

OPERATING AGREEMENT OF BRODERICK SERVICES LLC

A Kentucky Limited Liability Company

Effective as of January 24, 2012

Organized under the Laws of the Commonwealth of Kentucky

THE UNITS IN THIS LIMITED LIABILITY COMPANY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). SUCH INTERESTS MAY NOT BE TRANSFERRED OR RESOLD UNLESS: (1) THEY ARE REGISTERED UNDER THE SECURITIES ACT OR COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL HAS RENDERED TO THE LIMITED LIABILITY COMPANY AN OPINION THAT AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THAT SUCH TRANSFER WILL NOT VIOLATE FEDERAL OR STATE SECURITIES LAWS AND (2) ANY AND ALL RESTRICTIONS ON TRANSFER CONTAINED IN THIS OPERATING AGREEMENT ARE FULLY COMPLIED WITH BY THE PERSON OR ENTITY SEEKING TRANSFER OF SUCH INTEREST(S).

**OPERATING AGREEMENT
OF
BRODERICK SERVICES LLC**

A KENTUCKY LIMITED LIABILITY COMPANY

This Operating Agreement (this "Agreement") is entered into and made effective as of October __, 2011 (the "Effective Date") by and between Patrick O. Broderick, an individual, representing all of the current members (the "Members") of Broderick Services LLC, a Kentucky limited liability company (the "Company").

**SECTION I
DEFINITIONS**

For purposes of this Agreement, the capitalized terms set forth in Exhibit A will have the meanings set forth therein. Other terms are defined in this Agreement, and, throughout this Agreement, those terms will have the meanings respectively ascribed to them.

**SECTION II
FORMATION AND NAME: OFFICE; PURPOSE; TERM**

2.1. *Organization.* A limited liability company has been formed pursuant to the Act and, for that purpose, Articles of Organization were duly filed with the Kentucky Secretary of State on January 24, 2012.

2.2. *Name of the Company.* The name of the Company is "Broderick Services LLC" The Company may do business under that name and under any other name or names upon which the Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company will file a fictitious name certificate as required by law.

2.3. *Purpose.* The purpose for which the Company is organized is to perform any and all work permitted under relevant laws, as shall be determined in the sole and exclusive discretion of the Manager.

2.4. *Term.* The duration of the Company will be perpetual.

2.5. *Principal Office.* The principal office (the "Principal Office") of the Company will be located at 1971 Douglass Blvd. Louisville, KY 40218 or such other location as the Manager shall determine from time to time.

2.6. *Statutory Agent.* The Company shall at all times designate an agent for service of process in Kentucky in accordance with the provisions of the Act. The registered agent shall be Patrick O. Broderick, 1971 Douglass Blvd. Louisville, KY 40218.

2.7. *Members.* The name, present mailing address, and number of Units owned by each Member are hereinafter set forth on Exhibit B, attached hereto and hereby made a part of this Agreement.

SECTION III MEMBERS; CAPITAL; CAPITAL ACCOUNTS

3.1. *Initial Capital Contributions.* The Members acknowledge that they have contributed to the Company cash or other property having a value in the amounts set forth opposite their respective names on Exhibit B.

3.2. *Additional Capital Contributions.* No Member shall be required to contribute any additional capital to the Company.

3.3. *Interest.* Interest Holders will not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder will have the right to receive the return of any Capital Contribution, nor will any Interest Holder have priority over any other Interest Holder as to any return of his Capital Contribution.

3.5. *Form of Return of Capital Contributions.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Company may distribute cash, notes, property, or a combination thereof to the Interest Holder, but no Interest Holder will have the right to demand or receive any property from the Company other than cash.

3.6. *Capital Accounts.* A separate Capital Account will be maintained for each Interest Holder.

3.7. *Units.* Ownership rights in the Company will be reflected in units ("Units"). Each Unit has equal governance rights with every other Unit and, in matters subject to a vote of the Members, each Unit carries with it the right to one vote. Each Unit has equal rights with every other Unit with respect to sharing of Profits and Losses and with respect to distributions. The Members will determine when and for what consideration the Company will issue Units, and, subject to any limitations imposed by this Agreement, the Members will determine how many Units may be issued. For each Member, the records of the Company will state the value and nature of the contribution received by the Company and the number of Units received in return by the Member. The Company initially authorized and issued 1,000 Units in accordance with Exhibit B.

