

**OPERATING AGREEMENT
FOR
MONETYZE, L.L.C.**

A Kentucky Limited Liability Company

THIS OPERATING AGREEMENT is made and entered into as of January 1, 2014 by and among Monetyze, L.L.C., a Kentucky Limited Liability Company (the "Company") and Ty J. Simpson, and Michael A. Hymas. These individuals and/or business entities shall be known as and referred to as "Members" and individually as a "Member". In consideration of the conditions contained herein, they hereby agree as follows:

W I T N E S S E T H:

1. Whereas, the Members desire to enter into this operating agreement ("Operating Agreement" or "Agreement") for the purposes of governing the Company, to and for the purpose of monetizing new and existing brands through a mix of efforts including consulting, licensing, marketing, networking, promotion, retail and product development.

2. Whereas, the Members intend to operate the Business and provide for operation of the Company.

NOW, THEREFORE, in consideration of the mutual premises below, and other good and valuable consideration receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

ARTICLE I

Organization

1.1 Formation

The Company has been organized as a Kentucky Limited Liability Company under and pursuant to the Kentucky Limited Liability Company Act (the "Act") by the filing of Articles of Organization ("Articles") with the Kentucky Secretary of State as required by the Act.

1.2 Name

The name of the Company shall be "Monetyze L.L.C.". The Company may also conduct its business under one or more assumed names.

1.3 Duration

The Company shall continue in existence perpetually unless dissolved by:

- a) Members whose capital interest as defined in ARTICLE 4.1 exceeds 50 percent vote for dissolution; or
- b) Any event which makes it unlawful for the business of the Company to be carried on by the Members; or
- c) The death, resignation, expulsion, bankruptcy, retirement of a Member or the occurrence of any other event that terminates the continued membership of a Member of the Company; or
- d) Any other event causing a dissolution of a Limited Liability Company under the laws of the Commonwealth of Kentucky.

1.4 Continuance of Company

Notwithstanding the provisions of ARTICLE 1.3, in the event of an occurrence described in ARTICLE 1.3(c), if there are at least two remaining Members, said remaining Members shall have the right to continue the business of the Company. Such right can be exercised only by the unanimous vote of the remaining Members within ninety (90) days after the occurrence of an event described in ARTICLE 1.3(c). If not so exercised, the right of the Members to continue the business of the Company shall expire.

1.5 Registered Office and Resident Agent

The Registered Office of the Company shall be 1684 Trace Drive, Florence KY 41042.

The Resident Agent of the Company shall be, as designated in the initial Articles, Michael Hymas, 1684 Trace Drive, Florence, KY 41042.

The Registered Office and/or Resident Agent may be changed from time to time. Any such change shall be made in accordance with the Act, or the terms of this Agreement if different. If the Resident Agent shall ever resign, the Company shall promptly elect a successor-agent from among its members. The successor-agent shall be elected by a majority vote of the members.

1.6 Tax Status for Company.

The Company shall be taxed as an S-Corporation for tax purposes.

1.7 Members

The name and place of residence of each member is contained in Exhibit 1 attached to this Agreement.

1.8 Admission of Additional Members

Except as otherwise expressly provided in this Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

ARTICLE II

Books, Records and Accounting

2.1 Books and Records

The Company shall maintain complete and accurate books and records of the Company's business and affairs as required by the Act and such books and records shall be kept at the Company's Registered Office and shall in all respects be independent of the books, records and transactions of the Members. Such books shall be kept on such method of accounting as the Mangers shall select.

2.2 Fiscal Year; Accounting

The Company's accounting period shall be from January 1st to December 31st.

