

OPERATING AGREEMENT
OF
CITY CHEF, LLC

a Kentucky limited liability company

THIS OPERATING AGREEMENT (“Agreement”) of City Chef, LLC (the “Company”) is made and entered into effective as of March 6, 2014, by and among William Alvey and Erika Alvey (the “Members”).

WITNESSETH

WHEREAS, the parties hereto have agreed to organize and operate a limited liability company in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, plus other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
Definitions

The following capitalized terms shall have the meanings specified in this Article I.

“Act” means the Kentucky Limited Liability Company Act and any successor statute, as amended from time to time.

“Additional Capital Contribution” shall have the meaning set forth in Section 3.2 of this Agreement.

“Additional Distributions” shall have the meaning set forth in Section 4.1.1 of this Agreement.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in the Member’s Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the deficit shall be decreased by the amounts which the Member is obligated to restore pursuant to this Agreement or is deemed obligated to restore pursuant to Treas. Reg. §1.704-2(g)(1) and (i)(5) (i.e., the Member’s share of Minimum Gain and Member Minimum Gain); and

(ii) the deficit shall be increased by the items described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5), and (6).

“Agreement” means this Agreement, as the same may be amended or modified from time to time in accordance with this Agreement.

“Capital Account” means a separate capital account maintained for each Member on the books of the Company in accordance with Treas. Reg. §1.704-1(b)(2)(iv) and Article III of this Agreement.

“Capital Contribution” means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Treas. Reg. §1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed or to which the assets are subject.

“Cash Flow” means (a) the sum of (i) all cash of the Company from any sources for such period other than Capital Contributions, plus (ii) any funds released by the Company from previously established reserves (referred to in (b)(ii) below), less (b) the sum of (i) all cash expenditures of the Company for such period not funded by Capital Contributions or paid out of previously established reserves (referred to in (b)(ii) below), plus (ii) a reasonable reserve for future expenditures determined by the Company.

“Code” means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

“Company” means the limited liability company organized and operated in accordance with this Agreement.

“Corporation Act” means the Kentucky Business Corporation Act.
“Initial Capital Contribution” shall have the meaning set forth in Section 3.1 of this Agreement.

“Interest” means a person’s share of the Profits and Losses of, and the right to receive distributions from, the Company.

“Involuntary Transfer” means the death, incompetency, bankruptcy or dissolution of any Member or any other event that results in an involuntary transfer of an Interest.

“Mandatory Tax Distribution” shall have the meaning set forth in Section 4.1.1 of this Agreement.

“Majority-in-Interest” shall mean Members holding, in the aggregate, a Percentage Interest of more than fifty percent (50%).

“Manager” means the person acting as the Manager of the Company pursuant to this Agreement.

“Member” means each person executing this Agreement as a Member and any person who subsequently is admitted to the Company as a Member pursuant to Section 3.9 of this Agreement.

“Member Minimum Gain” has the meaning set forth in Treas. Reg. §1.704-2(i) for “partner nonrecourse debt minimum gain.”

“Membership Rights” means all of the rights of a Member in the Company as described in this Agreement, including, without limitation, (i) a Member’s Interest, (ii) a Member’s right to inspect the Company’s books and records, (iii) a Member’s right (if any) to participate in the management of the Company, and (iv) a Member’s right (if any) to vote on matters coming before the Members.

“Minimum Gain” has the meaning set forth in Treas. Reg. §1.704-2(d). Minimum Gain shall be computed separately for each Member in a manner consistent with the regulations promulgated under Code §704(b).

“Negative Capital Account” means a Capital Account with a balance of less than zero. “Percentage Interest” means the percentage Interest in the Company of a Member identified on Exhibit A of this Agreement, as same may be amended, from time to time, in accordance with this Agreement.

“Profit” and “Loss” means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company’s taxable income or loss determined in accordance with Code §703(a), with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code §703(a)(1) shall be included in computing taxable income or loss;

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss;

(iii) any expenditures of the Company described in Code §705(a)(2)(B) (or treated as such pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss;

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes;

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the adjusted book value of the asset; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 4.4 shall not be taken into account in computing Profit or Loss.

“Transfer” shall have the meaning set forth in Section 7.1 of this Agreement.

“Treas. Reg.” or “Regulation” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code, as amended from time to time.

ARTICLE II Organization

2.1 Formation. The parties have caused to be formed (or hereby agree to cause to be formed) a limited liability company by the filing of Articles of Organization with the Kentucky Secretary of State, and hereby adopt this Agreement as the operating agreement for the Company.

2.2 Name of the Company. The name of the Company shall be “City Chef, LLC” The Company may do business under that name or any other name which is determined to be appropriate; provided, however, that if the Company is to conduct business under any name other than its legal name, it shall first comply with all applicable legal requirements with respect to the use of such name.