3.8. *Loans.* Any Member may loan funds to the Company in such amounts and on such terms as such Member and the Company may agree. No Member will be permitted to loan funds to the Company on terms less favorable to the Company than those that could be obtained from an unrelated creditor, or with an interest rate exceeding the "prime rate" from time-to-time in effect as announced in The Wall Street Journal.

3.9. *Personal Liability.* No Member will have personal liability for any obligation of the Company unless the Member has expressly agreed with the creditor to be liable for such obligation.

SECTION IV PROFIT, LOSS AND DISTRIBUTIONS

4.1. *Allocations of Profit or Loss.* After giving effect to the special allocations set forth in Section 4.3, for any taxable year of the Company, Profit or Loss will be allocated to the Interest Holders in proportion to their Units.

4.2. *Distributions of Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders at such time and in such amounts as are determined by the Manager in his sole discretion. Distributions will be made to the Interest Holders in proportion to their Units.

4.3. *Regulatory Allocations.*

(a) *Qualified Income Offset.* No Interest Holder will be allocated Losses or deductions if the allocation causes an Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder receives (1) an allocation of Loss or deduction (or item thereof) or (2) any distribution, which causes the Interest Holder to have an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for that taxable year will be allocated to that Interest Holder, before any other allocation is made of Company items for that taxable year, in the amount and in proportions required to eliminate the excess as quickly as possible. This Section 4.3(a) is intended to comply with, and will be interpreted consistently with, the “qualified income offset” provisions of the Regulations promulgated under Code Section 704(b).

(b) *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f)(2), (3), and (4), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this Section IV, will 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 Interest Holder’s share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of gross income and gain pursuant to this Section 4.3(b) will be made first from gain recognized from the disposition of Company assets subject to nonrecourse liabilities (within the meaning of the Regulations promulgated under Code Section 752), to the extent of the Minimum Gain attributable to those assets, and thereafter, from a pro rata portion of the Company’s other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Section 4.3(b) will constitute a “minimum gain chargeback” under Regulation Section 1.704-2(f).

(c) *Contributed Property and Book-ups.* In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-

l(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company will, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset will take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Regulations thereunder.

(d) *Code Section 754 Adjustment.* To the extent an adjustment to the tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss will be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

(e) *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period will be allocated to the Interest Holders in proportion to each Interest Holder's number of Units to the total number of Units.

(f) *Member Loan Nonrecourse Deductions.* Any Member Loan Nonrecourse Deduction for any taxable year or other period will be specially allocated to the Member who bears the risk of loss with respect to the loan to which the Member Loan Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(b).

(g) *Withholding.* All amounts required to be withheld pursuant to Code Section 1446 or any other provision of federal, state, or local tax law will be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.4. *Liquidation and Dissolution.*

(a) If the Company is liquidated, the assets of the Company will be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to Section 4.1, if any, and distributions, if any, of cash or property, if any, pursuant to Section 4.2.

(b) No Interest Holder will be obligated to restore a Negative Capital Account.

4.5. *General.*

(a) *Timing of Distributions.* Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the Manager.

(b) *Distributions in Kind.* If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest Holders entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the approval of the Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in Section 4.1 and shall be properly credited or charged to the Capital Accounts of the Members prior to the distribution of the assets in liquidation pursuant to Section 4.4.

(c) *Timing of Allocations.* All Profit and Loss will be allocated, and all distributions will be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. If there are changes in the composition of the Members or their respective number of Units, the Manager will select a reasonable method to allocate Profit and Loss, and to make distributions to the Members affected by such changes. Unless the Company's taxable year is separated into segments, if there is a transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss will be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, the Company's taxable year will be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to any extraordinary non-recurring items of the Company.

(d) *Amendments.* The Manager is authorized, upon the advice of the Company's tax counsel, to amend this Section IV to comply with the Code and the Regulations promulgated under Code Section 704(b); provided, however, that no such amendment will materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

SECTION V MANAGEMENT OF THE COMPANY

5.1. Management.

(a) *Manager.* The Company shall be managed by a single Manager. The Manager need not be a Member. The initial Manager shall be Patrick O. Broderick. The Manager will serve in such capacity until he resigns or otherwise ceases to serve in accordance with this Agreement. At such time as he ceases to serve as Manager, his successor will be selected by a majority of the outstanding Units of the Company held by the Members.