2.3 Member's Capital Accounts.

A Capital Account for the each Member shall be maintained by the Company. The Member's Capital Account shall reflect the Member's capital contributions and increases for any net income or gain of the Company. The Member's Capital Account shall also reflect decreases for distributions made to the Member and the Member's share of any losses and deductions of the Company. Each member's capital account shall be determined and maintained in the manner set forth in Treasury Regulation 1.704-I(b)(2)(iv) and shall consist of his initial capital contribution increased by:

- a) Any additional capital contribution made by him/her;
- b) Credit balances transferred from his/her distribution account to his/her capital account;

and decreased by:

- a) Distributions to him/her in reduction of Company capital;
- b) The Member's share of Company losses if charged to his/her capital account.

2.4 Reports

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

ARTICLE III

Capital Contributions

3.1 Initial Contributions

By the execution of this Operating Agreement, the initial Members hereby agree that the following Capital Contributions have been made for the capital interests of the Company:

1.	Ty J. Simpson	\$0
2.	Michael A. Hymas	\$0

3.2 Additional Contributions

Except as provided in ARTICLE 3.1, no Member shall be obligated to make any additional contribution to the Company's capital.

ARTICLE IV

Allocations and Distributions

4.1 Profits/Losses

For financial accounting and tax purposes the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's stated ownership interest described as follows:

1.	Ty J. Simpson	51%
2.	Michael Hymas	49%

4.2 Distributions

The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liability, as determined by the Managers. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital

account balances pursuant to Treasury Regulation 1.704-I(b)(2)(II)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in Treasury Regulation 1.704-I(b)(2)(ii)(d). A Member may take distributions from time to time after the Members determine that the Company has sufficient funds available, that the requesting Member has a positive capital account balance, and after all Members consent to said distribution.

ARTICLE V

Management

5.1 Management of the Business

The name and place of residence of each Manager is attached as Exhibit 2 of this Agreement. By a vote of the Members holding a majority of the capital interest in the Company, as set forth in section 4.1 of this Agreement as amended from time to time, shall elect so many Managers as the Members determine, but no fewer than one, with one Manager elected by the Members as Chief Executive Manager.

5.2 Powers of Managers

The Managers are authorized on the Company's behalf to:

- a) Conduct the ordinary and usual decisions concerning the business and affairs of the Company.
- b) To do all things necessary or convenient to carry out the business and affairs of the Company.
- c) Purchase, lease or otherwise acquire any real, personal, tangible or intangible property.
- d) Sell, convey, mortgage, grant a security interest in, pledge, lease, license, exchange or otherwise dispose of or encumber any real, personal, tangible or intangible property.
- e) Open one or more depository accounts and make deposits into and checks and withdrawals against such accounts and to designate and authorize any additional signatory on such accounts.
- f) Open a safe deposit box in the name of the Company and designate and authorize persons to have access thereto.

- g) Borrow money, incur liabilities, and other obligations, establish lines of credit, mortgages, and other credit and financing facilities relating to the Business.
- h) Obtain insurance covering the Business and affairs of the Company and its property.
- i) Commence, prosecute or defend any proceeding in the Company's name or relating to the Business.
- j) Enter into any arrangements or agreements, and execute any contracts, documents and instruments relating to the Business.
- k) Engage consultants and agents, define their respective duties and establish their compensation or remuneration. This right shall include the right to designate a person to operate the Company and conduct the Business in the event of the illness, disability or demise of the sole Member. If such person is appointed, such person shall be referred to as the "Manager" and shall have any rights, powers and obligations granted or created herein to the sole Member excepts as the sole Member shall otherwise restrict or limit in a document appointing said Manager.

5.3 Chief Executive Manager

The Chief Executive Manager shall have the primary responsibility for effectuating the decisions of the Managers.

The Chief Operations Manager shall have the primary responsibility for managing the operations of the Company.

5.4 Standard of Care; Liability

The Chief Executive Manager and Chief Operations Manager shall both discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner such members reasonably believe to be in the best interests of the Company. The Chief Executive Manager and Chief Operations Manager shall not be liable for any monetary damages to the Company, or in any other manner, for any breach of such duties except:

- a) If the Chief Executive Manager or Chief Operations Manager receives a financial benefit to which the Chief Executive Manager or Chief Operations Manager is not entitled.
- b) Takes an action, or refuses to act, in violation of this Operating Agreement or the Act or which is a knowing violation of the law.

