

**OPERATING AGREEMENT OF  
DGM Rentals LLC**

**A KENTUCKY LIMITED LIABILITY COMPANY  
(Single Member Governed)**

# **OPERATING AGREEMENT**

## **OF**

### **DGM Rentals LLC**

**THIS OPERATING AGREEMENT** ("AGREEMENT") is made as of the 27th day of September, 2012, by Danny Garrett Murphy ("Member")

#### **Section 1. Formation**

**1.1 Formation.** The Member does hereby form a limited liability company ("Company") pursuant to the provisions of the Kentucky Limited Liability Company Act ("Act").

#### **Section 2. Name and Office**

**2.1 Name.** The name of the Company shall be DGM Rentals LLC and all business of the Company shall be conducted under that name.

**2.2 Principal Office.** The principal office of the Company shall be 110 Bristol Lane, Mt. Sterling, KY 40353, or at such other place as shall be determined by the Member. The books of the Company shall be maintained at such principal place of business or such other place that the Member shall deem appropriate. The Company shall designate an agent for service of process in Kentucky in accordance with the provisions of the Act.

#### **Section 3. Purpose and Term.**

**3.1 Purpose.** The Object and Purpose of the Company and the general nature of the business it proposes to transact is to engage in the business of the ownership and/or holding company of any other entity or entities and, in addition thereto, any and all other transaction of any or all laws of the Commonwealth of Kentucky, as determined by the Member and to do all other things necessary or desirable in connection with the foregoing, or otherwise contemplated in this Agreement.

**3.2 Company's Power.** In furtherance of the purposed of the Company as set forth in Section 3.1, the Company shall have the power to do any and all things whatsoever necessary, appropriate or advisable in connection with such purposes, or as otherwise contemplated in this Agreement.

**3.3 Term.** The term of the Company shall commence as of the date of the filing of Articles of Organization with the Kentucky Secretary of State's Office, and shall continue until dissolved in accordance with Section 11.

#### **4. Capital.**

**4.1 Capital Contributions of Member.** The initial capital contribution of the Member shall be the sum of \$500.00 cash. Such Capital contribution shall be made by the Member at such times as the Member shall determine. The Member may, but shall not be required to, make additional capital contributions to the Company from time to time.

**4.2 No Liability of Member.** Except as otherwise specifically provided in the Act, The Member shall not have any personal liability for the obligations of the Company. Except as provided in Section 4.1, the Member shall not be obligated to contribute to, or loan money to, the Company.

**4.3 No Interest on Capital Contributions.** The Member shall not be entitled to interest on any capital contributions made to the Company.

## **5. Accounting.**

**5.1 Books and Records.** The Company shall maintain full and accurate books of the Company at the Company's principal place of business, or such other place as the Member shall determine, showing all receipts and expenditures, assets and liabilities, net income and loss, and all other records necessary for recording the Company's business and affairs. Such books and records shall be open to the inspection and examination of the Member in person or by the Member's duly authorized representatives at all reasonable times.

**5.2 Fiscal Year.** The fiscal year of the Company shall be the calendar year.

## **6. Bank Accounts.**

**6.1 Bank Accounts.** All funds of the Company shall be deposited in its name into such checking, saving and/or money market account or time certificates as shall be designated by the Member. Withdrawals therefrom shall be made upon such signature or signatures as the Member may designate. Company funds shall not be commingled with those of any other person or entity.

## **7. Net Income and Net Loss.**

**7.1 Net Income and Net Loss.** All net income or net loss of the Company shall be for the account of the Member.

## **8. Federal Income Tax Election.**

**8.1 Tax Treatment.** It is the intention of the Member that for Federal, state and local income tax purpose the Company be disregarded as entity separate from the Member in accordance with provision of Treas. Reg. 301.7701-2(c)(2)(i) and 301.7701-3(b)(1)(ii). The Member shall take all actions which may be necessary or required in order for the Company to be so disregarded for income tax purposes.

## **9. Distributions.**

**9.1 Distributions.** The Member shall determine, in the Member's sole discretion, the amount and timing of any distributions to the Member and whether such distributions shall be paid in cash or property.

## **10. Management.**

### **10.1 Management.**

**(a)** Control and Management of the business of the Company as described in Section 3 shall be vested exclusively in the Member during the term of the Company, including its liquidation and dissolution.

**(b)** The Member shall have the right, power and authority on behalf of the Company, and its name, to exercise all of the rights, power and authority which may be possessed by a member of a limited liability company pursuant to the Act. The Member may execute any document or take any action on behalf of the Company and such execution or action shall be binding upon the Company. In dealing with the Member, no person shall be required to inquire into the authority of the Members to bind the Company. The Member may delegate any portion of the Member's authority hereunder to other, in which even such others shall have such authority as has been delegated to them. If the Member appoints officers of the Company, they shall have authority comparable to that which is similar officer of a Kentucky corporation would have.

## **11. Dissolution.**

**11.1 Dissolution.** The Company shall dissolve upon, but not before, the decision of the member to dissolve the Company. 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 provide in Section 11.3 Notwithstanding dissolution of the Company, prior to the liquidation and termination of the Company, the Company shall continue to be governed by this Agreement.

**11.2 Sale of Assets upon Dissolution.** Following the dissolution of the Company, the Company shall be wound up and the Member shall determine whether the assets of the Company are to be sold or whether some or all of such assets are to be distributed to the Member in kind in liquidation of the Company.

**11.3 Distribution upon Dissolution.** Upon the dissolution of the Company, the properties of the Company to be sold shall be liquidated in orderly fashion and the proceeds thereof, and the property to be distributed in kind, shall be distributed as follows:

- (a)** First, to the payment and discharge of all the Company's debts and liabilities, to the necessary expense of liquidation and to the

establishment of any cash reserves which the Member determines to create for unmatured and/or contingent liabilities or obligation of the Company.

(b) Second, to the Member.

## **12. Assignment.**

**12.1 Assignment of Member's Interest.** The Member may freely sell, assign, transfer, pledge, hypothecate, encumber or otherwise dispose of the Member's interest in the Company. Upon the death or adjudication of incompetency of the members, the successor-in-interest to the Member shall automatically become a substitute Member.

## **13. General.**

**13.1 Amendment.** This Agreement may be modified or amended from time to time only upon the written consent of the Member.

**13.2 Captions; Section References.** Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference, and in no way define, limit, extend or describe the scope of this Agreement, or the intent of any provision hereof. All references herein to section shall refer to Sections of this Agreement unless the context clearly requires otherwise.

**13.3 Number and Gender.** Unless the context otherwise requires, when used herein, the singulars shall include the plural, the plural shall include the singular, and all nouns, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine or neuter, as the identity of the person or persons may require.


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

**13.5 Binding Agreement.** Except as otherwise provide herein, this Agreement shall be binding upon, and inure to the benefit of, the Member and its successors and assigns.

**13.6 Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky without regard to its conflict of laws or rules.

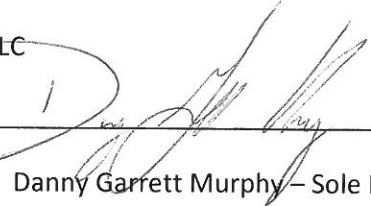
**13.7 Entire Agreement.** This Agreement contains the entire agreement with respect to the subject matter hereof.

**IN WITNESS WHEREOF**, the Member and the Company have duly executed this Agreement as of the date and year first above written.

  
DANNY GARRETT MURPHY-MEMBER

DGM Rentals LLC

BY: \_\_\_\_\_

  
Danny Garrett Murphy – Sole Member