(b) *General Powers.* The Manager shall have full, exclusive, and complete discretion, power, and authority, subject in all cases to the limitations on such authority which may be contained in this Agreement (including Section 5.1(c)) and the requirements of applicable law, to manage, control, administer, and operate the business and affairs of the

Company for the purposes herein stated, and to make all decisions affecting such business and affairs, which shall include, but not be limited to, the power to:

- (i) acquire by purchase, exchange, lease, or otherwise, any real or personal property, tangible or intangible;
- (ii) construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;
- (iii) sell, dispose, trade, or exchange Company assets;
- (iv) enter into agreements and contracts and to give receipts, releases, and discharges;
- (v) purchase liability and other insurance to protect the Company's properties and business;
- (vi) borrow money for and on behalf of the Company, on a secured or unsecured basis, and, in connection therewith, execute and deliver instruments authorizing the confession of judgment against the Company;
- (vii) execute or modify leases and options with respect to any part or all of the assets of the Company;
- (viii) prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals, or modifications of such mortgages or deeds of trust;
- (ix) execute any and all other instruments and documents which may be necessary or in the opinion of the Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;
- (x) make any and all expenditures which the Manager deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of his obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting, and other related expenses incurred in connection with the organization and financing and operation of the Company;

- (xi) enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;
- (xii) invest and reinvest Company reserves in short-term instruments or money market funds;
- (xiii) employ legal counsel, investment counsel and other agents in any manner in connection with the administration of the assets of the Company and to pay such compensation and expenses in connection therewith as the Manager deems reasonable under the circumstances; and
- (xiv) employ officers, managers, employees or agents as the Manager may deem advisable in his management of the Company's business.

Regardless of anything contained in this Operating Agreement to the contrary, the Manager shall administer and perform each of his authorities and powers under this Operating Agreement in good faith and in the best interests of the Company.

(c) *Limitation on Authority of Manager.* The Manager shall not undertake any of the following without the approval of a majority of the voting power of the outstanding Units:

- (i) admitting additional Members to the Company;
- (ii) issuing additional Units;
- (iii) engaging in business in any jurisdiction which does not provide for the registration of limited liability companies; or
- (iv) filing for bankruptcy, involuntary dissolution, liquidating the business or otherwise dispose, selling or transferring in any single transaction substantially all of the Company's assets.

(d) *Removal of Manager.* The Members may immediately remove a Manager for cause by an affirmative vote to remove for cause of Members owning at least a majority of the voting power of the outstanding Units. For cause means the occurrence of any of the following conditions:

- (i) the Manager commits a felonious criminal act;
- (ii) the Manager's continuous and uninterrupted inability for a period of two months or more to perform the duties required under this Agreement by reason of accident, illness or disease;
- (iii) the Manager takes an action with reckless disregard for the best

interest of the Company; or

(iv) the Manager commits an intentional breach of this Agreement.

(e) *Actions by Managers.* In the event the Company is managed by more than one Manager, any action required to be taken by the Managers may be taken by any of the Managers and each Manager is individually authorized and empowered to enter into and execute agreements and documents on behalf of the Company, and the signature of any one Manager shall be sufficient to bind the Company.

5.2. *Limitation on Authority of Members.*

(a) No Member is an agent of the Company solely by virtue of being a Member, and no Member has authority to act for the Company solely by virtue of being a Member, except as expressly provided under the terms of this Agreement.

(b) This Section 5.2 supersedes any authority granted to the Members pursuant to the Act. Any Member who takes any action or binds the Company in violation of this Section 5.2 shall be solely responsible for any loss or expense incurred by the Company as a result of the unauthorized action and shall indemnify and hold the Company harmless with respect to the loss or expense

5.3. *Meetings of and Voting by Members.*

(a) *Voting.* Any Member holding Units will be entitled to vote such Units.

(b) *Meetings.* A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place agreed to in advance by all of the Members. Not less than five nor more than 30 days before each meeting, the Person calling the meeting shall give written notice of the meeting to the other Members. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, a Member waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Subject to any limitations set forth in this Agreement, a Member entitled to vote may vote either in person or by written proxy signed by the Member or by his duly authorized attorney in fact.

(c) *Required Vote.* Except as otherwise provided in this Agreement, wherever this Agreement requires the approval of Members, the affirmative vote of Members owning a simple majority of the voting power of the outstanding Units held by Members shall be required to approve the matter.

(d) *Written Consent.* In lieu of holding a meeting, the Members may take action by a written instrument indicating the requisite consent of the Members.

