the business and affairs of the Company shall be signed on behalf of the Company by the Chief Manager or President, or by such other person as may be designated from time to time by the Board of Governors. If a document must be executed by persons

holding different positions or functions and one person holds such positions or exercises such functions, that person may execute the document in more than one capacity if the document indicates each such capacity.

Section 16.4 Advances. The Company may, without a vote of the Governors, advance money to its Governors, managers or employees to cover expenses that can reasonably be anticipated to be incurred by them in the performance of their duties and for which they would be entitled to reimbursement in the absence of an advance.

Section 16.5 Governing Law and Dispute Resolution.

a. Notwithstanding the fact that the Company may conduct business in states other than Minnesota, and notwithstanding the fact that some or all of the Members may be residents of states other than Minnesota, this Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the State of Minnesota without reference to the Conflicts of Laws of Minnesota.

b. If a Member intends to pursue a remedy in connection with this Agreement that Member shall notify the other Members of such intent and the other Members shall have 30 days from the notice's mailing date to resolve the issue. If the issue is not resolved, the Members shall engage in an in-person, good faith and full day (9 a.m. – 5 p.m.) mediation in Minneapolis, Minnesota seeking to resolve the issue before any Member may undertake other enforcement proceedings. The mediator must be a qualified neutral by inclusion on the Minnesota State Court Roster of Neutrals under Rule 114 ("Roster") to be chosen by the Member raising the issue, or mutually agreed upon by all the Members in the event the Members have raised issues against each other. If the mediation does not timely settle the issue, then the Members shall proceed to a legally binding arbitration conducted by the American Arbitration Association under its Rules in Minneapolis, Minnesota. The arbitration shall be scheduled and conducted with time urgency so that a final and legally binding arbitration award is issued no later than 90 days after the initial notice was mailed to the addressee. Additionally, non-monetary relief shall be exclusively sought in Hennepin County State Court and the Members agree that the Court has personal jurisdiction over the Members. The Members shall equally pay for the mediation costs with each Member responsible for their respective legal fees related to the mediation. The Member most prevailing in the arbitration or in the lawsuit shall be entitled to reimbursement from the other Members of its reasonable expenses and reasonable costs, including its reasonable legal fees, upon issuance of arbitration award and/or court order. This Section shall survive the termination or expiration of this Agreement.

Section 16.6 Resignation. If all the Membership Units of a Member are purchased by the Company pursuant to the terms of this Agreement, at the time of the Closing of such purchase said Member shall tender his resignation as a Manager and Governor of the Company. The provisions of this Section shall apply to Managers and Governors of the Company regardless of whether their Membership Units are held directly or indirectly.

Section 16.7 The Respective Operational Roles of the Members and Other Business Activities. The Members shall perform their respective functions set forth by the Board of Governors. Nothing herein is intended to prohibit or to otherwise discourage any party hereto from engaging in business activities or business ventures in addition to their activities in connection to the Company provided that such activities and/or ventures (a) do not violate any express term or provision of this Agreement, and (b) do not result in a party's violation of a Member's duty to use his best and good faith efforts to promote the business of the Company as well as any fiduciary duty that such party may owe to the Company either by agreement and/or law, including without limitation, those fiduciary duties of Members, Governors and Managers under the Act.

Section 16.8 Return of Company's Property. Upon a Member's resignation and/or termination as a Manager and/or Governor of the Company, and/or upon the termination of a Member's Membership in the Company, such party shall within five (5) days thereof, return to the Company all of the Company's property in such party's control or possession.

Section 16.9 Articles of Organization. The Articles of Organization of the Company are incorporated by reference and hereby made a part of this Agreement. In the event of any conflict between the Articles of Organization or this Agreement, the provisions of this Agreement shall govern to the extent not contrary to law.

Section 16.10 Binding Effect. This Agreement will be binding upon and inure to the benefit of the Members and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Section 16.11 Severability. If any provision of this Agreement is held, to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable, and this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part this Agreement, and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible so as to be legal, valid, and enforceable.

Section 16.12 Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. However, in making proof hereof it will be necessary to produce only one copy hereof signed by the party to be charged.

Section 16.13 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

Section 16.14 No Third Party Beneficiary. This Agreement is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claim hereunder or be entitled to any benefits under or on account of this Agreement, whether as a third party beneficiary or otherwise.

Section 16.15 Notices. Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing and will be deemed to have been given when received by the Company. Notices to Members will be deemed given when (i) delivered personally to a Member, (ii) delivered via telegraph or facsimile to a location or number designated by a Member, or (iii) deposited in the United States mail, certified, postage prepaid and addressed to a Member at the address specified in the Company's records. Any Member or the Company may, at any time by giving five (5) days prior written notice to the other Members and the Company, designate any other address in substitution of the foregoing address to which such notice will be given.

Section 16.16 Headings and Titles. Article and section headings and titles are for descriptive purposes and convenience of reference only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 16.16 Interpretation. Singular words or phrases in this Agreement may be construed as plural and plural words or phrases may be construed as singular depending on the circumstances and what is most appropriate in any given situation. The words "his" and "her" shall be interpreted to include both genders.

Section 16.16 Entire Agreement. This is the complete agreement as to the parties hereto as to the subject matter hereto and supersedes all prior agreements written, or oral, concerning the subject matter hereof.

Section 16.16 Dissenter's Rights. All existing Members and all future Members hereby explicitly waive all dissenter's rights afforded to them by any statutory provision, or by applicable case law, to the maximum extent such rights are waiveable.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first above written, or with respect to Members acquiring Membership Interests after the date of this Agreement, on the date opposite the Member's signature.

BURNING BROTHERS BREWING, LLC



By: Dane R. Breimhorst
Its: President/Chief Manager

12/31/17

Date

GOVERNORS:



Thomas R. Foss

12/31/17

Date



Dane R. Breimhorst

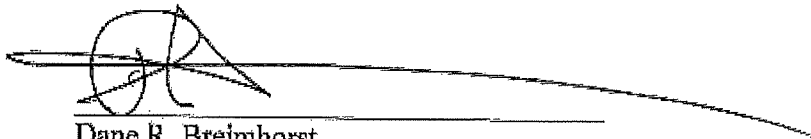
12/31/17

Date

CLASS A MEMBERS:

A handwritten signature in black ink, appearing to be 'T. R. Foss', written over a horizontal line.


Thomas R. Foss


A handwritten signature in black ink, appearing to be 'Dane R. Breimhorst', written over a horizontal line.

Dane R. Breimhorst


CLASS B MEMBERS:

Carol Breimhorst



Richard B. Greenwood as Trustee of the
Richard B. Greenwood Revocable Trust U/A
dated July 28, 1994



David Nordrum




Rebecca S. Foss as Trustee of the Richard B.
Greenwood Revocable Trust U/A dated July
28, 1994



Dennis Daly

David A. Greenwood as Trustee of the Richard
B. Greenwood Revocable Trust U/A dated July
28, 1994


Monte Rohrbach




Richard B. Greenwood as Trustee of the Carol
S. Greenwood Family Trust U/A dated July 28,
1994



Rebecca Foss



Rebecca S. Foss as Trustee of the Carol S.
Greenwood Family Trust U/A dated July 28,
1994



Thomas R. Foss

David A. Greenwood as Trustee of the Carol S.
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1994



SCHEDULE A

BURNING BROTHERS BREWING, LLC

Membership Units Owned as of December 31st, 2017

Member	Units	Governance Rights	Financial Rights	Consideration
Thomas R. Foss	500 Class A 75 Class B	50% 0%	40.00% 8.53%	\$100.00 \$303,741.23 ¹
Dane R. Breimhorst	500 Class A	50%	40.00%	\$100.00
Carol Breimhorst	3 Class B	0%	0.36%	\$12,841.59 ¹
Richard B. Greenwood, Rebecca S. Foss and David A. Greenwood as Trustees of the Richard B. Greenwood Revocable Trust U/A dated July 28, 1994	6.3 Class B	0%	0.72%	\$25,534.22 ¹²
Richard B. Greenwood, Rebecca S. Foss and David A. Greenwood as Trustees of the Carol S. Greenwood Family Trust U/A dated July 28, 1994	3.7 Class B	0%	0.42%	\$15,000.00 ¹²
Craig Breimhorst	3 Class B	0%	0.36%	\$12,841.59 ¹
David Nordrum	30 Class B	0%	3.38%	\$120,457.20 ¹
Dennis Daly	1 Class B	0%	0.17%	\$6,022.89 ¹
Monte Rohrbach	3 Class B	0%	0.34%	\$12,000.00 ¹
Rebecca Foss	50 Class B	0%	5.72%	\$203,434.41 ¹

NOTES:

1. Certain Promissory Notes were converted to Class B Units constituting 20% of the Company's issued and outstanding membership interest units pursuant to that certain Promissory Notes Conversion Agreement dated January 1, 2017.
2. Original Note holder was Carol Greenwood, who passed away on June 25, 2016. Her beneficiaries were as follows:
 - \$25,534.22 – Richard B. Greenwood, Rebecca S. Foss and David A. Greenwood, as Trustees of the Richard B. Greenwood Revocable Trust U/A July 28, 1994, and any amendments thereto; and
 - \$15,000.00 – Richard B. Greenwood, Rebecca S. Foss and David A. Greenwood as Trustees of the Carol S. Greenwood Family Trust U/A dated July 28, 1994

EXHIBIT E TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE

Subscription Agreement

**BURNING BROTHERS BREWING, LLC
SUBSCRIPTION AGREEMENT
(Including investment representations)**

**IMPORTANT: This document contains significant representations.
Please read carefully before signing.**

Burning Brothers Brewing, LLC
Attn: Thomas R. Foss
1750 Thomas Ave. W.
St. Paul, Minnesota 55104

Ladies and Gentlemen:

I desire to purchase the principal amount in "Convertible Notes" set forth below in BURNING BROTHERS BREWING, LLC, a Minnesota limited liability company (the "Company").

I understand that this Subscription Agreement is conditioned upon Company's acceptance of subscriptions. If this Subscription Agreement has been accepted, the Convertible Notes subscribed to hereby shall be issued to me in the form of Convertible Notes.

With respect to such purchase, I hereby represent and warrant to you that:

Residence.

I am a bona fide resident of (or, if an entity, the entity is domiciled in) the state set forth on my signature page.

Subscription.

- a. I hereby subscribe to purchase the number of Convertible Notes set forth below, and to make capital contributions to the Company in the amounts set forth below, representing the purchase price for the Convertible Notes subscribed.

Principal Amount of Convertible Notes (1)

(1) A minimum purchase of \$1,000.00, is required for individual investors, which may be waived by the Company on a case by case basis. Amounts may be subscribed for in \$ increments.

- b. I have funded my purchase via ACH, wire transfer or I am enclosing a check made payable to "BURNING BROTHERS BREWING, LLC" in an amount equal to 100% of my total subscription amount.
- c. I acknowledge that this subscription is contingent upon acceptance by the Company, and that the Company has the right to accept or reject subscriptions in whole or in part.

Representations of Investor.

In connection with the sale of the Convertible Notes to me, I hereby acknowledge and represent to the Company as follows: I hereby acknowledge receipt of a copy of the Confidential Private Placement Memorandum of the Company, dated on or about January 15, 2020, (the "Memorandum"), relating to the offering of the Convertible Notes.