- c) Acts in a manner which is grossly negligent of which constitutes willful misconduct.

5.5 Other Activities

The Managers may engage in other business ventures of every nature, including, without limitation by specification, the ownership of another business similar to that operated by the Company. The Company shall not have any right or interest in any such independent ventures or to the income and profits derived therefrom.

5.6 Nominee

Title to the Company's assets shall be held in the Company's name or in the name of any nominee that the Managers may designate. The Managers shall have the power to enter into a nominee agreement with any such person, and such agreement may contain provisions indemnifying the nominee, except for his willful misconduct.

5.7 Company Information

Upon request, the Managers shall supply to any member information regarding the Company or its activities. Each Member or his authorized representative shall have access to and may inspect and copy all books, records and materials in the Manager's possession regarding the Company or its activities. The exercise of the rights contained in this ARTICLE 5.6 shall be at the requesting Member's expense.

5.8 Exculpation of Liability

Any act or omission of the Managers, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interest of the Company, shall not subject the Managers to any liability to the Members.

5.9 Indemnification

The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, for instant expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a

manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonably cause to believe that his/her conduct was lawful.

5.10 Records

The Mangers shall cause the Company to keep at its principal place of business the following:

- a) A current list in alphabetical order of the full name and the last known street address of each Member;
- b) A copy of the Certificate of Formation and the Company Operating Agreement and all amendments;
- c) Copies of the Company's federal, state and local income tax returns and reports, if any, for the five most recent years;
- d) Copies of any financial statements of the limited liability company for the five most recent years.

ARTICLE VI

Compensation

6.1 Management Fee

Any Manager rendering services to the Company shall be entitled to compensation commensurate with the value of such services.

6.2 Reimbursement

The Company shall reimburse the Managers or Members for all direct out-of-pocket expenses incurred by them in managing the Company.

ARTICLE VII

Transfers

7.1 Assignment

If at any time a Member proposes to sell, assign or otherwise dispose of all or any part of his interest in the Company, such Members shall first make a written offer to sell such interest to the other Members at a price determined by mutual agreement. If such other Members decline or fail to elect such interest within thirty (30) days of said written offer, said Member shall have the right to sell his/her interest in the Company to a non-Member. If a sale or assignment to a non-Member is made, the selling Member shall provide written notice of the sale to each remaining Member within seven (7) days. The remaining Members shall have the right to approve or disapprove of said sale or assignment in writing delivered to the Chief Executive Manager within thirty (30) days of said sale or assignment. If the Members fail to approve said sale or assignment unanimously then, pursuant to the Kentucky Limited Liability statutes, the purchaser or assignee shall have no right to participate in the management of the business and affairs of the Company. The purchaser or assignee shall only be entitled to receive the share of the profits or other compensation by way of income and the return of contributions to which that Member would otherwise be entitled.

ARTICLE VIII

Death, Disability, Dissolution of a Member

8.1 Death of a Member

Upon the death of a Member, the guardian, committee, or conservator of the deceased Member may act as Member hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the deceased Member have been transferred or distributed. The deceased Member's interest in the Company shall be immediately appraised, as of the date of death of the deceased Member, by a licensed C.P.A. whom has been unanimously approved by the surviving Members. Upon the completion of the appraisal by the approved C.P.A., the Company shall make cash payment, unless otherwise agreed upon by the Company and the person serving as the agent for the deceased Member. Said cash payment shall be equal to the appraised value of the Company multiplied by the deceased Member's percentage of ownership, and shall be made within thirty days of the completion of the appraisal by the approved C.P.A. The remaining interest in the company excluding the deceased Member's interest shall be divided among the surviving Member's and temporary percentages of ownership shall be established. Subsequently, the deceased Member's interest in the Company shall be distributed to the surviving Members according to their temporary percentage of ownership of the remaining interest in the Company. After distribution of the deceased Member's interest in the Company to the surviving Members, the Member's percentage of ownership shall again be calculated and be deemed the final percentage of ownership which shall be utilized in the calculation of all shares, distributions, and allocations referred to in this Agreement.