(e) *Telephonic Conferences.* The Members may participate in and act at any meeting through the use of a conference telephone or other communications equipment by

means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

5.4. Liability and Indemnification.

(a) *Standard Imposed.* The Manager shall not be liable, responsible, or accountable, in damages or otherwise, to any Member or to the Company for any act performed by the Manager within the scope of the authority conferred upon the Manager by this Agreement, except as otherwise provided in the Act.

(b) *Right to Indemnity.* The Company shall indemnify the Manager, for any act performed by the Manager within the scope of the authority conferred upon the Manager hereunder or under the Act, to the fullest extent permitted under the Act.

5.5. Officers. The Manager may, in his discretion, elect such officers and assistant officers as the Manager from time to time determines. The officers shall perform such duties as determined by the Manager. The Manager may, in his discretion, choose not to elect officers of the Company. The officers of the Company, if any, shall be elected at such frequency as determined by the Manager, and each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he shall resign or shall have been removed from office in the manner hereinafter provided. Any officer may be removed by the Manager at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Election or appointment of an officer shall not of itself create contractual rights.

5.6. Bank Accounts. The Manager may from time to time open bank accounts in the name of the Company. All funds of the Company are to be deposited in the Company's name in such bank accounts or investment accounts as may be established by the Manager.

5.7. Rights and Obligations of Members.

(a) *Limitation of Liability.* Each Member's liability for the debts and obligations of the Company shall be limited as set forth in the Act.

(b) *List of Members.* Upon written request of any Member, the Manager shall provide a list showing the names, addresses and Membership Interests of all Members and Assignees.

(c) *Members Have No Exclusive Duty to the Company.* Any Member may have other business interests and may engage in or invest in other activities in addition to those relating to the Company; and the Member shall not be accountable to the Company or to any Member with respect to that business or activity unless such business or activity Competes with the Company's business or would usurp a business opportunity properly belonging to the Company. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Member.

(d) *Representations and Warranties.* Each Member hereby represents and warrants to the Company and each other Member that: (a) the Member is acquiring its interest in the Company for the Member's own account as an investment and without an intent to distribute the interest; and (b) the Member acknowledges that the interests have not been registered under the Securities Act of 1933, or any state securities laws and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

5.8. *Liability and Indemnification.*

(a) *Standard Imposed.* No Member shall be liable, responsible, or accountable, in damages or otherwise, to any Member or to the Company for any act performed by the Member within the scope of the authority conferred on the Member by this Agreement, except as provided in the Act.

(b) *Right to Indemnity.* The Company shall indemnify the Members to the fullest extent provided by the Act for any act performed by the Members within the scope of the authority conferred on the Members by this Agreement unless the act is proved by clear and convincing evidence to have been undertaken with deliberate intent to cause injury to the Company.

SECTION VI

TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS

6.1. *Transfers.*

(a) *General Restriction.* No Person may make any transfer, either a Voluntary Transfer, Involuntary Transfer, or otherwise, of all or any portion of or any interest or rights in the Person's Membership Rights or Units unless the following conditions ("Conditions of Transfer") are satisfied:

- (i) The transfer will not require registration of Units or Membership Rights under any federal or state securities laws;
- (ii) The transferee complies with and agrees to be bound by the terms of this Agreement;
- (iii) The transfer will not result in the termination of the Company pursuant to Code Section 708;
- (iv) The transferor or the transferee delivers the following information to the Company: (A) the transferee's taxpayer identification number and (B) the transferee's initial tax basis in the transferred Membership Rights or Units; and

- (v) The transferor complies with the terms of Section VI of this Agreement.

(b) *Permitted Transfer.* If the Conditions of Transfer are satisfied, a Member or Interest Holder may assign, transfer, pledge, or otherwise encumber all or any portion of that Person's Units. Without receiving the unanimous consent of the other Members, the transfer of Units will not result in the transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Units will have no right to: (i) become a Member; (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of a Units; or (iii) act as an agent of the Company.