- a. I have carefully read the Memorandum, including the section entitled "Risks Factors", and have relied solely upon the Memorandum and investigations made by me or my representatives in making the decision to invest in the Company. I have not relied on any other statement or printed material given or made by any person associated with the offering of the Convertible Notes.
- b. I have been given access to full and complete information regarding the Company (including the opportunity to meet with the Head of Business Operations of the Company and review all the documents described in the Memorandum and such other documents as I may have requested in writing) and have utilized such access to my satisfaction for the purpose of obtaining information in addition to, or verifying information included in, the Memorandum.
- c. I am experienced and knowledgeable in financial and business matters, capable of evaluating the merits and risks of investing in the Convertible Notes, and do not need or desire the assistance of a knowledgeable representative to aid in the evaluation of such risks (or, in the alternative, I have used a knowledgeable representative in connection with my decision to purchase the Convertible Notes).
- d. I understand that an investment in the Convertible Notes is highly speculative and involves a high degree of risk. I believe the investment is suitable for me based on my investment objectives and financial needs. I have adequate means for providing for my current financial needs and personal contingencies and have no need for liquidity of investment with respect to the Convertible Notes. I can bear the economic risk of an investment in the Convertible Notes for an indefinite period of time and can afford a complete loss of such investment.
- e. I understand that there may be no market for the Convertible Notes, that there are significant restrictions on the transferability of the Convertible Notes and that for these and other reasons, I may not be able to liquidate an investment in the Convertible Notes for an indefinite period of time.
- f. I have been advised that the Convertible Notes have not been registered under the Securities Act of 1933, as amended ("Securities Act"), or under applicable state securities laws ("State Laws"), and are offered pursuant to exemptions from registration under the Securities Act and the State Laws. I understand that the Company's reliance on such exemptions is predicated in part on my representations to the Company contained herein.
- g. I understand that I am not entitled to cancel, terminate or revoke this subscription, my capital commitment or any agreements hereunder and that the subscription and agreements shall survive my death, incapacity, bankruptcy, dissolution or termination.
- h. I understand that capital contributions to the Company may not be returned after they are paid.

Investment Intent; Restrictions on Transfer of Securities.

- a. I understand that (i) there may be no market for the Convertible Notes, (ii) the purchase of the Convertible Notes is a long-term investment, (iii) the transferability of the Convertible Notes is restricted, (iv) the Convertible Notes may be sold by me only pursuant to registration under the Securities Act and State Laws, or an opinion of counsel that such registration is not required, and (v) the Company does not have any obligation to register the Convertible Notes.
- b. I represent and warrant that I am purchasing the Convertible Notes for my own account, for long term investment, and without the intention of reselling or redistributing the Convertible Notes. The Convertible Notes are being purchased by me in my name solely for my own beneficial interest and not as nominee for, on behalf of, for the beneficial interest of, or with the intention to transfer to, any other person, trust, or organization, and I have made no agreement with others regarding any of the Convertible Notes. My financial condition is such that it is not likely that it will be necessary for me to dispose of any of the Convertible Notes in the foreseeable future.
- c. I am aware that, in the view of the Securities and Exchange Commission, a purchase of securities with an intent to resell by reason of any foreseeable specific contingency or anticipated change in market values, or any change in the condition of the Company or its business, or in connection with a contemplated liquidation or settlement of any loan obtained for the acquisition of any of the Convertible Notes and for which the Convertible Notes were or may be pledged as security would represent an intent inconsistent with the investment representations set forth above.
- d. I understand that any sale, transfer, pledge or other disposition of the Convertible Notes by me (i) may require the consent of the Head of Business Operations of the Company, (ii) will require conformity with the restrictions contained in this Section 4, and (iii) may be further restricted by a legend placed on the instruments or certificate(s) representing the securities containing substantially the following language:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws and may not be sold, offered for sale, or transferred except pursuant to either an effective registration statement under the Securities Act of 1933, as amended, and under the applicable state securities laws, or an opinion of counsel for the Company that such transaction is exempt from registration under the Securities Act of 1933, as amended, and under the applicable state securities laws. The transfer or encumbrance of the securities represented by this certificate is subject to substantial restrictions."

Investor Qualifications.

I represent and warrant as follows (Answer Part a, b or c, as applicable. Please check all applicable items):

a. Accredited Investor – Individuals. I am an INDIVIDUAL and:

- ☐ i. I have a net worth, or a joint net worth together with my spouse, in excess of \$1,000,000, excluding the value of my primary residence.
- ☐ ii. I had an individual income in excess of \$200,000 in each of the prior two years and reasonably expect an income in excess of \$200,000 in the current year.
- ☐ iii. I had joint income with my spouse in excess of \$300,000 in each of the prior two years and reasonably expect joint income in excess of \$300,000 in the current year.
- ☐ iv. I am a director or executive officer of BURNING BROTHERS BREWING, LLC

b. Accredited Investor – Entities. The undersigned is an ENTITY and:

- ☐ i. The undersigned hereby certifies that all of the beneficial equity owners of the undersigned qualify as accredited individual investors by meeting one of the tests under items (a)(i) through (a)(iv) above. Please indicate the name of each equity owner and the applicable test:
- ☐ ii. The undersigned is a bank or savings and loan association as defined in Sections 3(a)(2) and 3(a)(5)(A), respectively, of the Securities Act either in its individual or fiduciary capacity.
- ☐ iii. The undersigned is an insurance company as defined in Section 2(13) of the Securities Act.
- ☐ iv. The undersigned is an investment company registered under the Investment Company Act of 1940 or a business development company as defined therein, in Section 2(a)(48).
- ☐ v. The undersigned is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- ☐ vi. The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 and one or more of the following is true (check one or more, as applicable):
 - ☐ (1) the investment decision is made by a plan fiduciary, as defined therein, in Section 3(21), which is either a bank, savings and loan association, insurance company, or registered investment adviser;
 - ☐ (2) the employee benefit plan has total assets in excess of \$5,000,000; or
 - ☐ (3) the plan is a self-directed plan with investment decisions made solely by persons who are "accredited investors" as defined under therein.
- ☐ vii. The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- ☐ viii. The undersigned has total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring Convertible Notes and one or more of the following is true (check one or more, as applicable):
 - ☐ (1) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
 - ☐ (2) a corporation;
 - ☐ (3) a Massachusetts or similar business trust;
 - ☐ (4) a partnership; or
 - ☐ (4) a limited liability company.
- ☐ ix. The undersigned is a trust with total assets exceeding \$5,000,000, which is not formed for the specific purpose of acquiring Convertible Notes and whose purpose is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment in the Convertible Notes.

c. Non-Accredited Investors.

- ☐ The undersigned cannot make any of the foregoing representations and is therefore not an accredited investor.

Miscellaneous.

- a. I agree to furnish any additional information that the Company or its counsel deem necessary in order to verify the responses set forth above.
- b. I understand the meaning and legal consequences of the agreements, representations and warranties contained herein. I agree that such agreements, representations and warranties shall survive and remain in full force and effect after the execution hereof and payment for the Convertible Notes. I further agree to indemnify and hold harmless the Company, and each current and future member of the Company from and against any and all loss, damage or liability due to, or arising out of, a breach of any of my agreements, representations or warranties contained herein.
- c. This Subscription Agreement shall be construed and interpreted in accordance with Minnesota law without regard to the principles regarding conflicts of law.

SIGNATURE PAGE FOR INDIVIDUALS

Dated: _____

Signature

Name (Typed or Printed)

Social Security Number

Telephone Number

Residence Street Address

City, State & Zip Code
(Must be same state as in Section 1)

Mailing Address
(Only if different from residence address)

City, State & Zip Code

Email address

Dated: _____

Signature of Second Individual, if applicable

Name (Typed or Printed)

Social Security Number

Telephone Number

Residence Street Address

City, State & Zip Code
(Must be same state as in Section 1)

Mailing Address
(Only if different from residence address)

City, State & Zip Code

Email address

Individual Subscriber Type of Ownership:

The Convertible Notes subscribed for are to be registered in the following form of ownership:

- ☐ Individual Ownership
- ☐ Joint Tenants with Right of Survivorship (both parties must sign). Briefly describe the relationship between the parties (e.g., married).
- ☐ Tenants in Common (both parties must sign). Briefly describe the relationship between the parties (e.g., married).

SIGNATURE PAGE FOR TRUSTS AND ENTITIES

Dated: _____

Name of Entity (Typed or Printed)

Telephone Number

Signature of Authorized Person

Entity's Tax Identification Number

Name & Title (Typed or Printed) of Signatory

Contact Person (If different from Signatory)

Principal Executive Office Address

Mailing Address
(If different from principal executive office)

City, State & Zip Code
(Must be same state as in Section 1)

City, State & Zip Code

Email address

Email address

Entity Subscriber Type of Ownership:

The Convertible Notes subscribed for are to be registered in the following form of ownership (check one):

- ☐ Partnership
- ☐ Limited Liability Company
- ☐ Corporation
- ☐ Trust or Estate (Describe, and enclose evidence of authority)
- ☐ IRA Trust Account
- ☐ Other (Describe)

ACCEPTANCE

This Subscription Agreement is accepted by BURNING BROTHERS BREWING, LLC on

As to: the principal amount in Convertible Notes set forth in Item 2.a.; or Convertible Notes.

BURNING BROTHERS BREWING, LLC

By:
Name: Thomas R. Foss
Its: Head of Business Operations

Counterpart Signature Page to Amended and Restated Operating Agreement of Burning Brothers Brewing, LLC

IN WITNESS WHEREOF, the undersigned hereby executes this counterpart signature page to the Amended and Restated Operating Agreement of Burning Brothers Brewing, LLC, as the same may be amended from time to time, and hereby authorizes Burning Brothers Brewing, LLC to attach this counterpart signature page to the Amended and Restated Operating Agreement as executed by the other parties thereto.

Signature

Signature of Second Individual, if applicable

Name (Typed or Printed)

Name (Typed or Printed)

EXHIBIT F TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE

Compilation of Financial Statements

Burning Brothers Brewing
Profit & Loss for 2019

	<u>Jan - Mar 2019</u>	<u>Apr - Jun 2019</u>	<u>Jul - Sep 2019</u>	<u>Oct - Dec 2019</u>
Ordinary Income/Expense				
Income				
Distribution Income	40,899.77	74,784.30	38,443.69	47,215.28
Other Income	1,200.00	661.06	2,604.00	3,846.91
Tap Room Income	63,477.25	82,714.52	68,558.97	82,858.78
Total Income	<u>105,577.02</u>	<u>158,159.88</u>	<u>109,606.66</u>	<u>133,920.97</u>
Cost of Goods Sold				
Finished Beer	28,946.05	44,038.50	29,813.74	41,487.11
Freight/Shipping Costs - COGS	3,246.41	2,363.04	1,942.10	2,356.45
Gasses	704.25	801.75	641.25	466.25
Merchandise	4,159.46	5,128.42	4,365.14	5,234.53
Swag	920.80	992.60	899.26	1,367.94
Total COGS	<u>37,976.97</u>	<u>53,324.31</u>	<u>37,661.49</u>	<u>50,912.28</u>
Gross Profit	<u>67,600.05</u>	<u>104,835.57</u>	<u>71,945.17</u>	<u>83,008.69</u>
Expense				
Advertising and Promotion	3,447.73	2,159.43	2,207.21	1,547.89
Automobile Expense	47.44	28.00	37.94	35.57
Bank Service Charges	75.00	30.00	20.00	0.00
Beer Filter Materials	763.34	126.00	466.20	243.16
Business Licenses and Permits	590.00	939.44	59.00	835.00
Charitable Contributions	0.00	0.00	0.00	561.22
Computer and Internet Expenses	526.69	704.48	572.57	2,854.19
Consumable Supplies	901.80	1,188.85	765.79	564.92
Dep/Amm	14,492.52	14,492.52	14,492.52	14,492.52
Dues and Subscriptions	54.00	800.00	0.00	106.25
Equipment Rental	1,200.00	1,200.00	1,200.00	1,200.00
Freight/Shipping/Postage - Exp.	106.00	42.55	16.86	0.00
Human Resources	21.78	1,050.00	14.45	0.00
Insurance Expense	2,294.00	2,545.78	2,082.00	2,182.00
Interest Expense	20,640.41	22,026.48	28,199.01	37,748.26
Meals and Entertainment	178.60	167.02	267.73	404.90
Miscellaneous Expense	0.00	0.00	0.00	100.00
Office Supplies	0.00	76.66	238.12	138.98
Payroll Expenses	52,065.71	50,398.06	55,067.56	47,008.11
Professional Fees	142.50	0.00	0.00	3,225.00
R & D	126.23	26.57	162.87	7.44
Rent Expense	7,635.00	7,635.00	7,635.00	7,290.00
Repairs and Maintenance	2,661.60	2,288.81	2,077.37	834.27
Small Equipment	235.19	94.47	116.77	117.99
Taproom	1,788.93	2,229.87	1,847.12	2,363.55
Taxes	264.83	336.03	449.97	2,591.08
Travel Expense	4.00	94.67	0.00	0.00
Uncategorized	32.11	79.80	0.00	0.00