2.3 Purpose and Powers. The purpose of the Company is to provide food service consulting, retail food products, catering service, and a full service restaurant. The Company may engage in any other lawful activity in which a limited liability company may engage under the Act, and to do any and all things necessary, convenient, or incidental to that purpose. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company.

2.4 Term. The term of the Company shall commence upon the filing of Articles of Organization with the Kentucky Secretary of State, and shall continue until terminated pursuant to this Agreement or the Act.

2.5 Principal Office and Records. The principal office of the Company shall be located at the address set forth in the Company’s Articles of Organization or at such other place as may be determined to be appropriate. If the principal office of the Company is changed, the Company shall provide notice of such change to the Kentucky Secretary of State and make such filings as may be required by the Act. The Company shall maintain, at its principal office, those items required to be maintained by the Company pursuant to the Act, including, without limitation, those items described in Section 9.2.

2.6 Registered Office and Registered Agent. The Company shall at all times maintain a registered office and registered agent in the Commonwealth of Kentucky as required by the Act. The initial registered office and agent of the Company shall be as set forth in the Company’s Articles of Organization until changed pursuant to applicable law.

2.7 Foreign Qualifications. The Company shall qualify to do business in such other states and jurisdictions as it is required to be so qualified by the nature of its business and pursuant to applicable law, or in which the Company determines it to be advisable for the Company to be so qualified.

ARTICLE III
Members and Capital Contributions

3.1 Initial Capital Contributions. Upon execution of this Agreement, the Members shall make an initial Capital Contribution (“Initial Capital Contribution”) to the Company, and each member shall have 50% Percent Interest / Ownership in the Company.

3.2 Additional Capital Contributions. No Member shall be required to make any additional Capital Contribution (“Additional Capital Contribution”) to the Company.

3.3 Return of Capital Contributions. Except as otherwise provided in this Agreement, no Member shall have the right to receive the return of any Capital Contribution. If a Member is entitled to receive a return of a Capital Contribution, the Company may distribute cash, notes, property, or a combination thereof to the Member, but no Member shall have the right to demand or receive any property from the Company other than cash.

3.4 Interest on Capital Contributions. No Member shall be entitled to be paid (or have accrued) interest on Capital Contributions made to the Company.

3.5 No Voluntary Withdrawal. No Member shall have the right or power to voluntarily withdraw from the Company.

3.6 Capital Accounts. A separate Capital Account shall be maintained for each Member in accordance with the provisions of this Agreement and Treas. Reg. §1.704-1(b)(2)(iv). To the extent of any conflict between the provisions of this Agreement relating to the maintenance of the Capital Accounts and the provisions of Treas. Reg. §1.704-1(b)(2)(iv), the provisions of Treas. Reg. §1.704-1(b)(2)(iv) shall control. Subject to the requirements of Treas. Reg. §1.704-1(b)(2)(iv), each Capital Account:

(a) shall be increased by (or credited with) (i) the Member’s Capital Contributions, (ii) the amount of the Company’s liabilities assumed by the Member (or which are secured by property of the Company distributed to the Member), (iii) the Member’s allocable share of Profit, and (iv) any item in the nature of income or gain specially allocated to such Member pursuant to the provisions of Article IV (other than Section 4.4.5); and

(b) shall be decreased by (or debited with) (i) the amount of money and the fair market value of the Company’s property distributed to the Member, (ii) the Member’s allocable share of Loss, and (iii) any item in the nature of expenses or losses specially allocated to the Member pursuant to the provisions of Article IV (other than Section 4.4.5).

If any Interest in the Company is transferred pursuant to the terms of this Agreement, the transferee of such Interest shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of the Company’s property is adjusted pursuant to Section 4.5, the Capital Account of each Member shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. If the Company has

made an election under Code § 754, Capital Accounts shall also be adjusted to the extent required by Treas. Reg. §1.704-1(b)(2)(iv)(m). It is intended that the Capital Accounts of all Members shall be maintained in compliance with the provisions of Treas. Reg. §1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that regulation to the extent possible.

3.7 Loans by Members. Any Member may loan money to the Company, and the Company may borrow money from any Member, in such amount and upon such terms and conditions as may be agreed to by the Member and the Company.

3.8 Authority. Subject to the limitations set forth in this Agreement, each Member shall have full power and authority to act for and on behalf of the Company in the ordinary course of business.

3.9 Additional Members. The Company may, from time to time, admit additional persons to the Company as Members for such consideration as is determined by unanimous consent of the Members of the Company to be appropriate. Any person admitted to the Company as a Member shall be bound by the terms and conditions of this Agreement and shall (as a condition to such admission) become a party to this Agreement by execution of a copy of this Agreement or an amendment or addendum thereto.