(c) *Consent to Restriction.* Each Member hereby acknowledges the reasonableness of the Conditions of Transfer in view of the purposes of the Company and the relationship of the Members. The transfer of any Membership Rights or Units in violation of the Conditions of Transfer will be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this Section 6.1 will not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

(d) *Right of First Refusal.*

- (i) If an Interest Holder (a "Transferor") intends to transfer all or any portion of, or any interest or rights in, Units either to a bona fide third party purchaser or pursuant to a gift or an Involuntary Transfer, the Transferor will so notify the Company and the other Members (the "Transfer Notice"). The Transfer Notice will describe the terms upon which the Units are to be transferred. The Company may, during the period of thirty (30) days following its receipt of the Transfer Notice (the "Company Offer Period"), purchase or retire all or any part of such Units, by giving Notice to that effect to the Transferor. If the Company does not purchase or retire all of the Units offered by the Transferor, each of the other Members may, during the period of thirty (30) days following the expiration of the Company Offer Period (the "Member Offer Period"), purchase all or any remaining part of such Units in such proportion as the Members electing to purchase the Transferor's Units may agree, or, if they cannot agree, on a pro rata basis according to the number of Units held by each of the Members electing to purchase the Transferor's Units.
- (ii) The purchase price paid by the Company and/or the other Members with respect to any purchase of Units under this Section 6.1(d) will be the lesser of (a) the price proposed by a bona fide third party purchaser as set forth in the Transfer Notice, or (b) the

net book value of the Units as conclusively determined by the Company's accountant.

- (iii) If the Company or the other Members choose to exercise the option described under this Section 6.1(d), the notice of such election will fix a closing date for the purchase, which may not be sooner than five (5) days after the date of the notice of election or later than thirty (30) days after the expiration of the Member Offer Period.
- (iv) If the Company and/or the other Members choose to exercise the option described under this Section 6.1(d), the purchase price will be paid at the Company's or the other Members' election either (i) in cash at closing, or (ii) by paying 30% of the purchase price at closing and the balance in up to two additional equal annual installments with interest at the applicable federal rate in effect as of the date of closing. In the latter case, payment will be secured by the Units purchased.
- (v) Subject to (vii) below, if the Company and the other Members do not exercise the option described under this Section 6.1(d), the Transferor will be permitted to offer and sell for a period of ninety (90) days commencing after the expiration of the Co-Sale Period defined below (the "Free Transfer Period") such Units to the purchaser identified in the Transfer Notice on and subject to the terms contained in such notice, including a price not less than the price set forth in the Transfer Notice.
- (vi) Any transfer by the Transferor after the last day of the Free Transfer Period or without strict compliance with the terms, provisions, and conditions of this Section 6.1(d) and the other terms, provisions, and conditions of this Agreement will be null and void and of no force or effect.
- (vii) To the extent the rights of first refusal in this Section 6.1(d) are not exercised by the Company or the other Members, each other Member shall have the right (the "Co-Sale Right"), exercisable upon written notice to the Transferor and the Company within 5 days after Member Offer Period (the "Co-Sale Period"), to participate in the sale of the Units identified in the Transfer Notice to the purchaser on the same terms and conditions as the Transferor. Such other Members may participate in the sale to the purchaser on a *pro rata* basis, such that each Member may sell all or any part of that number of Units equal to the product obtained by multiplying (i) the number of Units for sale, as listed in the Transfer Notice, before any Member has exercised the Co-Sale

Right by (ii) a fraction (x) the numerator of which is the number of Units held by such other Member at the time the Co-Sale Right is exercised and (y) the denominator of which is the total number of outstanding Units.

6.2. *Substitute Member.* The assignee of the whole or a portion of the Units (who is not already a Member) will not be admitted as a Member, except upon the unanimous approval of the Members. The assignor or his legal representative and the assignee or his legal representative must execute and acknowledge such instruments as the Members may deem necessary or desirable to effect such admission, and the assignee agrees to pay all expenses in connection with such admission.

6.3. *Voluntary Withdrawal.* No Member will have the right or power to make a Voluntary Withdrawal from the Company. If a Member attempts to make a Voluntary Withdrawal, the remaining Members will be entitled to: (i) declare or treat such attempt null, void, and of no effect; or (ii) elect to purchase all, but not less than all, of the withdrawing Member's Membership Rights in the Company for a price equal to the book value of such Member's Capital Account balance at the time of withdrawal. Such purchase, if made, will be made by the remaining Members on a pro rata basis in accordance with their Units

6.4. *Involuntary Withdrawal.* Immediately upon the occurrence of an Involuntary Withdrawal, the successor of the withdrawn Member shall thereupon become an Interest Holder but shall not become a Member. The interest held will be subject to the option rights set forth in Section 6.1.