	Jan - Mar 2019	Apr - Jun 2019	Jul - Sep 2019	Oct - Dec 2019
Utilities	7,371.45	5,964.58	6,444.94	5,868.03
Vendor Fees	373.88	89.51	236.64	134.68
Total Expense	118,040.74	116,814.58	124,677.64	132,455.01
Net Ordinary Income	-50,440.69	-11,979.01	-52,732.47	-49,446.32
Other Income/Expense				
Other Income				
Interest Income	0.09	0.03	0.00	0.00
Total Other Income	0.09	0.03	0.00	0.00
Other Expense				
Exchange Gain or Loss	182.37	0.00	0.00	0.00
Total Other Expense	182.37	0.00	0.00	0.00
Net Other Income	-182.28	0.03	0.00	0.00
Net Income	-50,622.97	-11,978.98	-52,732.47	-49,446.32

Burning Brothers Brewing
Profit & Loss for 2019

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
Distribution Income	201,343.04
Other Income	8,311.97
Tap Room Income	297,609.52
Total Income	507,264.53
Cost of Goods Sold	
Finished Beer	144,285.40
Freight/Shipping Costs - COGS	9,908.00
Gasses	2,613.50
Merchandise	18,887.55
Swag	4,180.60
Total COGS	179,875.05
Gross Profit	327,389.48
Expense	
Advertising and Promotion	9,362.26
Automobile Expense	148.95
Bank Service Charges	125.00
Beer Filter Materials	1,598.70
Business Licenses and Permits	2,423.44
Charitable Contributions	561.22
Computer and Internet Expenses	4,657.93
Consumable Supplies	3,421.36
Dep/Amm	57,970.08
Dues and Subscriptions	960.25
Equipment Rental	4,800.00
Freight/Shipping/Postage - Exp.	165.41
Human Resources	1,086.23
Insurance Expense	9,103.78
Interest Expense	108,614.16
Meals and Entertainment	1,018.25
Miscellaneous Expense	100.00
Office Supplies	453.76
Payroll Expenses	204,539.44
Professional Fees	3,367.50
R & D	323.11
Rent Expense	30,195.00
Repairs and Maintenance	7,862.05
Small Equipment	564.42
Taproom	8,229.47
Taxes	3,641.91
Travel Expense	98.67
Uncategorized	111.91

	TOTAL
Utilities	25,649.00
Vendor Fees	834.71
Total Expense	491,987.97
Net Ordinary Income	-164,598.49
Other Income/Expense	
Other Income	
Interest Income	0.12
Total Other Income	0.12
Other Expense	
Exchange Gain or Loss	182.37
Total Other Expense	182.37
Net Other Income	-182.25
Net Income	-164,780.74

Burning Brothers Brewing

Balance Sheet

As of December 31, 2019

ASSETS

Current Assets

Checking/Savings	
Cash	979.10
ONB Checking	1,875.35
ONB Savings	8.46
PB Checking	7,816.02
Total Checking/Savings	10,678.93
Accounts Receivable	12,476.34
Other Current Assets	
Inventory Asset	104,751.81
Prepaid Expenses	300.00
Tax Overpayments	1,049.21
Undeposited Funds	9,772.37
Waste Holding - Beer	7,073.56
Total Other Current Assets	122,946.95

Fixed Assets

Accumulated Depreciation	(416,386.12)
Ammortization	60,935.46
Building Improvements	373,617.79
Furniture and Equipment	302,603.36

Total Fixed Assets 320,770.49

Other Assets 86.78

TOTAL ASSETS 466,959.49

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	33,188.13
Credit Cards	
Anchor Bank Visa	23,744.39
Capital One Spark	14,796.38
Chase Visa	25,742.83
CSG Family Trust Loan	56,942.02
Pioneer Bank LOC	30,000.00
Pioneer Bank Visa	27,616.87

Total Credit Cards 178,842.49

Other Current Liabilities

Beer Club 17,160.15

BlueVine LOC	14,798.55
Employee Reimbursement	5,044.60
Gift Cards	3,891.75
Groupon Certificates	16,588.50
OnDeck LOC	96,442.36
Random Acts of Kindness	205.00
Rose Capital	18,248.50
Sales Tax Payable	1,788.68
Square Capital Funds	34,299.39
Total Other Current Liabilities	208,467.48
Total Current Liabilities	420,498.10
Long Term Liabilities	
Bank Notes	
PB Loan - SBA **2163	214,958.13
PB Loan - SBA **3918	483,795.13
Total Bank Notes	698,753.26
Total Long Term Liabilities	698,753.26
Total Liabilities	1,119,251.36
Equity	
Capital Stock	200.00
Equity - Total	
Investor Equity	
CaB Equity	12,841.59
CG Family Trust Equity	15,000.00
CrB Equity	12,841.59
DD Equity	6,022.89
DN Equity	120,457.20
MR Equity	12,000.00
RF Equity	203,434.41
RG Trust Equity	25,534.22
TF Equity	303,741.23
Total Investor Equity	711,873.13
Total Equity - Total	711,873.13
Retained Earnings	(1,253,136.14)
Net Income	(111,228.86)
Total Equity	(652,291.87)
TOTAL LIABILITIES & EQUITY	466,959.49

EXHIBIT G TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE

Escrow Agreement

SUBSCRIPTION ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of 1-15-2020 (this "Agreement"), is entered into by and between Burning Brothers Brewing, LLC, a Minnesota¹ limited liability company (the "Company") and Sunrise Banks, National Association as Escrow Agent hereunder ("Escrow Agent").

RECITALS

- A. The Company is offering a minimum of \$25,000.00 (the "Minimum Amount") of Convertible Promissory Notes ("Securities") and a maximum (the "Maximum Amount") of \$1,000,000.00 to subscribers (the "Subscriber(s)") at a minimum purchase price of \$1,000.00 (the "Offering");
- B. The Offering is intended to be exempt from registration under the Securities Act of 1933, as amended; by virtue of Section 3(a)(11) and Rule 147 promulgated thereunder and by virtue of the MNvest registration exemption, Section 80A.461 of the Minnesota Statutes (collectively, the "Offering Exemptions"); and
- C. In compliance with the requirements of the Offering Exemptions, the Company has engaged Silicon Prairie Portal as a portal operator (the "Portal Operator") in connection with the Offering to provide an Internet website meeting the requirements of the Offering Exemptions (the "Portal") and the Company is providing for the escrow of subscription payments (the "Subscription Payments") received through the Portal in an escrow account (the "Escrow Account") until certain conditions have been met and the Company and Escrow Agent desire to enter into an agreement with respect thereto.

NOW THEREFORE, in consideration of the premises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their respective successors and assigns, hereby agree as follows:

Definitions.

The following terms shall have the following meanings when used herein:

"Escrow Funds" shall mean the funds deposited in escrow with Escrow Agent pursuant to this Agreement.

"Final Escrow Closing Date" shall mean no earlier than December 31, 2020, unless prior to such date, the Company provides written notice to Escrow Agent of the extension of the Final Escrow Closing Date in accordance with the Offering Documents and applicable federal and state laws to a date no later than December 31, 2020², in which case the Final Escrow Closing Date shall mean the extended date established by such extension. In the case of each such extension, the Company shall provide Escrow Agent with a written certification of the duly approved extended Final Escrow Closing Date that is signed on behalf of the Company by a duly authorized person so designated on Exhibit B hereto.

"Notice of Escrow Closing" shall mean a written certification in the form of Exhibit C hereto that is signed on behalf of the Company by a duly authorized person so designated on Exhibit B hereto, stating that the following conditions to closing on the Escrow Funds have been satisfied on or before the Final Escrow Closing Date:

- (i) the Company shall have received and accepted subscriptions for the Minimum Number of Securities in the Offering; and
- (ii) the Company is not subject to any stop order or other legal order prohibiting the Offering or the acceptance of the Subscription Payments.

"Notice of Failure of Escrow Closing" shall mean a written certification in the form of Exhibit D attached hereto that is signed on behalf of the Company by a duly authorized person so designated on Exhibit B hereto, stating that:

¹ Issuer must be organized under the laws of the state of Minnesota.

² Under MN Stat 80A.461, subd. 4(2).

- (i) the conditions to closing on the Subscription Payments being held in escrow have not been satisfied on or before the Final Escrow Closing Date;
- (ii) there has not been and will not be an escrow closing on the Subscription Payments; and
- (iii) directing Escrow Agent to return all Subscription Payments being held in the Escrow Account to the Subscribers.

"Offering Documents" shall mean the offering documents that have or will be provided to the Subscribers by the Company or the Portal Operator as required by the Offering Exemptions.

"Subscription Accounting" shall mean an accounting in spreadsheet format, prepared by the Company, indicating as of a particular date: (1) the unique identification number assigned to a Subscriber as part of the process of registration with the Portal, (2) the amount of the Subscription Payment(s) for the subscribed Securities, (3) the method of payment and date of deposit into the Escrow Account of the Subscription Payment relating thereto, including ACH Information, and notations of any ACH return claims, (4) any withdrawal of any such subscription and by the Subscriber (if permitted), and (5) any rejection, cancellation or termination of any such subscription.

Appointment of and Acceptance by Escrow Agent; Effectiveness of Agreement.

The Company hereby appoints Escrow Agent to serve as escrow agent hereunder, and Escrow Agent hereby accepts such appointment and agrees to act as Escrow Agent in accordance with the terms of this Agreement. Notwithstanding the earlier execution and delivery of this Agreement or anything in this Agreement to the contrary, this Agreement shall only become effective and binding on the parties as of the date that (a) the Company pays the fees of Escrow Agent under Section 11 hereunder; and (b) the effective period of the Offering shall have begun under the Offering Exemption and the Company shall have confirmed in writing the first day of such effective period to Escrow Agent.

Deposits into Escrow.

- a. The Offering shall be conducted exclusively through the Portal. The Company shall at all times comply with the requirements of the Offering Exemptions in the conduct of the Offering, including the offer and sale of Securities, the provision of the Offering Documents to Subscribers, the collection of Subscription Payments, and the timing, form and content of instructions to Escrow Agent hereunder. The Company, and not Escrow Agent, shall be responsible for determining whether the Company has received subscriptions for the Minimum Number of Securities in the Offering, whether the aggregate amount of Securities purchased by a Subscriber will cause such Subscriber to exceed the investment limits of the Offering Exemptions, the residency or any other qualification of any Subscriber, and all other matters relating to the conduct of the Offering in compliance with the Offering Exemptions.
- b. The Company shall direct and shall ensure that the Portal shall direct all Subscribers to deliver all Subscription Payments directly to Escrow Agent for deposit into the Escrow Account. From time to time and upon request by Escrow Agent, the Company shall provide a Subscription Accounting to Escrow Agent.

Unless otherwise agreed to by Escrow Agent, in no event shall any Subscriber be permitted to make any Subscription Payment by credit card payment and Escrow Agent shall only accept ACH credits or such other forms of electronic payment as may be permitted by Escrow Agent in its sole discretion.

Subscription Payments shall be delivered to the Escrow Account in accordance with the instructions provided by Escrow Agent on or about the date of this Agreement. The Company shall ensure that the Portal functionality includes the ACH payment processing solution designated by Escrow Agent.

ALL FUNDS SO DEPOSITED SHALL REMAIN THE PROPERTY OF THE SUBSCRIBERS ACCORDING TO THEIR RESPECTIVE INTERESTS AND SHALL NOT BE SUBJECT TO ANY LIEN OR CHARGE BY ESCROW AGENT OR BY JUDGMENT OR CREDITOR'S CLAIMS AGAINST THE COMPANY OR THE PLATFORM OPERATOR UNTIL RELEASED TO THE COMPANY IN ACCORDANCE WITH SECTION 4 HEREOF. IN NO EVENT SHALL ANY OF THE ESCROW FUNDS BE COMMINGLED WITH DEPOSIT ACCOUNTS OF ESCROW AGENT OR OTHERWISE TREATED AS A DEPOSIT ACCOUNT OF ESCROW AGENT OR REFLECTED ON THE FINANCIAL STATEMENTS OF ESCROW AGENT.