3.10 Personal Services and Compensation. Except as otherwise provided in this Agreement, no Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the Company, no Member shall be entitled to any compensation or additional distribution as a result of services performed for the Company. If any Member receives compensation or an additional distribution for services performed for the Company, it is intended that any such payments be considered as occurring between the Company and one who is not a partner within the meaning of Code §707(a) or as a guaranteed payment within the meaning of §707(c), deductible in arriving at the taxable income or loss of the Company and in arriving at the Profit or Loss of the Company for book purposes (unless required to be capitalized).

3.11 Voting Shares of Company. The Company shall issue 5,000 shares of voting, Class A stock, no par value, by and between the Members of the Company in accordance with the Percentage Interests in the Company. Only shareholders with Class A stock shall participate in the management, voting, and operations of the Company. The Company shall not issue additional voting stock without the unanimous consent of the Members.

3.12 Non-voting Shares of Company. The Company shall issue 100,000 shares of non-voting, Class B stock, no par value, which may be distributed to non-Members of the Company. The sale and distribution of Class B stock, and payment of any dividends there from, shall be governed in the sole and exclusive discretion of the Company. The Company may enter into any stock purchase agreements for Class B stock if agreed to by unanimous written consent of its Members. Any holder of Class B stock shall have no right, title, or interest of the Company other than what is provided by any stock purchase agreement.

ARTICLE IV Allocations and Distributions

Distributions of Cash Flow.

4.1.1 Cash Distributions. The Company may declare distributions of Cash Flow (“Additional Distributions”) for any taxable year. If Additional Distributions are declared for any taxable year, such distributions, other than distributions of Cash Flow arising in connection with the liquidation of the Company (which shall be made in accordance with Section 8.3), shall be distributed to the Members in proportion to their respective Percentage Interests in the Company.

4.2 Property Distributions. If any assets of the Company other than cash are distributed to the Members (in connection with the liquidation of the Company or otherwise), the fair market value of such assets shall be used for purposes of determining the amount of such distribution, and any Member entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Members so entitled. The fair market value of the assets shall be determined in good faith by the Company. The gain or loss which would have been realized had the distributed asset been sold at such fair market value shall be allocated as provided in Section 4.3. If any such property distribution is made other than in exchange for an Interest, such distribution shall be made in the same manner as Cash Flow is distributed pursuant to this Agreement. Property need not be distributed pro rata to the Members.

4.3 Allocation of Profit or Loss. After giving effect to the special allocations set forth in Section 4.4, Profit or Loss for any taxable year of the Company shall be allocated to the Members in proportion to their respective Percentage Interests in the Company.

4.4 Regulatory Allocations.

4.4.1 Limitation on Allocation of Losses and Deductions. No Member shall be allocated Losses or deductions if the allocation causes a Member to have an Adjusted Capital Account Deficit. In such case, the Loss or deduction that would have been allocated to such Member shall be allocated to the other Members to whom such loss may be allocated without violating the provisions of this Section 4.4.1, in proportion to their respective Percentage Interests in the Company. To the extent Losses or deductions are allocated to the Members by virtue of this Section 4.4.1, the Profit of the Company thereafter recognized shall be allocated to such Members (in proportion to the Losses or deductions previously allocated to them pursuant to this Section 4.4.1) until such time as the Profit allocated to them pursuant to this sentence equals the Losses or deductions allocated to them pursuant to this Section 4.4.1.

4.4.2 Qualified Income Offset. If a Member has an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Member before any other allocation is made of Company items for that taxable year, in the amount and manner required to eliminate the Adjusted Capital Account Deficit as quickly as possible. This Section 4.4.2 is intended to comply with, and shall be interpreted consistently with, the “qualified income offset” provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d).

4.4.3 Minimum Gain Chargeback. Except as set forth in Treas. Reg. §1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain or Member Minimum Gain, each Member, prior to any other allocation pursuant to this Article IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Member's share of the net decrease in Minimum Gain or Member Minimum Gain, computed in accordance with Treas. Reg. §1.704-2(g)(2) or §1.704-2(i)(5), as applicable. It is the intent of the parties hereto that any allocation pursuant to this Section 4.4.3 shall constitute a "minimum gain chargeback" under Treas. Reg. §1.704-2(f) and §1.704-2(i)(4).

4.4.4 Contributed Property and Revalued Property. In accordance with Code §704(c) and the regulations promulgated thereunder, as well as Treas. Reg. §1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the Company's adjusted basis for the property for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) using the method selected by the Company. If the book value of any Company asset is adjusted as provided in Section 4.5, then for federal income tax purposes only, subsequent allocations of income, gain, loss, and deduction with respect to the revalued asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its book value in accordance with the principles of Code §704(c) and the regulations promulgated thereunder using the method selected by the Company.