6.5. *Indemnification Against Obligations Of The Company.* The Company and the remaining Members shall use their best efforts (which efforts need not include executing personal guaranties) to obtain a release from all creditors of the Company to whom a selling Member under this Section VI has given a personal guaranty of, otherwise become personally liable for, or pledged any of such Member's assets to secure, any obligation of the Company, and the Company, and the Members severally in proportion to the number of Units held by them at the time of such purchase, shall indemnify and hold harmless the selling Member and such Member's estate from and against any such obligation.

6.6. *Acceleration of Member's Debts upon Purchase of Units.* If any Member's Units are purchased and sold under this Section VI, all debts of the Company to such Member and all debts of such Member to the Company, whether due or to become due, shall become due and payable at the closing on such Units, provided that they shall first be netted against the purchase price due to the selling Member.

SECTION VII

DISSOLUTION, LIQUIDATION AND TERMINATION OF THE COMPANY

7.1. *Events of Dissolution.* The Company will be dissolved upon the happening of any of the following events:

- (a) upon the written consent of all the Members; or

(b) the sale of all or substantially all of the assets of the Company.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the Manager will wind up its affairs. On winding up of the Company, the assets of the Company will be distributed, first, to creditors of the Company, including Interest Holders who are creditors, in satisfaction of the liabilities of the Company, and then to the Interest Holders in accordance with Section 4.4 of this Agreement.

7.3. *Filing of Articles of Dissolution.* Upon dissolution of the Company, Articles of Dissolution will be delivered to the Secretary of State of the Commonwealth of Kentucky for filing. The Articles of Dissolution will set forth the information required by the Act.

SECTION VIII

BOOKS, RECORDS, ACCOUNTING, AND TAX ELECTIONS

8.1. Books and Records.

(a) *Records Kept.* The Members will 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 records will include, but not be limited to, financial statements of the Company for the three most recent fiscal years, a copy of the Articles of Organization and this Agreement, together with any relevant powers of attorney, information regarding the amount of cash or agreed value of property or services contributed, or agreed to be contributed in the future, by each Member, the respective rights of the Company and each Member regarding the return of contributions, and the Company's federal, state, or local tax returns.

(b) *Accounting Method.* The books and records will be maintained in accordance with sound accounting practices and will be available at the Company's principal office for examination by any Member or by Member's duly authorized representative at any and all reasonable times during normal business hours.

(c) *Reimbursement.* Each Member will reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.2. *Annual Accounting Period.* The annual accounting period of the Company will be its taxable year. The Company's taxable year will be selected by the Members, subject to the requirements and limitations of the Code.

8.3. *Reports.* As soon as practicable after the end of each taxable year of the Company, the Members will cause to be sent to each Person who was a Member at any time during the accounting year then ended that tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the Members will cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.4. *Tax Matters Partner/Member.* The Manager or such other person that may be selected by the Manager will be the Company's tax matters partner/member ("Tax Matters Partner"). The Tax Matters Partner will have all powers and responsibilities provided in Code Section 6221, *et seq.* The Tax Matters Partner will keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Partner. The Company will pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Partner in performing those duties. A Member will be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Partner may not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.5. *Tax Elections.* The Members will have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Code Section 754.

SECTION IX MEMBER REPRESENTATIONS

9.1. *Representations and Warranties of all Members.* Each Member represents, warrants, and covenants as follows:

(a) The Units were not offered or sold to the Member by means of any form of general solicitation, or general advertising, or publicly disseminated advertisements or sales literature, and the Member is not aware of any offers or sales made to other persons by such means;

(b) To the Member's knowledge, no commission or similar remuneration was or will be paid or given, directly or indirectly, for the solicitation of prospective purchasers in connection with the sale of the Units;

(c) The Units are being acquired by the Member only for investment and not with a view to a distribution or subsequent offering of such Units;

(d) The offering of the Units has not been registered with any federal or state agency, partially in reliance upon these representations;

(e) The Units purchased hereunder were issued in a transaction believed to be exempt from the registration provisions of the Securities Act of 1933, as amended, (the "Securities Act"), pursuant to Section 3(b) and or 4(2) thereof or Regulation D promulgated thereunder, and in a transaction believed to be exempt from the registration or qualification provisions of the securities laws of the states in which they were sold;

(f) There is no public market for the Units and the Member must bear the risk of an investment in the Units indefinitely;

(g) The Units cannot be resold or otherwise disposed of and must be held indefinitely unless they are subsequently registered under the Securities Act and appropriate state securities laws or unless an exemption from registration is available, and the Company is and will be under no obligation to register any sale or other transfer of the Units or to comply with any exemption available for resale of the Units;