- c. Notwithstanding anything to the contrary contained in this Agreement, the Company understands and agrees that all Subscription Payments received by Escrow Agent hereunder are subject to collection requirements of presentment and final

payment, and that the funds represented thereby cannot be drawn upon or disbursed until such time as final payment has been made and is no longer subject to dishonor. Upon receipt, Escrow Agent shall process each Subscription Payment it receives for collection, and the proceeds thereof shall be held as part of the Escrow Funds and disbursed in accordance with Sections 4 and 5 hereof. If, upon presentment for payment, any Subscription Payment is dishonored, Escrow Agent shall notify the Company of such dishonor.

- d. Escrow Agent shall provide the Company with online access to view information relating to the Escrow Account.

Disbursement of Funds to the Company.

- a. Escrow Closing. Upon or within five (5) business days of the receipt of a Notice of Escrow Closing from the Company, a Subscription Accounting and such other certificates, notices or other documents as Escrow Agent shall reasonably require, Escrow Agent shall disburse to the Company the Escrow Funds then held by Escrow Agent (after deducting amounts paid or payable to Escrow Agent pursuant to Section 10 and Section 11 hereof and deducting amounts under Section 4(c) hereof).
- b. Notwithstanding anything to the contrary herein provided, Escrow Agent shall be entitled to rely conclusively and without inquiry on any documents furnished to Escrow Agent by the Company which purport to be those documents contemplated by Section 4(a). Without limiting the foregoing, Escrow Agent shall have no duty or responsibility to review or seek to determine the truth, accuracy or sufficiency of any such documents. Escrow Agent shall have no duty to review any subscription agreement or Subscription Accounting, it being the understanding and agreement of the parties hereto that Escrow Agent shall disburse the Escrow Funds upon receipt of documents Escrow Agent believes, without any duty of further inquiry, to conform to the requirements set forth in Section 4(a).
- c. All disbursements to the Company pursuant to Section 4 shall be by wire transfer pursuant to wire instructions provided by the Company on or about the date hereof. All disbursements of Escrow Funds to the Company under Section 4 shall be made in U.S. Dollars and subject to the fees and claims of Escrow Agent and the Indemnified Parties (as defined below) pursuant to Section 10 and Section 11. In furtherance and not in limitation of the foregoing, from the disbursement to the Company under Section 4(a) hereof, Escrow Agent shall not disburse and shall hold in the Escrow Account all funds credited to the Escrow Account in the 60 days immediately prior to the delivery of the Notice of Escrow Closing and not otherwise returned to satisfy claims (including under Section 10(b) hereof) until the first business day following 61 days after delivery of the Notice of Escrow Closing.
- d. Notwithstanding the foregoing, Escrow Agent shall not disburse any Escrow Funds to the Company pursuant to Section 4(a) if Escrow Agent shall have received from the Company a Notice of Failure of Escrow Closing.

Return of Funds to Subscribers.

- a. Failure to Reach Escrow Closing. If, by the date that is five (5) business days after the Final Escrow Closing Date, Escrow Agent shall not have received a Notice of Escrow Closing, then Escrow Agent shall (i) notify the Company in writing that the conditions set forth in Section 4(a) have not been satisfied, and (ii) as soon as practicable but no later than five (5) days following the Final Escrow Closing Date, return the Escrow Funds then held by Escrow Agent to the Subscribers in the same manner and to the same account from which the Escrow Funds originated or in a manner otherwise as determined by Escrow Agent, with each Subscriber receiving the amount of the Subscription Payment received from such Subscriber then held in the Escrow Account, without interest or deduction. If Escrow Agent shall at any time have received a Notice of Failure of Escrow Closing, Escrow Agent shall likewise return the Escrow Funds as described in Section 5(a)(ii). The Subscription Payment returned to each Subscriber shall be made in U.S. Dollars and be free and clear of any and all claims of the Company, the Portal Operator, or any of its respective creditors, including but not limited to, any and all fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 10 and Section 11.
- b. Rejection or Cancellation of Any Subscription. As soon as practicable but no later than five (5) business days after receipt by Escrow Agent of written notice from the Company that the Company has rejected or intends to reject a Subscriber's subscription (which shall be rejected in whole and not in part) or written notice from the Company that a Subscriber has cancelled or that the Company has cancelled such Subscriber's subscription (which may be cancelled in whole and not in part), Escrow Agent shall return to the applicable Subscriber the amount of the Subscription Payment received from such Subscriber then held in the Escrow Account or which thereafter clears the banking system.

- c. Abandonment or Termination of Offering; Insolvency of the Company or the Portal Operator. As soon as practicable but no later than five (5) business days after receipt by Escrow Agent of (i) notice from the Company that the Offering is being abandoned or terminated, or (ii) notice of the Company's or the Portal Operator's insolvency or bankruptcy, or the institution of bankruptcy, reorganization, insolvency, foreclosure, receivership, or liquidation proceedings by or against the Company or the Portal Operator and, if against the Company or the Portal Operator, such proceedings have, in the case of bankruptcy, reorganization, insolvency or liquidation, continued without termination for at least thirty (30) days and, in the case of foreclosure or receivership, continued without termination for at least thirty (30) days, then Escrow Agent shall, subject to applicable court orders, if any, return the Escrow Funds then held by Escrow Agent to the Subscribers the amount of the Subscription Payments received from such Subscribers then held in the Escrow Account, without interest or deduction. The Subscription Payment returned to each Subscriber shall be made in U.S. Dollars and be free and clear of any and all claims of the Company, the Portal Operator or any of their respective creditors, including but not limited to, any and all fees and claims of Escrow Agent and the Indemnified Parties pursuant to Section 10 and Section 11.
- d. In connection with a return of Subscription Payments to Subscribers pursuant to this Section 5, the Company shall provide Escrow Agent with a Subscription Accounting and such other certificates, notices or other documents as Escrow Agent shall reasonably require. Under no circumstances in connection with Escrow Agent's return of funds to Subscribers pursuant to this Section 5 shall a Subscriber receive from Escrow Agent less than the amount of all Subscription Payments made by the Subscriber.

Suspension of Performance or Disbursement Into Court.

If, at any time, there shall exist any dispute between or among the Company, the Portal Operator, Escrow Agent, any Subscriber or any other person with respect to the holding or disposition of any portion of the Escrow Funds or any other obligations of Escrow Agent hereunder, or if at any time Escrow Agent is unable to determine, to Escrow Agent's reasonable satisfaction, the proper disposition of any portion of the Escrow Funds or Escrow Agent's proper actions with respect to its obligations hereunder, or if the Company has not within thirty (30) days of the furnishing by Escrow Agent of a notice of resignation pursuant to Section 8 hereof appointed a successor escrow agent to act hereunder, then Escrow Agent may, in its sole discretion, consult legal counsel selected by it and take either or both of the following actions:

- a. suspend the performance of any of its obligations under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of Escrow Agent or until a successor escrow agent shall have been appointed (as the case may be); or
- b. petition (by means of an Interpleader action or any other appropriate method) any court of competent jurisdiction in Ramsey County, Minnesota or in any venue convenient to Escrow Agent, for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court all Escrow Funds without deduction for holding and disposition in accordance with the instructions of such court and Escrow Agent shall thereupon be discharged from all further duties under this Agreement.

Escrow Agent shall have no liability to the Company, the Portal Operator, any Subscriber or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of funds held in the Escrow Funds or any delay in or with respect to any other action required or requested of Escrow Agent.

Investment of Funds.

Escrow Agent shall hold the Escrow Funds in a non-interest bearing demand deposit account maintained by Escrow Agent. The Escrow Funds shall not be invested in any other securities or accounts, including, without limitation, corporate equity or debt securities, repurchase agreements, bankers' acceptances, commercial papers, or municipal securities. Notwithstanding anything to the contrary herein provided, Escrow Agent shall have no duty by reason of this Agreement to prepare or file any Federal or state tax report or return with respect to the Escrow Account.

Resignation of Escrow Agent.

Escrow Agent may resign from the performance of its duties hereunder at any time by giving thirty (30) days' prior notice to the Company. If, as of the effective date of such resignation, the Company has not appointed a successor escrow agent that has agreed in writing to such appointment, Escrow Agent shall return all Escrow Funds to Subscribers in accordance with Section 5(a)(II). If, as of the effective date of such resignation, the Company has appointed a successor escrow agent that has agreed in writing to such appointment, Escrow Agent shall deliver to the Company and such successor escrow agent a full accounting of all Escrow Funds received, held and disbursed by Escrow Agent hereunder and shall deliver all Escrow Funds to the successor escrow agent. Upon the effectiveness of Escrow Agent's resignation, Escrow Agent shall be discharged from its duties and obligations under this Agreement, but shall not be discharged from any liability hereunder for actions taken as Escrow Agent hereunder prior to such resignation. After any Escrow Agent's resignation, the provisions of this Agreement shall continue to apply as to any actions taken or omitted to be taken by it while it was Escrow Agent under this Agreement, provided that any and all claims of Escrow Agent and the Indemnified Parties pursuant to Section 10 shall survive the termination of this Agreement or Escrow Agent's resignation. Any corporation or association into which Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the escrow business of Escrow Agent's corporate trust line of business may be transferred, shall be Escrow Agent under this Agreement without further act.

Duty and Liability of Escrow Agent.

Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The sole duty of Escrow Agent, other than as herein specified, shall be to receive the Escrow Funds and hold them subject to release, in accordance herewith. Escrow Agent shall have no duty to inquire or determine as to whether any person is complying with requirements of this Agreement or any applicable laws or regulations, including but not limited to federal or state securities laws, in connection with the Offering, including the depositing in the Escrow Account the Subscription Payments or the release of Escrow Funds pursuant to Section 4 or Section 5. Escrow Agent may conclusively rely upon and shall be protected in acting upon any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties, not only as to its due execution and the validity (including the authority of the person signing or presenting the same) and effectiveness of its provisions, but also as to the truth, sufficiency and acceptability of any information therein contained. Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be to act only as expressly set forth in this Agreement and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein or provided to it pursuant to the express provisions hereof. Escrow Agent shall not be responsible for the sufficiency or accuracy of the form of, or the execution, validity, value or genuineness of, any document or property received, held or delivered by it hereunder, or of any signature or endorsement thereon, or for any lack of endorsement thereon, or for any description therein; nor shall Escrow Agent be responsible or liable to the other parties hereto or to anyone else in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any document or property or this Agreement. Escrow Agent shall have no responsibility with respect to the use or application of any Escrow Funds released by Escrow Agent pursuant to the provisions hereof. Escrow Agent shall have no duty to solicit any Subscription Payment which may be due to be paid into the Escrow Account or to confirm or verify the accuracy or correctness of any amounts delivered into the Escrow Account or the calculation of the Minimum Number or the Maximum Number. Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement, provided that, if it does so institute or defend any such action, suit or proceeding, it shall first be indemnified to its satisfaction. Escrow Agent shall have no duty to enforce any obligation of any person to make any payment or delivery, or to direct or cause any payment or delivery to be made, or to enforce any obligation of any person to perform any other act. Escrow Agent shall be under no liability to the other parties hereto or to anyone else by reason of any failure on the part of any party hereto or any maker, guarantor, endorser or other signatory of any document or any other person to perform such person's obligations under any such document. Escrow Agent shall have no liability with respect to the transfer or distribution of any funds by Escrow Agent pursuant to wiring or transfer instructions provided to Escrow Agent by the Company or the Portal Operator or set forth in any Subscription Agreement. Except for this Agreement (including any instructions given to Escrow Agent pursuant to this Agreement), Escrow Agent shall not be obligated to recognize any agreement between, among or with any or all of the persons referred to herein, notwithstanding that references thereto may be made herein and whether or not it has knowledge thereof. Escrow Agent may consult counsel selected by it in respect of any question arising under this Agreement and Escrow Agent shall not be liable for any action taken or omitted in good faith upon advice of such counsel. The Company shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel. In no event shall Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages (including, but not limited to lost profits), even if Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God,

strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Escrow Agent is authorized, in its sole discretion, to comply with final orders issued or process entered by any court with respect to the Escrow Funds, without determination by Escrow Agent of such court's jurisdiction in the matter. If any portion of the Escrow Funds is at any time attached, garnished or levied upon under any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any such event, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated unless such compliance is commenced following any appeal, order, injunction or other proceeding which stays the requirement of compliance with any such order, writ, judgment or decree. Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines in a final non-appealable decision that Escrow Agent's gross negligence or willful misconduct was the direct cause of any loss to the Company.