4.4.5 Regulatory Amendments. This Article IV may be amended by the Company, upon the advice of the Company's tax advisors and without the consent of any Member, to comply with the Code and the regulations promulgated under Code §704(b).

4.5 Revaluation of Company Property. If there shall occur (i) an acquisition of an Interest for more than a *de minimis* capital contribution, or (ii) a distribution (other than a *de minimis* distribution) to a Member in consideration for an Interest, the Company may revalue the assets of the Company at their then fair market value and adjust the Capital Accounts of the Members in the same manner as provided in Section 4.2 in the case of a property distribution.

4.6 Allocations in Event of Transfer, Admission of New Member, Etc. In the event of (i) the Transfer of all or any part of a Member's Interest (in accordance with the provisions of this Agreement), (ii) the admission of a new Member, or (iii) disproportionate Capital Contributions at any time other than at the end of the Company's taxable year, the transferring Member's, new Member, or Members' shares of the Company's Profit, gain, Loss, deductions, and credits allocable to such Interest, as computed both for accounting purposes and for federal income tax purposes, shall be allocated between the transferor Member and the transferee Member (or Members), the new Member and the other Members, or among the Members, as the case may be, in the same ratio as the number of days in such fiscal year before and after the date of such transfer, admission, or disproportionate Capital Contributions; provided, however, that the Company shall have the option to treat the periods before and after the date of such transfer, admission, or disproportionate Capital Contributions as separate taxable years and allocate the Company's Profit, gain, Loss, deductions, and credits for each of such deemed separate taxable

years in accordance with the Members' respective interests in the Company for such deemed separate taxable years. Notwithstanding the foregoing, if the Company uses the cash receipts and disbursements method of accounting, the Company's "allocable cash basis items," as that term is used in Code §706(d)(2)(B), shall be allocated as required by Code §706(d)(2) and the regulations promulgated thereunder.

4.7 Allocation of Excess Nonrecourse Liabilities. For purposes of Code § 752 and the regulations promulgated thereunder, the excess nonrecourse liabilities of the Company (within the meaning of Treas. Reg. §1.752-3(a)(3)), if any, shall be allocated to the Members as follows:

4.7.1 First, such excess nonrecourse liabilities shall be allocated to the Members on Code § 704(c) property (as defined in Treas. Reg. § 1.704-3(a)(3)(iii)) or property for which reverse § 704(c) allocations are applicable (as described in Treas. Reg. § 1.704-3(a)(6)(i)) where such property is subject to the nonrecourse liability, to the extent such gain exceeds the gain described in Treas. Reg. §1.752-3(a)(2).

4.7.2 Second, the balance of such excess nonrecourse liabilities, if any, shall be allocated to the Members in accordance with their respective Percentage Interests in the Company.

ARTICLE V

Management of Company; Meetings of Members

5.1 Management of Company. The business and affairs of the Company shall be managed under the direction and control of the Members. Notwithstanding any other section of this Agreement, each Member shall have full power and authority to act for and on behalf of the Company in the ordinary course of business.

5.2 Limitation on Authority. Notwithstanding anything to the contrary set forth in this Agreement, the following actions shall require the unanimous consent of the Members:

- a. **acquiring or disposing of, or leasing (whether as a lessor or lessee), any item of tangible or intangible personal property having a fair market value \$500 or more;**
- b. **acquiring or disposing of, or leasing (whether as a lessor or lessee), any group of items of tangible or intangible personal property, during any twelve (12) month period, having an aggregate fair market value of \$500 or more;**
- c. **purchasing, selling or leasing (whether as a landlord or tenant) any real property, or granting any person the right or option to buy or lease any real property of the Company;**
- d. **incurring any indebtedness for borrowed money or guaranteeing the indebtedness of any other person;**
- e. **pledging or granting a security interest in any assets of the Company (other than purchase money security interests granted in the ordinary course of business);**