(h) The Member has had the opportunity (i) to ask questions of, and to receive answers from, the Company and any persons acting on its behalf concerning the Company, its operations, and the terms, conditions, and expected consequences of the offering and sale of the Units, and (ii) to obtain any additional information which the Member desired, including copies of any documents requested, about the Company or the transaction in which the Units are being acquired. No information or documents requested by the Member have been denied to the Member except where such information or documents do not exist; and

(i) The acquisition of Units of the Company by the Member, the execution and delivery of this Agreement by the Member, and the Member's performance of the Member's obligations under this Agreement does not and will not require the consent, approval, or authorization of any Person, does not and will not conflict with, violate, or constitute a breach of or default under any agreement (including without limitation any non-compete or confidentiality agreement) or instrument, or any order, judgment, award, decree, statute, ordinance, regulation or any other restriction of any kind or character, to which the Member is a party, or by which the Member may be bound.

SECTION X GENERAL PROVISIONS

10.1. Assurances. Each Member will execute all certificates and other documents and will do all such filing, recording, publishing, and other acts as the Members deem appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

10.2. Notifications. Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "Notice") required or permitted under this Agreement must be in writing and either delivered personally, or sent by a nationally recognized overnight carrier, by email or fax (with delivery confirmation). Or by certified or registered mail, postage prepaid, return receipt requested. A Notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A Notice to the Company must be addressed to the Company's principal office. A Notice that is sent by mail will be deemed given three business days after it is mailed. Any party may designate, by Notice to all of the others, substitute addresses or addressees for Notices; and, thereafter, Notices are to be directed to those substitute addresses or addressees.

10.3. Specific Performance. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) will be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

10.4. Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

10.5. Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement will be governed by the internal law, not the law of conflicts, of the Commonwealth of Kentucky.

10.6. Section Titles. The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

10.7. Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

10.8. Terms. Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

10.9. Severability of Provisions. Each provision of this Agreement will be considered severable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity will not impair the operation of or affect those portions of this Agreement which are valid.

10.10. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Delivery of an executed counterpart of a signature page to this Agreement by fax, email, or other verified electronic communication will have the same effect and evidentiary value as a manually delivered executed counterpart original to this Agreement.

Signature page follows.


**OPERATING AGREEMENT OF
BRODERICK SERVICES LLC**

IN WITNESS WHEREOF, the undersigned hereby agree, acknowledge and certify that the Operating Agreement constitutes the Operating Agreement of Broderick Services LLC, adopted by the Members of the Company as of the date set forth hereinabove.

DATE SIGNED:

01-24-2012

MEMBERS:



Patrick O. Broderick, Managing Member

**OPERATING AGREEMENT
OF
BRODERICK SERVICES LLC**

A KENTUCKY LIMITED LIABILITY COMPANY

EXHIBIT A

DEFINED TERMS

“*Act*” means the Kentucky Limited Liability Company Act, Chapter 275 of the Kentucky Revised Statutes, as amended from time to time (or any corresponding provisions of succeeding law).

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

- (i) the deficit will be decreased by the amounts which the Interest Holder is obligated to restore pursuant to Section 4.3(b), or is deemed obligated to restore pursuant to Regulation Section 1.704-1(b)(2)(ii)(c); and
- (ii) the deficit will be increased by the items described in Regulation Section 1.704-1(b)(2)(ii)-(d)(4), (5), and (6).

“*Affiliate*” means, with respect to any Member, any Person: (i) which owns more than 10% of the voting interests in the Member; (ii) in which the Member owns more than 10% of the voting interests; or (iii) in which more than 10% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

“*Capital Account*” means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

- (i) an Interest Holder’s Capital Account will be credited with the Interest Holder’s Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (or which are secured by Company property distributed to the Interest Holder), the Interest Holder’s distributive share of Profit, and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of Section IV (other than Section 4.3(c)); and
- (ii) an Interest Holder’s Capital Account will be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder, the amount of any liabilities of the Interest Holder assumed by the Company (or which are secured by property contributed by the Interest Holder to

the Company), the Interest Holder's distributive share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of Section IV (other than Section 4.3(c)).