Indemnification of Escrow Agent; Limitation on Liability of the Company.

- a. From and at all times after the date of this Agreement, the Company shall indemnify and hold harmless Escrow Agent and each director, officer, employee, attorney, agent, parent, subsidiary and affiliate, and any director, officer, employee, attorney or agent of any such parent or subsidiary or affiliate of Escrow Agent (collectively, the "Indemnified Parties") from and against any and all actions, claims (whether or not valid), losses, damages, liabilities, costs and expenses of any kind or nature whatsoever, including without limitation reasonable attorneys' fees, costs and expenses, incurred by or asserted against any of the Indemnified Parties, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, including without limitation the Company and the Portal Operator, whether threatened or initiated, asserting a claim for any legal or equitable remedy against any person (whether or not an Indemnified Party) under any statute or regulation, including, but not limited to, any federal or state securities laws, or under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance of this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such suit, action or proceeding or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by a court of competent jurisdiction, subject to no further appeal, to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. The Company further agrees to indemnify each of the Indemnified Parties for all costs, including without limitation reasonable attorney's fees, incurred by such Indemnified Parties in connection with the enforcement of the Company's indemnification obligations hereunder. Each Indemnified Party shall, in its sole discretion, have the right to select and employ separate counsel with respect to any action or claim brought or asserted against it, and the reasonable fees of such counsel shall be paid upon demand by the Company. The obligations of the Company under this Section 10 shall survive any termination of this Agreement and the resignation of Escrow Agent.
- b. In the event that Escrow Agent distributes Escrow Funds to the Company pursuant to this Agreement, and any Subscriber later has a claim to the return of funds which were distributed (including any ACH return claim), then, in addition to any other indemnification obligation of this Section 10, the Company shall indemnify Escrow Agent for any and all funds that Escrow Agent returns to the Subscribers in connection with such claim and any and all costs associated with returning those funds.

Fees and Expenses of Escrow Agent.

Escrow Agent shall be entitled to compensation as described in Exhibit A attached hereto, at such time or times as set forth therein, for the services provided by Escrow Agent hereunder. The obligations of the Company under this Section 11 shall survive any termination of this Agreement and the resignation of Escrow Agent. The fees agreed upon for services rendered hereunder are intended as full compensation for Escrow Agent's services as contemplated by this Agreement; provided, however, that in the event Escrow Agent renders any material service not contemplated in this Agreement or there is any assignment of interest in the subject matter of this Agreement, or any material modification hereof, or if any material controversy arises hereunder, or Escrow Agent is made a party to any litigation pertaining to this Agreement, or the subject matter hereof, then Escrow Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable

attorney's fees, occasioned by any delay, controversy, litigation or event, and the same shall be recoverable from the Company. No fees and costs and expenses payable to Escrow Agent or an Indemnified Party under this Agreement shall be deducted, withheld or set off against the Escrow Funds, except upon disbursement of Escrow Funds to the Company pursuant to Section 4(a).

Representations and Warranties.

The Company makes the following representations and warranties to Escrow Agent:

- a. It is duly organized, validly existing, and in good standing under the laws of the state of its incorporation or organization and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder.
- b. This Agreement has been duly approved by all necessary action required for its part, has been executed by its duly authorized persons, and constitutes its valid and binding agreement, enforceable in accordance with its terms.
- c. The execution, delivery, and performance by it of this Agreement will not violate, conflict with, or cause a default under its governing instruments, any applicable law or regulation, any court order or administrative ruling or decree to which it is a party or any of its property is subject, or any agreement, contract, indenture or other binding arrangement, including without limitation with respect to the Offering, to which it is a party or any of its property is subject.
- d. It hereby acknowledges that the status of Escrow Agent is that of agent only for the limited purposes set forth herein, and hereby represents and covenants that no representations or implications shall be made that Escrow Agent has investigated the desirability or advisability of investment in the Securities or has approved, endorsed or passed upon the merits of the Investments therein (and the Offering Documents shall contain a statement to that effect) and that the name of Escrow Agent has not and shall not be used in any manner in connection with the offer or sale of the Securities other than to state that Escrow Agent has agreed to serve as agent for the limited purposes set forth herein.
- e. Each of the persons designated on Exhibit B hereto have been duly appointed to act as its respective authorized representatives hereunder and, individually and as authorized representatives, have full power and authority to execute and deliver any written notice, instruction or direction to amend, modify or waive any provision of this Agreement and to take any and all other actions including giving or confirming funds transfer instructions under this Agreement, all without further consent or direction from, or notice to, it or any other party provided that any change in designation of such authorized representatives shall be provided by written notice delivered to each party to this Agreement.
- f. Other than the Subscribers, no party other than the parties hereto has, or shall have, any lien, claim or security interest in the Escrow Funds or any part thereof. No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Funds or any part thereof.
- g. It possesses such valid and current licenses, certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct its business, to enter into and perform this Agreement, and in respect of the Offering; it has not received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such license, certificate, authorization or permit.
- h. All of its representations and warranties contained herein are true and complete as of the date hereof and will be true and complete at the time of any disbursement of Escrow Funds.

Security Advice Waiver.

The Company acknowledges that to the extent regulations of the Office of the Comptroller of the Currency or other applicable regulatory entity grant it the right to receive brokerage confirmations for certain security transactions as they occur, the Company specifically waives receipt of such confirmations to the extent permitted by law. Escrow Agent will furnish the Company periodic cash transaction statements that include detail for all transactions made by Escrow Agent.

Identifying Information.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, Escrow Agent requires documentation to verify its formation and existence as a legal entity. Escrow Agent may ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Company acknowledges that a portion of the identifying information set forth herein is being requested by Escrow Agent in connection with the USA Patriot Act, Pub.L. 107-56 (the "Act"), and the Company agrees to provide any additional information requested by Escrow Agent in connection with the Act or any similar legislation or regulation to which Escrow Agent is subject, in a timely manner. The Company represents and warrants that all identifying information provided to Escrow Agent, including any federal or state taxpayer identification number, is true and complete on the date hereof and will be true and complete at the time of any disbursement of Escrow Funds. The Company shall provide to Escrow Agent as requested such information relating to the Subscribers as may reasonably be required by Escrow Agent in connection with the Act or any similar legislation or regulation to which Escrow Agent is subject, in a timely manner.

Tax Reporting.

Escrow Agent shall have no responsibility for the tax consequences of this Agreement and hereby advises each party to consult with independent counsel concerning any tax ramifications. The Company shall prepare and file all required tax filings with the IRS and any other applicable taxing authority. Further, the Company agrees to (i) assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under this Agreement, (ii) request information from Escrow Agent in writing with respect to withholding and other taxes, assessments or other governmental charges, all of which shall be the responsibility of the Company, and advise Escrow Agent in writing with respect to any certifications and governmental reporting that may be required under any applicable laws or regulations, and (iii) indemnify and hold Escrow Agent harmless pursuant to Section 10 hereof from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges that may be assessed or asserted against Escrow Agent.

Consent to Jurisdiction and Venue.

In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Agreement, the parties hereto agree that the courts in Ramsey County, Minnesota shall have sole and exclusive jurisdiction and shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of the courts specified herein and agree to accept service or process to vest personal jurisdiction over them in any of these courts.

Notice.

Any notice and other communications hereunder shall be in writing and shall be deemed to have been validly served, given or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities, and addressed to the party to be notified as follows:

If to the Company at:

Burning Brothers Brewing, LLC
1750 Thomas Ave. W.
St. Paul, Minnesota 55104
Phone: (651) 444-8882
Fax:
Attention: Thomas R. Foss

If to Escrow Agent:

Sunrise Banks, National Association
2300 Como Avenue
Saint Paul, MN 55108
Fax: (651) 259-6808
Attention: Crowdfunding Escrow Services

or to such other address as a party may designate for itself by like notice.

Amendment or Waiver.

This Agreement may be amended, changed, waived, discharged or terminated only by a writing signed by the Company and Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. This Agreement may not be assigned by any party without the prior written consent of the other parties.

Severability.

To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Governing Law.

This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Minnesota without giving effect to the conflict of laws principles thereof.

Entire Agreement.

This Agreement constitutes the entire agreement between the parties relating to the acceptance, collection, holding, investment and disbursement of the Escrow Funds and sets forth in their entirety the obligations and duties of Escrow Agent with respect to

the Escrow Funds. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Binding Effect.

All of the terms of this Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective successors and assigns of the Company and Escrow Agent.

Execution in Counterparts.

This Agreement and any written notice may be executed in two or more counterparts, which, when so executed, shall constitute one and the same agreement or notice.

Termination.

Upon the first to occur of the disbursement of all amounts in the Escrow Account pursuant to Section 4 or 5 hereof or deposit of all amounts in the Escrow Account into court pursuant to Section 6 hereof, this Agreement shall terminate and Escrow Agent shall have no further responsibilities whatsoever with respect to this Agreement or the Escrow Funds.

Publicity.

No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

WAIVER OF TRIAL BY JURY.

EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR (2) IN ANY WAY IN CONNECTION WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF THE PARTIES TO THIS AGREEMENT OR IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OF ANY SUCH PARTY'S RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. EACH OF THE PARTIES HERETO HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT EACH HAS REVIEWED OR HAD THE OPPORTUNITY TO REVIEW THIS WAIVER WITH ITS RESPECTIVE LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A CONSENT BY ALL PARTIES TO A TRIAL BY THE COURT.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and effective as of the date first above written.

COMPANY:

Burning Brothers Brewing, LLC
By: /s/ Thomas R. Foss
Name: Thomas R. Foss
Its: Head of Business Operations

ESCROW AGENT:

Sunrise Banks, National Association
By: /s/ Jason Scott
Name: Jason Scott
Its: VP – Regional Market Manager

EXHIBIT A
Compensation of Escrow Agent
Schedule of Fees for Services as Escrow Agent

EXHIBIT B

Representatives:

The following person(s) are hereby designated and appointed as Company representative under the Escrow Agreement (only one signature shall be required for any direction). No single Company representative may both give and confirm funds transfer instructions.

Name	Specimen Signature	Telephone Number
Name	Specimen Signature	Telephone Number

EXHIBIT C
Notice of Escrow Closing

Date: [_____]

VIA FACSIMILE AND U.S. MAIL

Sunrise Banks, National Association
2300 Como Avenue
Saint Paul, MN 55108
Fax: (651)259-6808
Attention: Crowdfunding Escrow Services

Re: Burning Brothers Brewing, LLC (the "Company") Notice of Escrow Closing

Dear Sir/Madam:

Reference is made to the Subscription Escrow Agreement dated as of _____ between the Company and Sunrise Banks, National Association, as escrow agent ("Escrow Agent"). Capitalized terms used herein shall have the meaning ascribed to such terms in the Subscription Escrow Agreement unless otherwise defined herein.

Please be advised that the following conditions have been satisfied:

- (i) the Company shall have received and accepted subscriptions for the Minimum Number of Securities in the Offering; and
- (ii) the Company is not subject to any stop order or other legal order prohibiting the Offering or the acceptance of Subscription Payments.

ACCEPTED SUBSCRIPTIONS

Attached hereto is a Subscription Accounting setting forth the Subscriptions Payments and subscriptions accepted by the Company as of the date of this notice.

In accordance with the Escrow Agreement, the Company hereby instruct you to disburse the Escrow Funds.