- f. entering into, modifying or terminating any employment agreement or collective bargaining agreement;**
- g. entering into, modifying or terminating any employee benefit plan of the Company;**
- h. entering into, modifying or terminating any agreement restricting the Company's right to compete in any business or in any geographic region;**
- i. entering into any contract or commitment requiring payment by the Company of \$500 or more during any twelve (12) month period;**
- j. entering into any contract or commitment requiring the Company to make payments, in the aggregate during the term thereof, of \$500 or more, unless such contract or commitment is terminable by the Company (without penalty) on ninety (90) days notice or less;**
- k. settling, or compromising any claim, lawsuit or proceeding brought against the Company if such settlement or compromise would require payment by the Company of \$500 or more;**
- l. making any distribution to the Members of the Company other than distributions specifically required or authorized by this Agreement;**
- m. issuing any additional Interests in the Company to any person or admitting any person to the Company as a Member;**
- n. entering into any agreement to sell (or sell) all or substantially all of the assets of the Company;**
- o. entering into any agreement to merge or consolidate the Company (or merge or consolidate the Company) with any other business entity;**
- p. creating any subsidiary of the Company, entering into any joint venture with any other person, or acquiring an equity interest in any other business entity;**
- q. taking any action which would result in, or fail to take any action necessary to prevent, dissolution of the Company; or**
- r. taking any other action under this Agreement which requires the unanimous consent of the Members or any action which could reasonably be expected to have a material adverse effect on the Company or its Members.**

5.3 Delegation of Authority. The Company may, by resolution, designate one or more individuals as officers or agents of the Company and may delegate to them such authority, and assign to them such duties, as the Company deems appropriate. Officers and agents so designated need not be a Member of the Company and shall have such titles as may be assigned to them by the Company. Unless otherwise designated by resolution, officers appointed by the Company bearing titles similar to officers of business corporations shall have such duties and

authority as is customarily vested in such officers under the Corporation Act. Unless otherwise agreed upon by the Company, no Member of the Company who is designated as an officer or agent of the Company shall be entitled to any compensation or additional distribution by virtue of services rendered in the capacity as an officer or agent of the Company. Any officer or agent designated by the Company may be removed by the Company, at any time and for any reason, or for no reason.

5.4 Meetings of Members.

5.4.1 Meetings. A meeting of the Members may be called at any time by the Manager of the Company (if any) or by any Member or group of Members holding, in the aggregate, a Percentage Interest in the Company of twenty-five percent (25%) or more. Meetings may be held in person, by telephone, or by any other means of communication that allows the Members adequate opportunity to participate in such meeting. Unless otherwise designated by the person calling the meeting, meetings of the Members shall be held at the Company's principal place of business.

5.4.2 Notice. Not less than three (3), nor more than thirty (30), days before each meeting, the person calling the meeting shall give notice of the meeting to each Member. The notice shall state the date, time, place, and purpose of the meeting and, if the meeting is to be held at some place other than the principal office of the Company (or some place within a twenty-five (25) mile radius of the principal office of the Company), shall provide information necessary for each Member to participate by telephone or some other means of electronic communication available to such Member. Notwithstanding the foregoing, each Member waives notice of a Meeting if before or after the meeting, the Member signs a waiver of the notice, or if such Member is present or otherwise participates in such meeting, in person or by proxy.

5.4.3 Quorum. All of the Members (present in person or by proxy) shall constitute a quorum for the transaction of business at any meeting of the Members.

5.4.4 Manner of Acting. The act of Members holding a Majority-in-Interest of all the Interests held by Members shall be the act of the Members (except in those cases where such action requires a greater Percentage Interest of the Members, in which case the act of Members holding such greater Percentage Interest shall be the act of the Members).

5.4.5 Actions without Meeting. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of a Majority-in-Interest of the Members (or such greater Percentage Interest in the Company as is required to take such action).

5.4.6 Proxies. Each Member entitled to vote at a meeting of Members, or to express consent or dissent to action in writing without a meeting, may authorize another person to act for such Member by proxy. Such proxy shall be provided to the Company before a meeting is held or action is taken, but no proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

5.4.7 Voting of Interests. Each Member shall be entitled to vote on each matter submitted to the Members for a vote, in accordance with such Member's Percentage Interest in the Company.

ARTICLE VI
Limitation of Liability; Indemnification
and Conflicts of Interest

6.1 Limitation of Liability. No Manager, Member or officer of the Company shall be liable, responsible, or accountable in damages or otherwise to the Company or to any Member for any action taken or any failure to act on behalf of the Company within the scope of the authority conferred on such person(s) by this Agreement or by law, unless the action taken or omission was made fraudulently or in bad faith or unless the action or omission constituted gross negligence.

6.2 Indemnification. To the full extent permitted by the Act, the Company shall indemnify the Manager, Members and any officers of the Company (hereinafter the "Indemnified Parties") and hold each of them harmless from, any and all loss or damage incurred by them by reason of any act or omission so performed or omitted by them in their representative capacity; provided, however such act or omission does not involve fraud, bad faith or gross negligence. To the full extent authorized or permitted by the Act, the Company shall pay or reimburse reasonable expenses (including reasonable attorneys' fees) incurred by the Indemnified Parties in any proceeding in advance of final disposition of such proceeding, provided the Indemnified Party agrees, in such form as the Company may request, to reimburse the Company if it is ultimately determined that the Indemnified Party did not meet the standard for indemnification set forth herein. The Company may purchase and maintain insurance on behalf of the Indemnified Parties against any liability asserted against or incurred by them, whether or not the Company would have the power to indemnify them against the same liability under the provisions of this Agreement or the Act.