If any Units are transferred pursuant to the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Units. If the book value of the Company's property is adjusted pursuant to Section 4.3(c), the Capital Account of each Interest Holder will 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. It is intended that the Capital Accounts of all Interest Holders will be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts will be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 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 all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt repayments, capital improvements, and replacements as determined by the Members. Cash Flow will be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Interest Holder" means any Person who holds one or more Units, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Transfer" means, with respect to any Interest Holder, the transfer of any interest in the Company upon death, divorce, insolvency, bankruptcy, or other proceeding with respect to creditors.

"Involuntary Withdrawal" means, with respect to any Member, the occurrence of any of the following events:

- (i) the Member makes an assignment for the benefit of creditors;
- (ii) the Member files a voluntary petition of bankruptcy;
- (iii) the Member is adjudged bankrupt or insolvent;

- (iv) the Member files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) the Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding described in Subsection (iv);
- (vi) any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for the Member or all or any substantial part of the Member's properties without the Member's agreement or acquiescence, which appointment is not vacated or stayed for ninety (90) days or, if the appointment is stayed, for ninety (90) days after the expiration of the stay during which period the appointment is not vacated;
- (vii) if the Member is an individual, the Member's death or adjudication by a court of competent jurisdiction as incompetent to manage the Member's person or property;
- (viii) if the Member is acting as a Member by virtue of being a trustee of a trust, the termination of the trust;
- (ix) if the Member is a partnership or another limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;
- (x) if the Member is a corporation, the dissolution of the corporation or the revocation of its charter;
- (xi) if the Member is an estate, the distribution by the fiduciary of the estate's entire interest in the limited liability company; or
- (xii) if the Member is an individual, the transfer of all or any portion of the Member's Interest pursuant to any divorce or marital property settlement or any transfer pursuant to applicable community property, quasi-community property, or similar state law with respect to the portion transferred.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a Member of the Company.

"Member Loan Nonrecourse Deductions" means any Company deductions that would be Nonrecourse Deductions if they were not attributable to a loan made or guaranteed by a Member within the meaning of Regulation Section 1.704-2(i).

“Membership Rights” means all of the rights of a Member in the Company, including a Member’s: (i) Units; and (ii) the rights granted to Members under this Agreement or under the Act.

“Minimum Gain” has the meaning set forth in Regulation Section 1.704-2(d). Minimum Gain will be computed separately for each Interest Holder in a manner consistent with the Regulations under Code Section 704(b).

“Negative Capital Account” means a Capital Account with a balance of less than zero.

“Nonrecourse Deductions” has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a taxable year of the Company equals the net increase, if any, in the amount of Minimum Gain during that taxable year, determined according to the provisions of Regulation Section 1.704-2(c).

“Nonrecourse Liability” means any liability of the Company with respect to which no Member has personal liability determined in accordance with Code Section 752 and the Regulations promulgated thereunder.

“Percentage” means, (i) as to a Member, the percentage set forth after the Member’s name on Exhibit B, as amended from time to time, and (ii) as to an Interest Holder who is not a Member, the Percentage of the Member whose Units have been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member’s Units.

“Person” means and includes any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

“Positive Capital Account” means a Capital Account with a balance greater than zero.

“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 Section 703(a), with the following adjustments:

- (i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) will be included in computing taxable income or loss; and
- (ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, will be included in computing taxable income or loss; and
- (iii) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, will be subtracted from taxable income or loss; and

- (iv) gain or loss resulting from any taxable disposition of Company property will 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; and
- (v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there will 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 4.3 hereof will not be taken into account in computing Profit or Loss.

“Regulations” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

“Voluntary Transfer” means any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer that does not constitute an Involuntary Transfer.

“Voluntary Withdrawal” means a Member’s dissociation with the Company by means other than an Involuntary Withdrawal.

“Units” has the meaning set forth in Section 3.7.

**OPERATING AGREEMENT
OF
BRODERICK SERVICES LLC**

A KENTUCKY LIMITED LIABILITY COMPANY

EXHIBIT B

Dated and Made Effective as of January.

List of Members, Capital Contributions, Percentages, and Units

| <u>Member Name, Address and Taxpayer I.D. Number</u> | <u>Initial Capital Contribution</u> | <u>Percentage Interest</u> | <u>Number of Units</u> |
|--|---|--------------------------------|----------------------------|
| Patrick Owens Broderick 1971 Douglass Blvd. Louisville, Kentucky 40205 SSN: <u>319-74-9911</u> | \$492.89 | 100% | 1,000 |
| TOTAL: | \$ <u>492.89</u> | 100% | 1,000 |