8.2 Disability of a Member

Upon the disability of a member, the guardian, committee, or conservator of the disabled sole Member may act as Member hereunder or appoint a person to so serve until the Member's Interests and Capital Account of the disabled sole Member have been transferred or distributed. The disabled Member's interest in the Company shall be immediately appraised, as of the date of disability of the disabled Member by a licensed C.P.A. whom has been unanimously approved by the remaining Members. Upon the completion of the appraisal by the approved C.P.A., the Company shall make a cash payment, unless otherwise agreed upon by the Company and the person serving as the agent for the disabled Member. Said cash payment shall be equal to the appraised value of the Company multiplied by the disabled Member's percentage of ownership, and shall be made within thirty days of the completion of the appraisal by the approved C.P.A. The remaining interest in the company excluding the disabled Member's interest shall be divided among the surviving Member's and temporary percentages of ownership shall be calculated. Subsequently, the disabled Member's interest in the Company shall be distributed to the surviving Member's according to their temporary percentage of ownership of the remaining interest in the Company. After distribution of the disabled Member's interest in the Company to the surviving Members, the Member's percentage of ownership shall again be calculated and be deemed the final percentage of ownership which shall be utilized in the calculation of all shares, distributions, and allocations referred to in this Agreement.

8.3 Dissolution

The Company shall dissolve and its affairs shall be wound up on the first to occur of:

- a) At a time, or upon the occurrence of an event, specified in the
 - i. Articles of Organization
 - ii. Certificate of Formation
 - iii. This Operating Agreement.
- b) By the written consent of the Members. However, no third party dealing with the LLC shall be adversely affected by such action unless it receives notice, or should have reasonably been aware of such action.

ARTICLE IX

Miscellaneous Provisions

9.1 Terms

Nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. The term "Code" shall refer to the Internal Revenue Code of 1986, as amended.

9.2 Article Headings

The Article headings and numbers contained in this Operating Agreement have been inserted only as a matter of convenience and for reference, and in no way shall be construed to define, limit or describe the scope or intent of any provision of this Operating Agreement.

9.3 Entire Agreement

This Operating Agreement constitutes the entire agreement among the Members and the Company and contains all of the agreements among said parties with respect to the subject matter hereof. This Operating Agreement supersedes any and all other agreements, either oral or written, between said parties with respect to the subject matter hereof.

9.4 Severability

The invalidity or unenforceability of any particular provision of this Operating Agreement shall not affect the other provisions hereof, and this Operating Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

9.5 Amendment

This Operating Agreement may be amended or revoked at any time by a written document executed by the Members.

9.6 Binding Effect

Subject to the provisions of this Operating Agreement relating to transferability, this Operating Agreement will be binding upon and shall insure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

9.7 Governing Law

This Operating Agreement is being executed and delivered in the Commonwealth of Kentucky and shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the parties hereto make and execute this Operating Agreement on the dates set below their names, to be effective on the date first above written.

IN WITNESS WHEREOF, the sole Member has hereunto set such Member's hand and seal as of the day and year first above written.

Dated: January 1st, 2014 COMPANY SEAL:
Monetyze, L.L.C.

By: _____
TY J. SIMPSON, Member

By: _____
MICHAEL A. HYMAS, Member

EXHIBIT 1

Listing of Members

<u>Name of Member</u>	<u>Address</u>
Ty J. Simpson	1680 Trace Drive Florence, KY 41042
Michael A. Hymas	1684 Trace Drive Florence, KY 41042

EXHIBIT 2

Managers

Chief Executive Manager:

Ty J. Simpson
1680 Trace Drive
Florence, KY 41042

Chief Operations Manager:

Michael A. Hymas
1684 Trace Drive
Florence, KY 41042