6.3 Conflicts of Interest. Nothing in this Agreement shall be deemed to restrict in any way the rights of the Manager, or any Member of the Company to conduct any other business or activity whatsoever (whether currently conducted or to be conducted in the future), and no such person shall be accountable to the Company or to any other Member with respect to any such business or activity.

ARTICLE VII

Transfer of Interests and Rights of Transferee

7.1 Restriction on Transfer. Except as otherwise provided in this Agreement, no Member shall, directly or indirectly, voluntarily or involuntarily (or by operation of law) sell, assign, transfer or convey, pledge, mortgage or encumber (each of the foregoing constituting a “Transfer”), any Interest in the Company or any Membership Rights held by such person, without the prior written unanimous consent of the Members (determined without regard to any Interest held by the transferor Member). Any transfer made in violation of this Agreement shall be null and void.

7.2 Permitted Transfers.

7.2.1 Rights of First Refusal. If a Member receives a written, irrevocable, bona fide offer to transfer any Interest in the Company that such Member intends to accept, (accompanied by proof of the offering party’s financial ability to purchase the Interest upon request) (a “Bona Fide Offer”) such Member shall immediately give written notice to the other Members of such Member’s desire to make a disposition of such Interest and provide the Members with a copy of the Bona Fide Offer (the “Notice of Intent to Transfer”). Within thirty (30) days after receipt of a Notice of Intent to Transfer, the Company may elect to purchase all, or any part of, the Interest offered for disposition at a price and upon terms and conditions equivalent to those set forth in the Bona Fide Offer. If the price proposed to be paid for the Interest in the Bona Fide Offer consists, in whole or in part, of property other than cash, the Company shall make a good faith determination of the fair market value of such property for purposes of determining the price to be paid for the Interest under this Agreement. The Company may assign its right to acquire the Interest to any of the other Members. If the Company (or its assignee(s)) elect to purchase the Interest offered for disposition, notice of such intention shall be given within thirty (30) days after receipt of the Notice of Intent to Transfer, notifying the selling Member of such election and a closing of the transaction shall take place no later than fifteen (15) days following the date of such notice. If the Company (or its assignee(s)) do not provide notice of an election to purchase the Interest offered for disposition within thirty (30) days following the Company’s receipt of the Notice of Intent to Transfer, the Company (and its assignee(s)) shall be deemed to have rejected the offer and the selling Member shall, for a period of sixty (60) days after the date the offer is rejected (or deemed to have been rejected), be free to transfer the Interest, but only to the proposed transferee(s) and only at the price and on terms and conditions no less favorable to the selling Member than those set forth in the Bona Fide Offer. At the end of such sixty (60) day period all restrictions imposed by this Agreement shall again be applicable. No person acquiring an Interest in the Company pursuant to this Section shall become a Member of the Company unless admitted to the Company as a Member in the manner provided in this Agreement, but such person shall have the rights of a transferee of an Interest as described in Section 7.4 of this Agreement.

7.2.2 Involuntary Transfer. In the event of the death, incompetency, bankruptcy, dissolution of a Member, or any other event resulting in an involuntary transfer of an Interest, the Company, for a period of sixty (60) days following the date on which the Company receives actual notice of such involuntary transfer, shall have an option to purchase the Interest

so transferred at a price equal to the fair market value of such Interest as determined {in good faith by the remaining Members. The Company may assign its right to acquire the Interest to any of the other Members. In the event the Company does not exercise its right to purchase such Interest as provided herein, the person to whom such interest is transferred shall not become a Member of the Company unless admitted to the Company as a Member in the manner provided in this Agreement, but such person shall have the rights of a transferee of an Interest as described in Section 7.4 of this Agreement.

7.3 Conditions to Transfer. Notwithstanding anything set forth in this Agreement to the contrary, no Transfer of an Interest of the Company shall be effective unless and until (i) the transferor delivers to the Company an opinion of counsel (in form and substance satisfactory to counsel for the Company) that neither the Transfer of the Interest, nor any offering made in connection therewith, violates or will violate any applicable federal or state securities law (unless such requirement is waived by the Company), and (ii) the transferee executes a copy of this Agreement, or an amendment or addendum hereto, and agrees to be bound by and hold the Interest so acquired subject to the terms and conditions set forth herein.