WITHDRAWN, REJECTED OR CANCELLED SUBSCRIPTIONS

You are hereby notified that all Subscriptions Agreements identified on the Subscription Accounting that were not accepted were withdrawn, rejected or canceled. The rejected, withdrawn and canceled subscriptions are shown with a \$0 in the "Accepted Amount Total" column on the Subscription Accounting. You are hereby instructed to return to the applicable Subscriber the amount of the Subscription Payment from such Subscriber being held in Escrow Account, without interest or deduction, as soon as practicable.

Please do not hesitate to call the undersigned with any questions or concerns you have regarding this notice of escrow closing.

Very Truly Yours,

/s/ Thomas R. Foss

By: Thomas R. Foss

Its: Head of Business Operations

EXHIBIT D
Notice of Failure of Escrow Closing

Date [_____]

VIA FACSIMILE AND U.S. MAIL

Sunrise Banks, National Association
2300 Como Avenue
Saint Paul, MN 55108
Fax: (651)259-6808
Attention: Crowdfunding Escrow Services

Re: Burning Brothers Brewing, LLC (the "Company") Notice of Failure of Escrow Closing

Dear Sir/Madam:

Reference is made to the Subscription Escrow Agreement dated as of 1-15-2020 between the Company and Sunrise Banks, National Association, as escrow agent ("Escrow Agent"). Capitalized terms used herein shall have the meaning ascribed to such terms in the Subscription Escrow Agreement unless otherwise defined herein.

Please be advised that:

- (1) the Offering was terminated on _____ (the "Final Escrow Closing Date"); and
- (2) the conditions to closing on the Subscription Payments being held in escrow have not been satisfied on or before the Final Escrow Closing Date; and
- (3) there has not been and will not be an escrow closing.

Please return all Subscription Payments being held in the Escrow Account to the Subscribers.

Please do not hesitate to call the undersigned with any questions or concerns you have regarding this Notice of Failure of Escrow Closing.

Very Truly Yours,

/s/ Thomas R. Foss

By: Thomas R. Foss

Its: Head of Business Operations

**EXHIBIT H TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE**

Portal Operator Agreement

INTRASTATE INVESTMENT CROWDFUNDING PORTAL AGREEMENT

This Portal Agreement (the "Agreement"), is made and entered into on (the "Effective Date"), by and between Silicon Prairie Portal & Exchange LLC ("SPPX" or "Vendor") and Burning Brothers Brewing, LLC ("Customer"). Each party to this Agreement may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, SPPX provides an investment crowdfunding software platform which Customer will access under authorization from Vendor; and

WHEREAS, the Parties desire that SPPX make such platform and related services available to Customer under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

Definitions

As used in this Agreement, the following terms shall have the following meaning:

- a. **"Content"** means the visual information, documents, software, products, and services contained or made available to Customer in the course of using the Service (as defined hereinafter).
- b. **"Customer User Account"** means the account maintained by Customer's users which includes any related login credentials and certain Customer Data provided or submitted by Customer's users in the course of using the Service.
- c. **"Customer Data"** means any data, information, or material provided or submitted by Customer or by third-party users in the course of using the Service.
- d. **"Intellectual Property Rights"** means any unpatented inventions, patent applications, patents, design rights, copyrights, trademarks, service marks, trade names, domain name rights, mask work rights, know-how and other trade secret rights, and all other intellectual property rights, derivatives thereof, and forms of protection of a similar nature anywhere in the world.
- e. **"SPPX Technology"** means all of SPPX's proprietary technology (including software, hardware, products, processes, algorithms, user interfaces, know-how, techniques, designs, and other tangible or intangible technical material or information) made available to Customer by SPPX in providing the Service.
- f. **"Service(s)"** means SPPX's crowdfunding investment platform (the "Software Platform"), developed, operated, hosted, and maintained by SPPX, or ancillary online or offline products and services provided to Customer by SPPX, to which Customer is being granted access under this Agreement, including the SPPX Technology and the Content. The Services are further described in the documentation set forth in Appendix B.
- g. **"User(s)"** means Customer employees, representatives, consultants, contractors, agents, or prospective investors who are authorized to use the Service and have been supplied user identifications and passwords by Customer (or by SPPX at Customer's request).

Provision of Services

- a. Subject to the terms and conditions set forth in this Agreement (including any appendices), during the term of this Agreement, SPPX agrees to provide the Services and provide authorization to Customer and its Users with access and rights to use the Services subject to the fees set forth on Appendix A, attached hereto.

- b. Appendix A may be modified by the mutual written consent of the parties, in a form expressly amending such Appendices, to expand, limit or otherwise modify the scope the Services provided hereunder.
- c. SPPX will not provide any front-end web hosting services on the Customer's website, but shall provide installation, maintenance, support, and other related hosting services to Customer as part of the Services and to be hosted on a subdomain of the Customer's website.
- d. Neither the execution of this Agreement nor anything in it shall obligate SPPX to furnish any services beyond those described within this Agreement.

Access to Software Platform and Restrictions

- a. SPPX hereby authorizes Customer to access and use the Service, solely for Customer's own business purposes, subject to the terms and conditions of this Agreement. All rights not expressly granted to Customer are reserved by SPPX.
- b. Customer may not access the Service for purposes of obtaining competitive advantages, including, but not limited to, monitoring its availability, performance or functionality, or for any other benchmarking or competitive purposes.

Customer Responsibilities

- a. Customer is responsible for all activity occurring under Customer's User Accounts and shall abide by all applicable local, state, national, and foreign, laws, treaties and regulations in connection with Customer's use of the Service, including those related to data security and privacy, International communications, and the transmission of technical or personal data.
- b. Customer shall: (i) notify SPPX immediately of any unauthorized use of any password or account or any other known or suspected breach of security; (ii) report to SPPX immediately and use reasonable efforts to stop immediately any copying or distribution of Content that is known or suspected by Customer or Customer Users; and (iii) not impersonate another SPPX user or provide false identity information to gain access to or use the Service.
- c. Customer shall not (i) license, sublicense, sell, resell, transfer, assign, distribute, or otherwise commercially exploit or make available to any third party the Service or the Content in any way; (ii) modify or make derivative works based upon the Service or the Content; (iii) "frame" or "mirror" any Content on any other server or wireless or Internet-based device; or (iv) reverse engineer or access the Service in order to (a) build a competitive product or service, (b) build a product using similar ideas, features, functions or graphics of the Service, or (c) copy any Ideas, features, functions or graphics of the Service.
- d. Customer shall not: (i) send spam or otherwise duplicative or unsolicited messages in violation of applicable laws; (ii) send or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortious material, including material harmful to children or violative of third party privacy rights; (iii) send or store material containing software viruses, worms, Trojan horses, or other harmful computer code, files, scripts, agents, or programs; (iv) interfere with or disrupt the integrity or performance of the Service or the data contained therein; or (v) attempt to gain unauthorized access to the Service or its related systems or networks.
- e. In connection with Customer's use of the Services on Customer's own front-end website, Customer's front-end materials, web pages, media, and graphics used in connection with the Services shall prominently indicate that Vendor is providing the back-end Services by using the phrasing "POWERED BY SILICON PRAIRIE ONLINE" alongside the SPPX logo, in a manner to be approved by Vendor prior to Customer's use of the Services with any third parties.

Account Information and Customer Data

- a. Customer, not SPPX, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all Customer Data, and SPPX shall not be responsible or liable for the deletion, correction, corruption, destruction, damage, loss or failure to store any Customer Data. In the event this Agreement is terminated (other than by reason of Customer's breach), SPPX will make available to Customer a file of the Customer Data within thirty (30) days of termination if Customer so requests at the time of termination.

- b. SPPX reserves the right to withhold, remove, and/or discard Customer Data without notice for any breach, including, without limitation, Customer's non-payment. Upon termination for cause, Customer's right to access or use Customer Data immediately ceases, and SPPX shall have no obligation to maintain or forward any Customer Data.

Intellectual Property Ownership

- a. SPPX (and its affiliated entities, where applicable) shall retain all right, title, and interest, including all related Intellectual Property Rights, in and to the SPPX Technology, the Content and the Service and any suggestions, ideas, enhancement requests, feedback, recommendations, or other information provided by Customer or any other party relating to the Service.
- b. This Agreement is not a sale or license and does not convey to Customer any rights of ownership in or related to the Service, the SPPX Technology or the Intellectual Property Rights owned by SPPX. SPPX's name, SPPX's logo, and the product names associated with the Service are trademarks of SPPX or third parties, and no right or license is granted to use them.

Third Party Goods and Services

- a. Customer may enter into correspondence with, and utilize the services from, third party service providers whose services are embedded into, or linked from, our Service offering. Any such activity, and any terms, conditions, warranties, or representations associated with such activity, is solely between Customer and the applicable third party. SPPX shall have no liability, obligation, or responsibility for any such correspondence, purchase, or utilization between Customer and any such third party. SPPX does not endorse any sites on the Internet that are linked through the Service. In no event shall SPPX be responsible for any content, products, or other materials on or available from such sites.
- b. Customer acknowledges that certain third party providers of ancillary software, hardware, or services may require Customer's agreement to additional or different license or other terms prior to Customer's use of or access to such software, hardware or services.

Term and Termination

- a. This Agreement is effective as of the Effective Date and will remain in effect until terminated by SPPX or Customer within 30 days' notice.
- b. SPPX may terminate Customer's access to all or any part of the Services at any time, with or without cause, with or without notice, with immediate effect.
- c. Any breach of Customer's payment obligations or unauthorized use of the SPPX Technology or Service will be deemed a material breach of this Agreement. SPPX, in its sole discretion, may terminate Customer's password, account or use of the Service if Customer breaches or otherwise fails to comply with this Agreement.

Payment of Fees

- a. Customer shall make payment to SPPX for the Services at the rates and terms agreed to in Appendix A of this Agreement.
- b. All payment obligations are non-cancelable and all amounts paid are nonrefundable. Customer shall provide SPPX with valid credit card, cash, check, crypto-currency or other approved payment information as a condition to signing up for the Service.
- c. SPPX will issue an invoice to Customer as set forth in Appendix A. SPPX's fees are exclusive of all taxes, levies, or duties imposed by taxing authorities, and Customer shall be responsible for payment of all such taxes, levies, or duties, excluding only U.S. (federal or state) taxes based solely on SPPX's income.

- d. Customer agrees to provide SPPX with complete and accurate billing and contact information. This information includes Customer's legal company name, street address, email address, and name and telephone number of an authorized billing contact. Customer agrees to update this information within thirty (30) days of any change to it. If the contact information Customer has provided is false or fraudulent, SPPX reserves the right to terminate or suspend Customer's access to the Service in addition to any other legal remedies.
- e. If Customer believes its invoice is incorrect, Customer must contact SPPX in writing within sixty (60) days of the invoice date of the invoice containing the amount in question to be eligible to receive an adjustment or credit.

Nonpayment and Suspension

- a. In addition to any other rights granted to SPPX herein, SPPX reserves the right to suspend or terminate this Agreement and Customer's access to the Service if Customer fails to timely pay Vendor as set forth in this Agreement. Customer will continue to be charged during any period of suspension. If Customer or SPPX terminates this Agreement, Customer will be obligated to pay all remaining amounts owed to SPPX in accordance with Sections 8 and 9 above.
- b. SPPX reserves the right to impose additional fees in the event Customer is suspended and thereafter requests reinstated access to the Service.

