

# LIMITED LIABILITY COMPANY OPERATING AGREEMENT

## FOR

### RCW Automotive, LLC

This Company Agreement of this LIMITED LIABILITY COMPANY organized pursuant to applicable state law, is entered into and shall become effective as of the Effective Date by and among the Company and the persons executing this Agreement as Members. It is the Members express intention to create a limited liability company in accordance with the Act, as currently written or subsequently amended or redrafted. Therefore, all provisions of this document shall be construed consistent with the afore described intent of the Members. Accordingly, in consideration of the conditions contained herein, he/she/they agree as follows:

## ARTICLE I

### Company Formation

- 1.1 **FORMATION.** The Members hereby form a Limited Liability Company ("Company") subject to the provisions of state law as currently in effect as of this date. Articles of Organization shall be filed with the Secretary of State.
- 1.2 **REGISTERED OFFICE AND AGENT.** The location and name of the registered agent shall be as stated in the Articles of Organization.
- 1.3 **TERM.** The Company shall continue for a perpetual period unless,
  - (a) The Members votes for dissolution; or
  - (b) Any event which makes it unlawful for the business of the Company to be carried on by the Members; or
  - (c) Any other event causing dissolution of this Limited Liability Company under applicable state laws.
- 1.4 **CONTINUANCE OF COMPANY.** Notwithstanding the provisions of ARTICLE 1.3, in the event of an occurrence described in ARTICLE 1.3(c), if there are at least one remaining Member(s), said remaining Member(s) shall have the right to continue the business of the Company
- 1.5 **BUSINESS PURPOSE.** The Company shall conduct any and all lawful business deemed appropriate to execute the company's objectives.

- 1.6 **PRINCIPAL PLACE OF BUSINESS.** The location of the principal place of business of the Company shall be as stated in the Articles of Organization or at a location as the Members select.
- 1.7 **THE MEMBERS.** The name and place of residence of each member are listed below at Certification of Members. The Members are the owners of this company.
- 1.8 **ADMISSION OF ADDITIONAL MEMBERS.** Except as otherwise expressly provided in the Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

## **ARTICLE II**

### **Capital Contributions**

- 2.1 **INITIAL CONTRIBUTIONS.** The Members initially shall contribute to the Company capital and the company shall keep record of the amount each contributed.
- 2.2 **ADDITIONAL CONTRIBUTIONS.** Except as provided in ARTICLE 6.2, no Member shall be obligated to make any additional contribution to the Company's capital.

## **ARTICLE III**

### **Profits, Losses and Distributions**

- 3.1 **PROFITS/LOSSES.** For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company, and as amended from time to time in accordance with Treasury Regulation 1.704-1.
- 3.2 **DISTRIBUTIONS.** The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Members. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to Treasury Regulation 1.704-1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-1(b)(2)(ii)(d).

## ARTICLE IV

### Management

- 4.1 **MANAGEMENT OF THE BUSINESS.** The affairs of the Limited Liability Company will be managed by its Members, subject to the provisions of applicable law, and to any operating agreement and/or any amendment thereto, which may be adopted.
- 4.2 **MEMBERS.** Members shall take part in the daily operation of the Company's affairs.

## ARTICLE V

### Compensation

- 5.1 **MANAGEMENT FEE.** Any Member rendering services to the Company shall be entitled to compensation commensurate with the value of such services.
- 5.2 **REIMBURSEMENT.** The Company shall reimburse the Members for all direct out-of-pocket expenses incurred by them in managing the Company.

## ARTICLE VI

### Bookkeeping

- 6.1 **BOOKS.** The Members shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business or at another location agreeable by the Members. Such books shall be kept on such method of accounting as the Members shall select. The company's accounting period shall be the calendar year.
- 6.2 **MEMBER'S ACCOUNTS.** The Members shall maintain separate capital and distribution accounts for each member. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-1(b)(2)(iv) and shall consist of his initial capital contribution increased by:
- (a) any additional capital contribution made by him/her;
  - (b) credit balances transferred from his distribution account to his capital account; and decreased by:
  - (c) distributions to him/her in reduction of Company capital;



(d) the Member's share of Company losses if charged to his/her capital account.

- 6.3 **REPORTS.** The Members shall close the books of account after the close of each calendar year, and shall prepare and send to each member a statement of such Member's distributive share of income and expense for income tax reporting purposes.

## ARTICLE VII

### Transfers

- 7.1 **ASSIGNMENT.** If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of his interest in the Company, such Member shall first make a written offer to sell such interest to the other Members at a price determined by mutual agreement. If such other Members decline or fail to elect such interest within thirty (30) days, and if the sale or assignment is made and the Members fail to approve this sale or assignment unanimously then, pursuant to the state law, the purchaser or assignee shall have no right to participate in the management of the business and affairs of the Company. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled.

### CERTIFICATION OF MEMBERS

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

Signed this 20th day of February, 2014.

Roger L. Wallin, President Signature Roger L. Wallin Printed  
Name  
Member, President

108 Locust Grove Dr. Address

Georgetown, Kentucky 40324 Address

Carmen M. Wallin, Vice President Signature Carmen M. Wallin Printed  
Name  
Member, Vice President

108 Locust Grove Dr. Address

Georgetown, Kentucky 40324 Address