7.4 Rights of Transferee of Interest. Unless admitted to the Company as a Member in the manner provided in Section 3.9 of this Agreement, the transferee of an Interest shall have no right to participate in the management of the business and affairs of the Company or to exercise any of the rights or powers of a Member, including, without limitation, the power to vote in any matter submitted to the Members, but shall only be entitled to receive the allocations and distributions attributable to the transferred Interest.

7.5 Requirements for Admission. Any transferee of an Interest in the Company may be admitted to the Company as a Member in the manner provided in this Agreement.

ARTICLE VIII Dissolution, Liquidation and Termination

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

8.1.1 at the time, if any, specified (or upon the occurrence of any event of dissolution specified) in the Company's Articles of Organization;

8.1.2 the written unanimous consent of (or the approval of a resolution of dissolution by) the Members; or

8.1.3 the entry of a decree of judicial dissolution under the Act.

Dissolution of the Company shall be effective upon the date on which the event giving rise to the dissolution occurs, but the Company shall not terminate until the assets of the Company shall have been distributed as provided in this Agreement. Notwithstanding dissolution of the Company, prior to the liquidation and termination of the Company, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Agreement.

8.2 Liquidation of Assets Upon Dissolution. Following the dissolution of the Company, the Company shall wind up its affairs by collecting its assets and paying (or making provision for) any liabilities of the Company. In winding up its business, the Company may liquidate any assets of the Company or distribute those assets in kind as provided in this Agreement.

8.3 Distribution Upon Dissolution. Following the winding up of the Company, the Company's assets shall be distributed as follows:

8.3.1 first, to creditors (including any Members who are creditors) in satisfaction of all of the Company's debts and liabilities (other than liabilities for distributions to Members);

8.3.2 second, to the Members, in satisfaction of liabilities for distributions declared but not paid;

8.3.3 third, to the Members, to the extent of their positive Capital Account balances, in proportion to their relative Capital Accounts as of the date of such distribution, after giving effect to all contributions, distributions and allocations;

8.3.4 fifth, to Class B shareholders in proportion to the respective amount of ownership of Class B stock; and

8.3.5 fifth, to the Members in proportion to their respective Percentage Interests in the Company.

All liquidating distributions shall be made so as to comply with the requirements of Treas. Reg. §1.704-1(b)(2)(ii)(b)(2).

8.4 Filing of Articles of Dissolution. Upon dissolution of the Company, the Company shall promptly file Articles of Dissolution with the Kentucky Secretary of State.

8.5 Deadlock. In the event there is a deadlock in the management of the Company such that the Members are operating under a material deadlock with respect to the management of the business and affairs of the Company, any group of Members owning, in the aggregate, fifty percent (50%) or more of the Percentage Interests in the Company (the "Offering Members"), may make an offer to the other Members of the Company (the "Remaining Members") to either buy the Company Interests owned by the Remaining Members or to sell the Company Interests owned by the Offering Members. Any such offer shall be made in writing, shall set forth the price and terms and conditions upon which such offer to either buy or sell is made, and shall be irrevocable for a period of twenty (20) days. Upon receipt of any such offer, the Remaining Members shall have the right for a period of twenty (20) days, to elect (by unanimous agreement among such Remaining Members) to either purchase the Company Interest of the Offering Members on terms and conditions set forth in the Offering Member's notice or to sell their Company Interest to the Offering Members on the same terms and conditions. If the Remaining Members fail or refuse to accept the Offering Member's offer to

purchase or sell within said twenty (20) day period, the Members agree to judicial dissolution of the Company and the Members shall jointly petition the Spencer County Circuit Court for judicial dissolution of the Company in terms that the Court deems just and reasonable under the circumstances. All reasonable attorneys' fees incurred by the Company by such judicial dissolution, but not by the individual Members representing their respective interests, shall be paid by the Company as a creditor.

ARTICLE IX Books and Records

9.1 Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Company shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts and the persons who will have authority with respect to the accounts and the funds therein. Company funds shall not be commingled with those of any other person.

9.2 Books and Records. The Company shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The books and records shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours, subject to the Company's right to protect the confidentiality of such information. The Company shall maintain all books and records required by the Act, including, without limitation, the following:

- (i) a copy of the Company's Articles of Organization and this Agreement, together with any amendments thereto (along with a copy of any written powers of attorney pursuant to which any of the foregoing were executed);
- (ii) a current list (and all past lists) setting forth the name and last known mailing address of each Member and Manager (if any) of the Company;
- (iii) a copy of the Company's federal, state and local income tax returns for each year;
- (iv) information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed (or agreed to be contributed) by each Member and the dates thereof.

9.3 Taxable Year, Fiscal Year and Accounting Methods. The Company shall determine the taxable and fiscal year of the Company and shall select the accounting methods to be used by the Company.

9.4 Tax Matters.

9.4.1 Tax Treatment. It is the intention of the parties hereto that, to the extent possible under applicable law, the Company be treated as a partnership for federal, state and

local income tax purposes, unless the Company shall at any time have only one Member (in which case the Company shall be taxed, to the extent possible under applicable law, as a disregarded entity), and the Members shall not take any position or make any election, in a tax return or otherwise, inconsistent with such treatment.

9.4.2 Elections. The election permitted to be made by Code §754, and any other elections required or permitted to be made by the Company under the Code, shall be made by the Company.

9.4.3 Tax Matters Partner. The initial “Tax Matters Partner” for the Company shall be the Manager if the Manager is a Member, otherwise, the Tax Matters Partner shall be selected by the Members. If it becomes necessary to appoint some other person as the Tax Matters Partner for the Company, the Company shall designate such person as is eligible to serve in such capacity pursuant to Code §6231(a)(7). The Tax Matters Partner is authorized to take such actions as are permitted under the Code and the Company shall pay (or reimburse the Tax Matters Partner for) all reasonable expenses incurred by the Tax Matters Partner in such capacity. Nothing contained herein shall be construed as an election to be subject to the partnership level audit procedures of Code § 6221 et seq.

9.5 Withholding and Reporting Obligations. The Company shall cause the Company to comply with the withholding requirements of Code §§1441-1446 and any and all tax reporting requirements that may be applicable to any distributions to Members.

ARTICLE X General Provisions

10.1 Entire Agreement. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, representations, and understandings, whether oral or written, with respect to the subject matter hereof.

10.2 Amendment and Modification. No amendment or modification to this Agreement, or to the Articles of Organization of the Company, shall be valid without the unanimous written consent of the Members.

10.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, any person subsequently admitted to the Company as a Member, or any person acquiring an Interest in the Company, and the personal representatives, heirs, successors, and permitted assigns of such persons.

10.4 Third Party Beneficiary. Except for the Company, which shall be deemed a third party beneficiary of this Agreement, no other person shall be regarded as a third party beneficiary of this Agreement.

10.5 Notices. All notices, requests, consents, demands, and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to be duly given and received on the date of delivery if delivered personally (or sent by fax), or on the second day after deposit in the United States mail if mailed by prepaid first class registered or certified mail, and properly addressed as follows: (a) if to the Company, to the principal office of the Company; and (b) if to a Member, to such address as is shown for such Member on the books and records of the Company. Any person may change its address for purposes of this paragraph by giving the Company written notice of the new address in the manner set forth above.

10.6 Headings. Descriptive headings used in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision of this Agreement.

10.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to any otherwise applicable principles of conflicts of laws.

10.8 Severability. If any provision of this Agreement, or the application thereof to any person or circumstances, shall be invalid or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to other persons or circumstances, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

10.9 Equitable Relief. Each of the parties hereto agrees that the Company and the Members could be irreparably damaged and have no adequate remedy at law as a result of any violation of or failure to perform this Agreement, and that, in addition to any other rights or remedies they may have, such parties may obtain (without the posting of bond or other security) any equitable relief against any threatened or actual breach of this Agreement, including, a restraining order or injunction, or court order requiring the specific performance of this Agreement.

10.10 Counterparts and Facsimile. For the convenience of the parties hereto, this Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signature, and each signature printed by a facsimile machine, when attached to this Agreement, shall be deemed an original counterpart.

10.11 Further Assurances. Each person bound by this Agreement shall perform such further acts and execute and deliver such further documents as may be reasonably necessary to carry give effect to the intention of the Members and to carry out and accomplish the purposes of this Agreement.

10.12 Waiver of Conflict of Interest. The parties hereto acknowledge and agree (i) that the attorney drafting this Agreement has acted as legal counsel to the Company, (ii) that they have been advised by the attorney that their interests are adverse to each other and to the Company and that they have the right to obtain, and should obtain, separate legal counsel to represent them in connection with this matter, (iii) that they have each had an adequate opportunity to obtain separate legal counsel to represent them in connection with this matter, and have either obtained such legal counsel or waived their right to do so, and (iv) that they hereby waive any conflict of interest or claim they may have against the attorney drafting this Agreement arising out of the attorney's representation of the Company in connection with this matter.

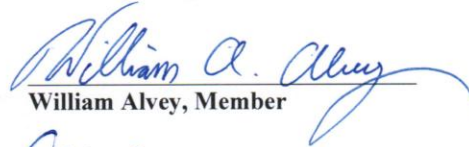
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

William Alvey, Member

Erika Alvey, Member

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William Alvey, Member


Erika Alvey, Member