Representations and Warranties, Indemnification, and Disclaimers

- a. Each party represents and warrants that it has the legal power and authority to enter into this Agreement. SPPX represents and warrants that it will provide the Service in a manner consistent with general industry standards reasonably applicable to the provision thereof and that the Service will perform substantially in accordance with Appendix B under normal use and circumstances.
- b. Customer represents and warrants that Customer has not falsely identified Customer nor provided any false information to gain access to the Service and that Customer's billing information is correct.
- c. Customer shall indemnify, defend, and hold SPPX and its parent organizations, subsidiaries, affiliates, officers, governors, employees, attorneys, and agents harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) arising out of or in connection with: (i) a claim alleging that use of the Customer Data infringes the rights of, or has caused harm to, a third party; (ii) a claim, which if true, would constitute a violation by Customer of Customer's representations and warranties; or (iii) a claim arising from the breach by Customer or Customer Users of this Agreement, provided in any such case that SPPX (a) gives written notice of the claim promptly to Customer; (b) gives Customer sole control of the defense and settlement of the claim (provided that Customer may not settle or defend any claim unless Customer unconditionally releases SPPX of all liability and such settlement does not affect SPPX's business or Service); (c) provides to Customer all available information and assistance; and (d) has not compromised or settled such claim.
- d. SPPX shall indemnify, defend, and hold Customer and Customer's parent organizations, subsidiaries, affiliates, officers, directors, governors, managers, employees, attorneys, and agents harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) arising out of or in connection with: (i) a claim alleging that the Service directly infringes a copyright, patent issued as of the Effective Date, or a trademark of a third party; (ii) a claim, which if true, would constitute a violation by SPPX of its representations or warranties; or (iii) a claim arising from breach of this Agreement by SPPX; provided that Customer (a) promptly gives written notice of the claim to SPPX; (b) gives SPPX sole control of the defense and settlement of the claim (provided that SPPX may not settle or defend any claim unless it unconditionally releases Customer of all liability); (c) provides to SPPX all available information and assistance; and (d) has not compromised or settled such claim. SPPX shall have no indemnification obligation, and Customer shall indemnify SPPX pursuant to this Agreement, for claims arising from any infringement arising from the combination of the Service with any of Customer products, service, hardware or business process(s).
- e. SPPX MAKES NO OTHER REPRESENTATION, WARRANTY, OR GUARANTY AS TO THE RELIABILITY, TIMELINESS, QUALITY, SUITABILITY, TRUTH, AVAILABILITY, ACCURACY, OR COMPLETENESS OF THE SERVICE OR ANY CONTENT. SPPX DOES NOT REPRESENT OR WARRANT THAT (A) THE USE OF THE SERVICE WILL BE SECURE, TIMELY, UNINTERRUPTED, OR ERROR-FREE OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM, OR DATA; (B) THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR EXPECTATIONS; (C) ANY

STORED DATA WILL BE ACCURATE OR RELIABLE; (D) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL PURCHASED OR OBTAINED BY CUSTOMER THROUGH THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR EXPECTATIONS; (E) ERRORS OR DEFECTS WILL BE CORRECTED; OR (F) THE SERVICE OR THE SERVER(S) THAT MAKE THE SERVICE AVAILABLE ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE SERVICE AND ALL CONTENT IS PROVIDED TO CUSTOMER STRICTLY ON AN "AS IS" BASIS. ALL CONDITIONS, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS, ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY SPPX.

- f. SPPX'S SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. SPPX IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS.

Limitation of Liability

- a. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY EXCEED THE AMOUNTS ACTUALLY PAID BY AND/OR DUE FROM CUSTOMER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF ANY TYPE OR KIND (INCLUDING LOSS OF DATA, REVENUE, PROFITS, USE, OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THIS SERVICE, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE SERVICE, OR FOR ANY CONTENT OBTAINED FROM OR THROUGH THE SERVICE, ANY INTERRUPTION, INACCURACY, ERROR, OR OMISSION, REGARDLESS OF CAUSE IN THE CONTENT, EVEN IF THE PARTY FROM WHICH DAMAGES ARE BEING SOUGHT HAS BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- b. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitation of liability for incidental, consequential, or certain other types of damages, so the exclusions set forth above may not apply to Customer.

Local Laws and Export Control; Securities Compliance

SPPX makes no representation that the Service is appropriate or available for use in other locations. Customer is solely responsible for compliance with all applicable laws, including all securities state and federal securities laws, and without limitation export and import regulations of other countries.

Notice

SPPX may give notice by means of a general notice on the Service, email to Customer address on record in SPPX's account information, or by written communication sent by first class mail or pre-paid post to Customer address on record in SPPX's account information. Such notice shall be deemed to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or pre-paid post) or 12 hours after sending (if sent by email). Customer may give notice to SPPX (such notice shall be deemed given when received by SPPX) at any time by any of the following: letter delivered by nationally recognized overnight delivery service or first class postage prepaid mail to SPPX at the following address:

Silicon Prairie Portal & Exchange LLC
Attn: David V Duccini
475 Cleveland Ave Suite 315
St. Paul, MN 55104

Modification to Terms

SPPX reserves the right to modify the terms and conditions of this Agreement or its policies relating to the Service at any time, effective upon the posting of an updated version of this Agreement on the Service. Customer is responsible for regularly reviewing this Agreement. Continued use of the Service following a period of thirty (30) days after any such changes shall constitute Customer's consent to such changes.

Assignment; Change in Control

This Agreement may not be assigned by Customer without the prior written approval of SPPX, which shall not be unreasonably withheld, but may be assigned without Customer's consent by SPPX to (i) a parent or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. Any purported assignment in violation of this section shall be void. Any actual or proposed change in control of Customer that results or would result in a direct competitor of SPPX directly or indirectly owning or controlling 50 percent or more of Customer shall entitle SPPX to terminate this Agreement for cause immediately upon written notice.

General

1. This Agreement shall be governed by Minnesota law and controlling U.S. federal law, without regard to the choice or conflicts of law provisions of any jurisdiction, and any disputes, actions, claims, or causes of action arising out of or in connection with this Agreement or the Service shall be subject to the exclusive jurisdiction of the state and federal courts located in Hennepin County, State of Minnesota.
2. No text or information set forth on any other purchase order, preprinted form, or document shall add to or vary the terms and conditions of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the invalid or unenforceable provision(s), with all other provisions remaining in full force and effect. No joint venture, partnership, employment, or agency relationship exists between Customer and SPPX as a result of this agreement or use of the Service. The failure of SPPX to enforce any right or provision in this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by SPPX in writing. This Agreement comprises the entire agreement between Customer and SPPX and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral, between the parties regarding the subject matter contained herein.

IN WITNESS WHEREOF, the parties have executed this Portal Agreement as of the Effective Date.

SILICON PRAIRIE PORTAL & EXCHANGE ("SPPX"):

BY: /s/ David V Duccini

Name: David V Duccini
Title: Founder and CEO

CUSTOMER: Burning Brothers Brewing, LLC

By: /s/ Thomas Foss

Name: Thomas Foss
Title:

APPENDIX A
Schedule of Fees*

CUSTOMER SETUP AND USE OF THE PORTAL

Setup Fee: \$2,500 (includes up to 10 hours of on-boarding consulting)

RAISE	FIXED FEE TOTAL
<u>UP TO 12 MONTHS (EXCLUDES SETUP FEE)</u>	

\$50K - \$1.0M	Not to exceed \$50,000**
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* SPPX reserves the right to discount fees based on the length of time that the securities are offered on the portal (pursuant to Minn 80A.461).

** SPPX may at its sole discretion offer to accept issuer securities in lieu of payment.

APPENDIX B
Description / Documentation of Services

Investment Crowdfunding Portal Hosting Package, Investor Residency Verification, Investment Tracking, and all other services as may be necessary.

APPENDIX C
FBO Account Authorization Letter

Burning Brothers Brewing, LLC ("Customer") hereby Authorizes Silicon Prairie Holdings, Inc. ("SPPX") to initiate the creation of a bank account (the "FBO Account") for the benefit of Customer at Sunrise Banks ("Bank"), pursuant to that certain Third Party Sender ACH Agreement between SPPX and Bank dated July 21, 2017, in order to collect amounts contributed from investors to Customer to be held in escrow for the benefit of Customer. This authorization shall remain in full force and effect until SPPX has received written notification from Customer of its termination in such time and in such manner as to afford SPPX a reasonable opportunity to act on such notification.

ASSIGNMENT. Customer hereby assigns to SPPX its rights and management of the FBO Account during the term of the engagement, which is defined as commencing from the effective date of the Offering with the Minnesota Department of Commerce and concluding at the final close of its Offering. Customer expressly authorizes SPPX to add its name to such agreement as an FBO.

DISBURSEMENT. Customer understands that no funds can be disbursed until two conditions have been satisfied:

- 1 The Customer raises its stated minimum amount as documented in its filing with Commerce, and
- 2 The Customer has accepted signed subscription agreements, including via e-signature, from each of its investors.

SPPX will aid in the collection of signed subscription agreements and verify receipt prior to the disbursements of any funds from the escrow account. Signed subscription agreements can be obtained through the portal using e-signatures. Customer will be responsible for placing a digital signature on file with SPPX to be used for the sole and express purpose of countersigning subscription agreements on Customer's behalf.

Customer understands that all funds disbursed will be subject to transfer via an approved payment method, including but not limited to ACH, bank draft or wire transfer and will be subject to any fees required per method, to be deducted from funds held in escrow.

RECESSION. Customer understands that investors have the right to rescind their investment pledges up to 48 hours prior to the close of the offering and receive a full refund of all funds without fee.

CHARGEBACKS. Customer understands that investors who fund their escrow pledges via ACH can refute such transactions ("CHARGEBACK") for up to 60 days. In the event an investor initiates an ACH chargeback, Customer understands funds in the equivalent amount may be held back until the matter is cured at Customer's expense.

RELEASE. Customer hereby further agrees to release, indemnify and hold harmless SPPX as administrator of the FBO Account from any claim or demand arising out of the administration of the FBO Account.

COMPLIANCE AND RECORD-KEEPING

Customer agrees:

- (i) To be bound by the Rules of the National Automated Clearing House Association ("Rules");
- (ii) To assume the obligations and make the representation and warranties of an "Originator," a "Third Party Service Provider" and/or a "Third Party Sender," as the case may be and as such terms are defined under the Rules;
- (iii) To receive and maintain proper authorization from the "Receiver" for each "Entry" initiated on behalf of the Customer, as such terms are defined under the Rules;
- (iv) To be exposed to a limit and be subject to procedures for Third Party Sender to review and adjust the exposure limit periodically; and
- (v) To allow Third Party Sender to conduct regular audits of the Customer.

EXHIBIT I TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE

Advertisement

Burning Brothers Brewing located in the Midway Neighborhood of St. Paul, is a dedicated gluten-free craft brewery making "Craft Beer for Everyone" and we're excited to offer ALL Minnesotan's (accredited or non-accredited) the chance to invest through the new MNvest Program.



If you are a resident of MN, over 21, and a craft beer enthusiast, this is your time to join the brewing community with the opportunity for an ownership stake in our BREWERY.

Don't fear the beer - Cheers!

Visit sppx.io today to see if this unique opportunity is right for you.

*This advertisement is for informational purposes only. This offering is being made under the amendment to the Minnesota Securities Act (Minnesota Statutes, section 80A.461) and is directed at Minnesota residents only. All actual offers and sales will be made through the MNvest registered portal Silicon Prairie. The Department of Commerce is the securities regulator in Minnesota.

**EXHIBIT J TO
BURNING BROTHERS BREWING, LLC**

MNVEST NOTICE

Cyber Security Policy



([HTTPS://WWW.BURNBROSBREW.COM/](https://www.burnbrosbrew.com/))

CYBERSECURITY POLICY STATEMENT

Burning Brothers Brewing ("us", "we", or "our") operates <http://www.burnbrosbrew.com> (<http://www.burnbrosbrew.com>) and is hosting a MNVest portal on <https://bbb.sppx.io> (<https://bbb.sppx.io>) (the "Platform"). This page informs you of our policies regarding the collection, use and disclosure of Personally Identifiable Information ("PII") we receive from users of the Platform as well as our cybersecurity policies and procedures with respect to data breach and notifications. For policies regarding Silicon Prairie, please refer to their page at <https://sppx.io/cyber> (<https://sppx.io/cyber>)

INFORMATION COLLECTION AND USE

We use your personal information only for providing the services offered and improving the platform. By using the platform, you agree to the collection and use of information in accordance with this policy. While using the platform, we may ask you to provide us with certain personally identifiable information that can be used to contact or identify you. Personally identifiable information may include, but is not limited to:

- Your name & email address
- Addresses & phone numbers
- Drivers License number & image
- SSN (if you are an issuer or investor)

PRIVACY & SECURITY

The privacy & security of your personal information is important to us. While we strive to use commercially acceptable means to protect your personal information, we cannot guarantee its absolute security. You have a right to request a copy of all PII that we maintain on your behalf and to amend or correct the PII, as well as the right to have your account disabled. We have certain regulatory obligations to maintain investor records for a period of time up to and including seven (7) years or as directed by local, state and federal authorities.

CYBER SECURITY

Between Burning Brothers Brewing and Silicon Prairie, we use a combination of administrative, preventative and detective controls to assure our platform and our users' data is secured against cybersecurity attacks to maintain confidentiality, integrity and availability. All hardware for the portal is owned and managed by portal staff directly and data center company staff do not have administrative access. Burning Brothers Brewing web server is hosted and any data used on this site is available to Burning Brothers Brewing administrative staff and the web host.

We follow industry best practices with regard to our data center deployments, including but not limited to:

- Distributed Denial of Service ("DDOS") protection
- Web application & network firewalls
- Network segmentation ("DMZ")
- Protocol breaks and inspection
- All web traffic uses Secure Socket Layers ("SSL")
- Two-Factor Authentication ("2FA") required for administrative access

Our portal software is built upon a fine-grained role based access control system ("RBAC") to assure that there is a segregation between regular users, vetted investors, issuers, and partners.

The system implements an anti-automation mechanism to prevent against sophisticated "robo-attacks" on user accounts as well as a failed login lockout mechanism that blocks a user from logging in after seven attempts. Administrative staff is notified automatically via email when a user or host is blocked.

SECURITY MONITORING AND INCIDENT RESPONSE

We leverage network and endpoint-based controls to facilitate security logging and monitoring of user activities, exceptions, faults, and events in accordance with business, legal, and regulatory requirements. Collected logs and associated analysis are appropriately archived, protected from unauthorized access, and regularly reviewed.

We have established and maintain an incident response process and where required, reporting processes for disclosures of PII in the event of data loss or a data breach. If we have reason to believe that a user's data was compromised we will:

- 1) Notify them in writing at the last known address on file, or
- 2) Notify them by email if that is their preferred method of contact
- 3) Notify all recognized consumer reporting agencies in the event the breach exceeds 500 records

All notifications will be in within 48 hours of discovery unless otherwise requested by law enforcement. We will also notify respective state administrators according to their individual disclosure requirements. In Minnesota it is pursuant to Section 325E.61 (<https://www.revisor.mn.gov/statutes/?id=325E.61>)

We encourage reporting from our employees, investors, issuers and others of any and all suspicious activities to security@sppx.io (<mailto:security@sppx.io>). or admin@burnbrosbrew.com (<mailto:admin@burnbrosbrew.com>).

CHANGES TO THIS POLICY

This policy is effective as of the date noted at the top and will remain in effect except with respect to any changes in its provisions in the future, which will be in effect immediately after being posted on this page. We reserve the right to update or change our Privacy & Cybersecurity Policy Statement at any time and you should check this policy periodically.

Your continued use of the service after we post any modifications to the security and privacy policy on this page will constitute your acknowledgment of the modifications and your consent to abide and be bound by the modified policy. If we make any material changes to this policy, we will notify you either through the email address you have provided us, or by placing a prominent notice on the platform.

SOCIAL



(<https://www.facebook.com/BurnBrosBrew>)



(<https://twitter.com/BurnBrosBrew>)



(<https://www.instagram.com/burnbrosbrew/>)

NEWSLETTER

Subscribe (<http://eepurl.com/xMuQj>)

OTHER INFO

Distributors (<https://www.burnbrosbrew.com/distributors/>)

CyberSecurity Policy (<https://www.burnbrosbrew.com/cybersecurity-policy-statement/>)

DESIGNED BY SMARTCAT



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**EXHIBIT K TO
BURNING BROTHERS BREWING, LLC
MNVEST NOTICE**

MNVest Issuer Notice Form

MNvest Issuer Notice Form

This form is for use by MNvest issuers to file notice of a MNvest offering with the Minnesota Department of Commerce. MNvest issuers completing this form must carefully review and comply with Minnesota Statute 80A.461 and Minnesota Rules 2876.3050 – 2876.3060.

Issuer Information

Name of Issuer: Burning Brothers Brewing, LLC

Address: 1750 Thomas Ave. W.

St. Paul, Minnesota 55104

Telephone: (651) 444-8882

Email: thom@burnbrosbrew.com

Issuer's website: <https://www.burnbrosbrew.com>

Contact to whom communications regarding this Notice should be directed:

Name: Jeffrey C. O'Brien

Address: 100 Washington Ave. S., Suite 1700

Minneapolis, MN 55401

Telephone: (612) 336-1298

Email: jobrien@chestnutcambronne.com

Offering Information¹

Identify the broker-dealer or MNvest portal that will be used to offer the issuer's securities:

Silicon Prairie Portal

¹ See Minnesota Statute 80A.461, Subd. 3 when completing this section.

Does the MNvest Issuer also intend to act as portal operator?² ☐ Yes ☒ No
(If yes, the issuer must register as a portal operator before commencing with the offering.)

Amount to be offered: \$1,000,000.00 in Convertible Promissory Notes

Minimum amount to be raised: \$25,000.00

Explain how the stated minimum offering will be sufficient to implement the issuer's business plan (attach additional pages if necessary):

When the investments are received by the Company, we will be able to fund our growth plans, the particulars of which are more fully elaborated in Exhibit A of the Investor Package

Offering Commencement Date: January 15, 2020

Offering Expiration Date: December 31, 2020

Name and contact information of Bank or Depository Institution (Escrow Agent) in which investor funds shall be deposited³:

Sunrise Banks

200 University Avenue West Suite 200, Saint Paul, MN 55103

ATTN: Nate Koenig nate.koenig@sunrisebanks.com 651-259-2275

Disqualifications

The MNvest issuer affirms that it has:

1. reviewed the disqualification provisions of Minn. Stat. 80A.461 Subd. 9(a); and
2. undertaken the inquiries needed to establish, under Minn. Stat. 80A.461, subd. 9(b)(4), that the issuer has no reason to know that a disqualification exists.

TRF (Enter initials of person signing this form)

Additional Information

Please include the following with your submission:

- A copy of the issuer's disclosure document including all information required under Minnesota Statute 80A.461 Subd. 4. The disclosure document filed with the Department should include, as a cover page, the MNvest Offering Disclosure Guide provided on pages 4-5 of this form.

²See Minnesota Statute 80A.461, Subd. 1(d)

³See Minnesota Statute 80A.461, Subd. 3(8) and Minnesota Rule 2876.30515.

- A copy of a representative example of advertising that the MNvest Issuer intends to use to promote this offering or solicit prospective purchasers.
- A copy of the Issuer's balance sheet and Income statement as required by Minnesota Statute 80A.461 Subd. 3(4).
- A filing fee of \$300, made payable to the Minnesota Department of Commerce

The undersigned represents that the Issuer understands the conditions that must be satisfied to be entitled to the MNvest Securities Registration Exemption and understands that the Issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied. The Issuer has read this Notice and knows the contents to be true and has authorized the undersigned to sign this form on the issuer's behalf.

The undersigned affirms that to the best of his or her knowledge, information, and belief the statements made on this form are true.

Thomas R. Foss
Representative of Issuer (Print Name)
/s/ Thomas R. Foss
(Signature)

Head of Business Operations
(Title)
1-15-2020
(Date)

Filing Instructions: Issuers relying on the MNvest Securities Registration Exemption must submit this form and accompanying documents to the Minnesota Department of Commerce a minimum of ten (10) days prior to any offer or sale of a security that relies on this exemption. The form and all accompanying documents should be emailed to Securities.Commerce@state.mn.us with "MNvest notice" in subject line, or mailed to the Minnesota Department of Commerce at the below address:

Minnesota Department of Commerce
Securities Section
85 7th Place East, Suite 500
Saint Paul, MN 55101

MNvest Offering Disclosure Guide

Pursuant to §80A.461 Subd. 4, issuers relying on the MNvest Securities Registration Exemption must create a disclosure document that contains the information and notices detailed below. A complete copy of the disclosure document must be made available through the MNvest portal to each prospective purchaser. Please list the page numbers of the disclosure document that include the information below.

1. The MNvest Issuer's type of entity, the address and telephone number of its principal office, its formation history for the previous five years, a summary of the material facts of its business plan and its capital structure, and its intended use of the offering proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as compensation or otherwise, to an owner, executive officer, director, governor, manager, member, or other person occupying a similar status or performing similar functions on behalf of the MNvest issuer.

Applicable page numbers within Disclosure Document: Exhibit A, coverage

2. The MNvest offering must stipulate the date on which the offering will expire, which must not be longer than 12 months from the date the MNvest offering commenced.

Applicable page numbers within Disclosure Document: Introduction to Investor Package, coverage

3. A copy of the escrow agreement between the escrow agent, the MNvest issuer, and, if applicable, the portal operator, as described in subdivision 3, clause (8).

Applicable page numbers within Disclosure Document: Exhibit G (all)

4. The financial statements required under Minnesota Statute, section 80A.461 subdivision 3, clause (4).

Applicable page numbers within Disclosure Document: Exhibit F (all)

5. The identity of all persons owning more than ten percent of any class of equity interests in the company.
Applicable page numbers within Disclosure Document: **Exhibit D Operating Agreement, at Schedule A**

6. The identity of the executive officers, directors, governors, managers, members, and other persons occupying a similar status or performing similar functions in the name of and on the behalf of the MNvest issuer, including their titles and their relevant experience.

Applicable page numbers within Disclosure Document: **Exhibit A, (Corporate Governance)**

7. The terms and conditions of the securities being offered, a description of investor exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and maximum amount of securities being offered; either the percentage economic ownership of the MNvest issuer represented by the offered securities, assuming the minimum and, if applicable, maximum number of securities being offered is sold, or the valuation of the MNvest issuer implied by the price of the offered securities; the price per share, unit, or interest of the securities being offered; any restrictions on transfer of the securities being offered; and a disclosure that any future issuance of securities might dilute the value of securities being offered.

Applicable page numbers within Disclosure Document: **Exhibit B (all)**

8. The identity of and consideration payable to a person who has been or will be retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and sale of the securities, including a portal operator, but excluding (i) persons acting primarily as accountants or attorneys, and (ii) employees whose primary job responsibilities involve operating the business of the MNvest issuer rather than assisting the MNvest issuer in raising capital.

Applicable page numbers within Disclosure Document: **Exhibit H (Appx A)**

9. A description of any pending material litigation, legal proceedings, or regulatory action involving the MNvest issuer or any executive officers, directors, governors, managers, members, and other persons occupying a similar status or performing similar functions in the name of and on behalf of the MNvest issuer.

Applicable page numbers within Disclosure Document: **N/A (No Pending Legal Matters)**

10. A statement of the material risks unique to the MNvest issuer and its business plans.

Applicable page numbers within Disclosure Document: **Exhibit C (all)**

11. A statement that the securities have not been registered under federal or state securities law and that the securities are subject to limitations on resale.

Applicable page numbers within Disclosure Document: **Investor Package, Introduction**

12. The following legend must be displayed conspicuously in the disclosure document:

"IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

SALES WILL BE MADE ONLY TO RESIDENTS OF MINNESOTA. OFFERS AND SALES OF THESE SECURITIES ARE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THE

SECURITIES, ANY RESALE OF THE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER."

Applicable page numbers within Disclosure Document: **Investor Package, Introduction**

13. The following legend must be displayed conspicuously on the certificate or other document, if applicable, evidencing the security stating that:

"OFFERS AND SALES OF THESE SECURITIES WERE MADE UNDER AN EXEMPTION FROM FEDERAL REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THESE SECURITIES, ANY RESALE OF THESE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN MINNESOTA. ANY RESALE OF THESE SECURITIES MUST BE REGISTERED OR EXEMPT PURSUANT TO THIS CHAPTER."

Applicable page numbers within Disclosure Document: **Investor Package, Introduction**

14. Per MN Rules §2876.3055, MNvest issuers must take reasonable steps to ensure that purchasers' financial and personal information is properly secured. Reasonable steps include, at a minimum, a written cybersecurity policy that outlines the MNvest issuer's policies and procedures. Please carefully review the complete Rule for specific requirements.

Applicable exhibit and webpage reference: