

**OPERATING AGREEMENT
OF
TRANSFORMATION, LLC**

A Tennessee Limited Liability Company

THE INTERESTS DESCRIBED AND REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT") OR ANY APPLICABLE STATE SECURITIES LAWS ("STATE ACTS") AND UNDER CERTAIN CIRCUMSTANCES MAY BE OR MAY BECOME RESTRICTED SECURITIES AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. IF SUBJECT TO THE 1933 ACT OR STATE ACTS THE INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR EXEMPTION UNDER THE 1933 ACT AND APPLICABLE STATE ACTS, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY; OTHERWISE, ANY TRANSFER OR ATTEMPTED TRANSFER SHALL BE NULL AND VOID.

THE INTERESTS DESCRIBED AND REPRESENTED BY THIS OPERATING AGREEMENT MAY ALSO BE SUBJECT TO A MEMBER RESTRICTION AGREEMENT PROHIBITING TRANSFER OF THE INTERESTS. ANY TRANSFER OF INTERESTS IN VIOLATION OF AN APPLICABLE MEMBER RESTRICTION AGREEMENT WILL BE DEEMED NULL AND VOID.

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OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made and entered into effective the 10th day of February, 2021, by and between **TRANSFORMATION, LLC** (the “Company”) and the members whose signatures appear on the signature page hereof (the “Members”). Capitalized terms in this Agreement shall have the meanings assigned to them in the “Definitions” which are set forth in ARTICLE XIII below.

RECITALS:

WHEREAS, the organizer of the Company has duly filed the Articles of Organization of the Company with the Tennessee Secretary of State; and

WHEREAS, the Members desire to conduct business as a limited liability company under the Tennessee Revised Limited Liability Company Act; and

WHEREAS, the Members desire that the Company be characterized as a partnership for purposes of federal and state taxation; and

WHEREAS, the Members desire to limit their individual liability in connection with the business activities of the Company; and

WHEREAS, the parties desire to place restrictions on the transferability of their interests in the Company, to preserve the closely-held nature of the Company, to preserve the balance of ownership, and to assure effective and compatible management; and

WHEREAS, the Members and the Company desire to set forth in writing their agreements regarding ownership, governance, management, and their rights and privileges in the Company;

NOW, THEREFORE, in consideration of the contributions to capital, the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I - FORMATION OF COMPANY

1.1 Formation. The Members hereby form a Tennessee Limited Liability Company pursuant to Tennessee Code Annotated §48-249-101, et seq. The Articles of Organization filed with the Tennessee Secretary of State, a copy of which is attached hereto as EXHIBIT A, are hereby adopted and ratified by the Members. The parties intend that the Articles of Organization and this Agreement be consistent; however, in the event of any inconsistency, the provisions of the Articles of Organization shall control.

1.2 Name. The name of the Company is TRANSFORMATION, LLC, and the business of the Company shall be conducted under such name.

1.3 Principal Office, Registered Office, and Registered Agent. The initial principal business office of the Company, the Company's registered office, and the Company's initial registered agent are all as set forth in the Articles of Organization, attached hereto as EXHIBIT A. The Members, by appropriate action, may change the principal office, registered office, or registered agent of the Company, in their sole discretion. In such event, the President shall give written notice thereof to all Members. Further, the Members may establish additional offices of the Company in furtherance of the business of the Company.

1.4 Term. The duration of the Company is not limited to a specific period of time or term of years but will continue in existence until terminated in accordance with this Agreement.

1.5 Management. The business and affairs of the Company shall be managed by its Members and by the President elected in accordance with this Agreement. The Members shall direct, manage, and control the business of the Company to the best of their ability. The Members shall have full and complete authority, power, and discretion to manage and control the business, transactions, and properties of the Company and to perform any and all acts or activities customary or incident to the management of the Company's business.

1.6 Purpose. The purpose of the Company shall be:

(a) to engage in the business of acquiring, selling, owning, and otherwise dealing with real and personal properties, and in any other lawful business or businesses as the Members shall determine;

(b) to exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act; and

(c) to engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

1.7 Powers. The Company shall have all of the powers accorded to limited liability companies under the Act, including those set forth in Tennessee Code Annotated §48-212-101.

1.8 Operating Agreement. This Agreement and the Exhibits hereto shall exclusively constitute the Company's Operating Agreement and the Members stipulate and agree that the Company does not have and shall not have an oral Operating Agreement, in whole or in part. This Agreement may only be modified, terminated, or amended in a writing signed by the requisite number of Members. In entering into this Agreement, no party is relying on any statement or representation of any other party.

1.9 Waivable and Nonwaivable Provisions. To the extent the provisions of this Agreement (including any exhibits) and/or the Articles are inconsistent with the Act, and if the applicable provisions of the Act are waivable, the parties intend to waive such provisions of the Act and the provisions of this Agreement and the Articles shall control.

ARTICLE II - NAMES, ADDRESSES, AND MEMBERSHIP INTERESTS OF MEMBERS

2.1 Names, Addresses, and Membership Interests of Members. The names, addresses, and Membership Interests of the Members are set forth on EXHIBIT A which is attached hereto and incorporated herein by reference. Each Member agrees to notify the Secretary of the Company as and when such Member has a change of address. The Membership Interests shall be adjusted from time to time as needed to reflect the admission of a new Member or Economic Interest Owner, new capital contributed by an existing Member or Economic Interest Owner, the reduction of a Member's or Economic Interest Owner's capital, or other adjustments of the Members' or Economic Interest Owners' relationships.

ARTICLE III - RIGHTS AND OBLIGATIONS OF MEMBERS

3.1 Limitation of Liability. The debts, obligations and liabilities of the Company are solely the debts, obligations and liabilities of the Company. The Members, Economic Interest Owners, Officers, employees and agents of the Company shall not be personally liable for the debts, obligations or liabilities of the Company. This Agreement and the subsequent actions of the Company, and its Members and Officers shall be construed and interpreted in accordance with the limitation on liability set forth in this Section 3.1, to the fullest extent permitted by the Act.

3.2 No Liability to Creditors or Third Parties. A Member will not be personally liable for any debts, causes of action, or losses of the Company beyond his or her respective Capital Contributions.

3.3 List of Members. Upon the written request of any Member, the Secretary shall provide a list showing the names, addresses and Membership Interests and Economic Interests of all Members and Economic Interest Owners.

3.4 Approval of Sale of All Assets. The Members shall have the right, by the affirmative vote of Members holding at least a majority of all Membership Interests entitled to vote, to approve the sale, exchange or other disposition of all, or substantially all, of the Company's assets (other than in the ordinary course of the Company's business) which is to occur as part of a single transaction or plan.

3.5 Company Books. The Secretary shall maintain and preserve proper and complete books and records of account on behalf of the Company. The records and information required under Tennessee Code Annotated §48-249-406 shall at all times be maintained at the principal executive office of the Company. Upon reasonable request, and in accordance with Tennessee Code Annotated §48-249-308, as amended, each Member and his or her agents, attorneys and personal representatives of a deceased or disabled Member, shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense, subject, however, to the provisions of Tennessee Code Annotated §48-249-308(a). Pursuant to Tennessee Code Annotated §48-249-308(c), Economic Interest Owners shall have a limited right to access Company information.

3.6 No Right to Withdraw Capital Contributions or Receive Interest Thereon.

No interest shall be paid by the Company on Capital Contributions or on the balance in any Capital Account and no Member or Economic Interest Owner shall have the right to withdraw its Capital Contribution or to demand or receive a return of its Capital Contribution, or portion thereof.

3.7 Voting. The voting rights of the Members are set forth on EXHIBIT C which is attached hereto and incorporated herein by reference as if fully set forth herein.

3.8 Rights of Members Generally. A Membership Interest in the Company is personal property. A Member or Economic Interest Owner has no interest in specific Company property. All property transferred to or acquired by the Company is property of the Company.

3.9 Limited Rights of Economic Interest Owners. At any time that an Economic Interest Owner has any valid and enforceable financial interest in the Company as a permitted assignee, judgment creditor or otherwise, the profits, losses, and distributions shall be allocated and made to Members based on Membership Interest percentages and to Economic Interest Owners based upon the Membership Interest percentages of the permitted assignor, involuntary transferor and/or judgment debtor, in whole or in part, as applicable. Economic Interest Owners shall have no governance rights, no right to vote as to any matter, and no other rights of a Member except as expressly provided in this Agreement or as expressly provided for in a nonwaivable provision of the Act.

ARTICLE IV - MEETING OF MEMBERS

4.1 Annual Meeting. The annual meeting of the Members shall be held at 10:00 a.m. (EDT) on July 1 of each year, or at such other time as shall be determined by resolution of the Members, commencing on the July 1st immediately following the effective date of this Agreement, for the purpose of transacting such business as may come before the meeting.

4.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by the Act, may be called by the President or by Members holding at least fifty percent (50%) of the Membership Interests entitled to vote.

4.3 Place of Meetings. The Members may designate any place, either within or outside the State of Tennessee, as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal executive office of the Company in the State of Tennessee.

4.4 Notice of Meeting. Except with the consent of all Members entitled to vote, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than three (3) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the person calling the meeting, to each Member entitled to vote at such meeting and to nonvoting Economic Interest Owners as required by Tennessee Code Annotated §48-249-603. If mailed, such notice shall be deemed to be delivered three (3) calendar days after being deposited in the United States mail, addressed to the Member or Economic Interest Owner at its address as it appears on the books of the Company, with postage thereon prepaid.

4.5 Meeting of Members Without Formal Notice. If all of the Members shall meet at any time and place, either within or outside of the State of Tennessee, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

4.6 Record Date. For the purpose of determining Members entitled to notice of or entitled to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the “Record Date” for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.7 Quorum. Members holding at least a majority of all Membership Interests entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Membership Interests entitled to vote so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Membership Interests whose absence would cause less than a quorum.

4.8 Manner of Acting. The affirmative vote of Members holding a Majority Interest of all Membership Interests of the Company entitled to vote shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by a non-waivable provision of the Act, by the Articles of Organization, or by this Agreement.

4.9 Proxies. At all meetings of Members, a Member (otherwise entitled to vote) may vote in person or by proxy executed in writing by the Member or a duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Company before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

4.10 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote on the matter were present and voted, and delivered to the Secretary of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective on the date the last of all Members executing the consent executed the consent, unless the consent specifies a different

effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

4.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. Additionally, the execution of an Action by Written Consent by a Member or the attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.12 Electronic Communication. For all purposes under this Agreement, a conference among Members by any means of communication through which the participants may simultaneously hear each other during the conference constitutes attendance at the meeting if all other requirements are met.

ARTICLE V - MANAGEMENT

5.1 Management of Company Business. The management, conduct and operation of the Company's business shall be vested exclusively in the Members, acting by Members holding a Majority Interest entitled to vote, except to the extent otherwise provided herein. Each Member shall have a vote equal to its Membership Interest set forth in EXHIBIT A. Economic Interest Owners shall have no rights to participate in the management of the Company.

5.2 Delegation. By unanimous written resolution of the Members, the Members may delegate rights and powers to manage and control the business and affairs of the Company to one or more officers, agents or employees, provided that such delegation is reasonable under the circumstances and made in good faith.

5.3 Agency. The Members acknowledge that each Member may have the apparent authority to bind the Company for matters related to the "carrying on in the ordinary course of Company's business" unless the person with whom the Member is dealing knows or has notice that such Member lacked authority to actually bind the Company. The Members, as among themselves, warrant, represent and covenant to the Company and to the other Members that no Member has the authority and will not attempt to bind the Company without the prior written consent of Members holding a Majority Interest entitled to vote.

ARTICLE VI - OFFICERS

6.1 Number. The Company shall have a President, a Secretary, and such other officers as the Members shall from time to time deem necessary. Unless a Treasurer is elected, the Secretary shall also serve as Treasurer. The President, or any other Officer(s) elected by the Members, may hold the title of "Chief Manager," "Chairman," or "Chief Executive Officer" to the extent such title would facilitate that Officer's efforts on behalf of the Company.

The Members shall also have the authority to create one or more positions to assist the President and such position(s) may be referred to as "vice-president", "vice-officer", or such other similar term as the Members deem appropriate.

6.2 Election and Term. The Officers shall be elected by the Members at their annual meeting. Each Officer shall serve until the expiration of the term for which he or she is elected, and thereafter until his or her successor has been elected and qualified. The initial Officers of the Company are set forth on EXHIBIT G which is attached hereto and incorporated herein by reference. The initial Officers shall serve until their successor(s) are elected pursuant to this Agreement.

6.3 Duties. All Officers shall have such authority and perform such duties in the management of the Company as are normally incident to their offices and as the Members may from time to time provide.

(a) The President's duties shall include:

- (i) seeing that all orders and resolutions of the Members are carried into effect;
- (ii) signing and delivering in the name of the Company any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Company;
- (iii) performing such other duties as prescribed by the Members; and
- (iv) in the event the Company has a vacancy in the office of Secretary, any notices, documents, or other matters that otherwise are required to go to the Secretary may be delivered to the President.

(b) The duties of the Secretary shall include:

- (i) keeping accurate membership records for the Company;
- (ii) maintaining records of and certifying all proceedings or meetings of Members or any committees of the Company;
- (iii) receiving notices required to be sent to the Secretary and keeping a record of such notices in the records of the Company, including those records required to be kept by Tennessee Code Annotated §48-249-406; and
- (iv) performing such other duties as prescribed by the Members or the President from time to time.

(c) The duties of the Chief Executive Officer, if a person other than the President is elected by the Members to serve as Chief Executive Officer, shall include:

- (i) overseeing the regular operations of the Company and supervising the employees and agents of the Company;

- (ii) assisting the President in the performance of his or her duties;
- (iii) signing and delivering in the name of the Company any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the Company, consistent with the approval of the President and/or the Members; and
- (iv) performing such other duties as prescribed by the Members or the President from time to time.

ARTICLE VII - POWERS, RESIGNATIONS, AND REMOVALS OF OFFICERS

7.1 Resignations. Any Officer may resign at any time by giving written notice to the Members. Any such resignation shall take effect at the time specified therein, or, if no time is specified, then upon its acceptance by the Members.

7.2 Removal of Officers. Any Officer, including the President, may be removed by the affirmative vote of the Majority Interest of the Members entitled to vote, whenever in their judgment the best interests of the Company will be served thereby. The removal of an Officer who is also a Member shall not affect the Officer's rights as a Member and shall not constitute a withdrawal.

7.3 Vacancies. Newly created positions resulting from the establishment of a new position and vacancies occurring in any position for any reason, including removal of an Officer, may be filled by the vote of the Majority Interest entitled to vote, even if less than a quorum exists.

7.4 Certain Powers of Members and President. The Members, directly or through the President, shall have the power and authority on behalf of the Company, upon the affirmative vote of those Members holding a Majority Interest entitled to vote:

(a) to acquire property from any Person as the Members may determine. The fact that a Member is directly or indirectly affiliated or connected with any such Person shall not prohibit the Members from dealing with that Person;

(b) to borrow money for the Company from banks, other lending institutions, the Members, or affiliates of the Members on such terms as the Members deem appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No debt shall be contracted or liability incurred by or on behalf of the Company except by the Members, or to the extent permitted under the Act, by agents or employees of the Company expressly authorized to contract such debt or incur such liability by the Members;

(c) to purchase liability and other insurance to protect the Company's property and business;

(d) to hold and own any Company real and/or personal properties in the name of the Company;

(e) to invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper or other investments;

(f) upon the affirmative vote of the Members holding a Majority Interest entitled to vote, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan so long as such disposition is not in violation of or a cause of a default under any other agreement to which the Company may be bound, provided, however, that the affirmative vote of the Members shall not be required with respect to any sale or disposition of the Company's assets in the ordinary course of the Company's business;

(g) to execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies, and any other instruments or documents necessary, in the opinion of the Members, to the business of the Company;

(h) to employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;

(i) to enter into any and all other agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Members may approve; and

(j) to do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

Unless expressly authorized to do so by this Operating Agreement, no person(s) other than the President or the Members shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been authorized by the Members to act as an agent of the Company in accordance with the previous sentence.

7.5 Restrictions on Authority of the President. The President shall have the authority to, and covenants and agrees that it shall not, do any of the following acts without the affirmative vote of the Members holding a Majority Interest entitled to vote:

(a) cause or permit the Company to engage in any activity that is not consistent with the purposes of the Company as set forth in this Agreement;

(b) knowingly do any act in contravention of this Operating Agreement;

(c) knowingly do any act which would make it impossible to carry on the ordinary business of the Company, except as otherwise provided in this Operating Agreement;

(d) knowingly perform any act that would cause the Company to conduct business in a state which has neither enacted legislation which permits limited liability companies to organize in such state nor permits the Company to register to do business in such state as a foreign limited liability company;

(e) cause the Company to voluntarily take any action that would cause a bankruptcy of the Company; or

(f) cause the Company to admit any additional Members other than pursuant to ARTICLE XI hereof.

7.6 Liability for Certain Acts. Each Officer shall perform his or her duties in good faith, in a manner he or she reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. An Officer who so performs the duties as an Officer shall not have any liability by reason of being or having been an Officer of the Company. The Officer does not, in any way, guarantee the return of the Members' Capital Contributions or a profit for the Members from the operations of the Company. The Officer shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, willful misconduct, breach of this Agreement or a wrongful taking by the Officer.

7.7 Indemnification of Officers.

(a) **General.** Every person (and the heirs and legal representatives of such person) who is or was an Officer of the Company, or any similar position with another entity which it serves or served as such at the request of the Company and of which the Company directly or indirectly is or was an owner or creditor may in accordance with this provision, be indemnified by the Company against any and all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or other proceeding (whether brought by or in the right of the Company or such other entity or otherwise), civil, criminal, administrative, or investigative, including any appeal relating thereto, in which it may become involved, as party or otherwise, by reason of his or her being or having been an Officer, or employee of the Company or such other entity, or by reason of any action taken or not taken in his or her capacity as such Officer, or employee, whether or not it continues to be such at the time such liability or expense is incurred, provided: (i) in the case of a claim, action, suit, or other proceeding brought by or in the right of the Company to procure a judgment in its favor, that such person has not been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Company; and (ii) such person acted in good faith for a purpose which it reasonably believed to be in the best interest of the Company or such other entity, as the case may be, and, in addition, in any criminal action or proceeding had no reasonable cause to believe that his or her conduct was

unlawful. Indemnification pursuant to this provision, however, shall not include any amount payable by such person to the Company in satisfaction of any other indemnification or reimbursement of such person in respect of the liability and expense with respect to which indemnification is claimed. As used in this provision, the terms “liability” and “expense” shall include, but shall not be limited to, counsel fees and disbursements and amount of judgments, fines, or penalties against, and amounts paid in settlement by, such person. The termination of any claim, action, suit, or other proceeding, by judgment, order, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that such person did not meet the standards of conduct set forth in this paragraph.

(b) **Determination of Entitlement to Indemnification.** Every person (and the heirs and legal representatives of such person) referred to in subparagraph 7.7(a) above, who has been wholly successful, on the merits, with respect to any claim, action, suit, or other proceeding of the character described in subparagraph 7.7(a) above shall be entitled to indemnification as provided in subparagraph 7.7(a) above as of right. Except as provided in the preceding sentence, any indemnification under subparagraph 7.7(a) above shall be made at the discretion of the Company, but only if either (i) the Members, acting by a quorum consisting of Members who are not parties to (or who have been wholly successful with respect to) such claim, action, suit, or other proceeding, shall find that such person has met the standards of conduct set forth in subparagraph 7.7(a) above, or (ii) independent legal counsel (who may be regular counsel of the Company) shall deliver to the Company their written advice that, in their opinion, such person has met such standards.

(c) **Advancement of Expenses.** Expenses incurred with respect to any claim, suit, or other proceeding of the character described in subparagraph 7.7(a) above may be advanced by the Company prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that it is entitled to indemnification under this provision.

(d) **Rights Not Exclusive.** The rights of indemnification provided in this provision shall be in addition to any rights to which any person (or the heirs or legal representatives of such person) referred to in subparagraph 7.7(a) above may otherwise be entitled by contract or as a matter of law and shall be available whether or not the claim asserted against such person is based on matters which antedate the adoption of this provision. It is the intention of the Members to indemnify and hold harmless the Officers of the Company to the fullest extent possible under the Act, and any more favorable indemnification rights that may become available as a result of subsequent amendments to the Act.

7.8 Officers and Members Have No Exclusive Duty to Company. A Member or Officer shall not be required to manage the Company as its sole and exclusive function and it may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Member or

Officer or to the income or proceeds derived therefrom. Likewise, the Officer, the Company, or any Member shall not incur any liability as a result of engaging in any other business or venture.

7.9 Bank Accounts. The Members or the President may from time to time open bank accounts in the name of the Company, as determined from time to time by the Members.

7.10 Salaries. The salaries and other compensation of the Officers shall be fixed from time to time by an affirmative vote of Members holding at least a Majority Interest entitled to vote, and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Member of the Company. Regardless of the payment of salaries, each Officer shall be entitled to reimbursement by the Company for business expenses reasonably and necessarily incurred on behalf of the Company provided appropriate authorization has been obtained and adequate verification is provided.

7.11 Right to Rely on the Members or the President. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by the Members or the President as to:

- (a) the identity of any Officer or any Member;
- (b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by the Company or which are in any other manner germane to the affairs of the Company;
- (c) the Persons who are authorized to execute and deliver any instrument or document of the Company; or
- (d) any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.

ARTICLE VIII - CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1 Members' Capital Contributions. Each Member shall contribute such amount or property as described in EXHIBIT D attached hereto as its share of the Initial Capital Contribution. Such Contributions shall be delivered to the Company as of the effective date of this Agreement unless all Members consent otherwise. Except as provided in Section 8.2, subsequent Capital Contributions may only be made with the consent of all other Members, regardless of whether such Members have the right to vote.

8.2 Additional Contributions. Additional Contributions to the Company may be required or requested in accordance with the terms and provisions set forth on EXHIBIT E which is attached hereto and incorporated herein by reference.

8.3 Capital Accounts. Capital Accounts shall be maintained for each Member and Economic Interest Owner as follows:

- (a) A separate Capital Account shall be maintained and adjusted for each Member and Economic Interest Owner in accordance with Treasury Regulation §1.704-

1(b)(2)(iv). Subject to and without limiting such other adjustments as may be specified in such Regulations, there shall be credited to each Member's and Economic Interest Owner's Capital Account the amount of its Capital Contributions and such Member's and Economic Interest Owner's distributive share of the Net Profits of the Company; there shall be charged against each Member's or Economic Interest Owner's Capital Account the amount of all distributions to such Member or Economic Interest Owner and such Member's or Economic Interest Owner's distributive share of all Net Losses of the Company; and there shall be credited or charged, as the case may be, items of income, gain, loss or expense which are specifically allocated to such Member or Economic Interest Owner pursuant to the regulatory allocations described in Section 9.2.

(b) In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with §1.704-1(b)(2)(iv) of the Treasury Regulations.

(c) The manner in which Capital Accounts are to be maintained pursuant to this section is intended to comply with the requirements of §704(b) of the Code and the Treasury Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this section should be modified in order to comply with §704(b) of the Code and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this section, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

(d) Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest), liquidating distributions will be made in the following order: (i) first, to reduce to zero the positive Capital Account balances of the Members and Economic Interest Owners, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs; and (ii) then to the Members in accordance with their Membership Interests. Liquidation proceeds will be paid in accordance with this Agreement. The Company may offset damages for breach of this Operating Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

(e) Except as otherwise required in the Act (and subject to Section 9.1 and Section 9.2), no Member or Economic Interest Owner shall have any liability to restore all or any portion of a deficit balance in such Member's or Economic Interest Owner's Capital Account.

8.4 Withdrawal or Reduction of Members' Contributions to Capital. Even if a Member or Economic Interest Owner is otherwise entitled to a distribution from the Company pursuant to some express provision of the Act or this Agreement:

(a) A Member or Economic Interest Owner shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members or Economic Interest Owners on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) A Member or Economic Interest Owner, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

(c) Except as may be expressly provided elsewhere in this Agreement, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided that this provision shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

ARTICLE IX - ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS

9.1 Allocations of Profits and Losses from Operations. The Net Profits and Net Losses of the Company for each fiscal year will be allocated in accordance with the Membership Interest of each Member.

9.2 Special Allocations to Capital Accounts and Certain Other Income Tax Allocations. Notwithstanding the preceding provision:

(a) In the event any Member or Economic Interest Owner unexpectedly receives any adjustments, allocations, or distributions described in §§1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Treasury Regulations, which create or increase a Deficit Capital Account of such Member or Economic Interest Owner, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specifically allocated to such Member or Economic Interest Owner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Deficit Capital Account so created as quickly as possible. It is the intent that this provision be interpreted to comply with the alternate test for economic effect set forth in §1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

(b) In the event any Member or Economic Interest Owner would have a Deficit Capital Account at the end of any Company taxable year which is in excess of the sum of any amount that such Member or Economic Interest Owner is obligated to restore to the Company under §1.704-1(b)(2)(ii)(c) of the Treasury Regulations and such Member's or Economic Interest Owner's share of the minimum gain as defined in §1.704-

2(g)(1) of the Treasury Regulations (which is also treated as an obligation to restore in accordance with §1.704-1(b)(2)(ii)(d) of the Treasury Regulations), the Capital Account of such Member or Economic Interest Owner shall be specially credited with items of Company income (including gross income) and gain in the amount of such excess as quickly as possible.

(c) Notwithstanding any other provision of this section, if there is a net decrease in the Company's minimum gain as defined in Treasury Regulation §1.704-2(d) during a taxable year of the Company, then, the Capital Accounts of each Member shall be allocated items of income (including gross income) and gain for such year (and if necessary for subsequent years) equal to that Member's or Economic Interest Owner's share of the net decrease in Company minimum gain. This provision is intended to comply with the minimum gain chargeback requirement of §1.704-2 of the Treasury Regulations and shall be interpreted consistently therewith. If in any taxable year that the Company has a net decrease in the Company's minimum gain, if the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Members or Economic Interest Owners and it is not expected that the Company will have sufficient other income to correct that distortion, the Members may in their discretion seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Treasury Regulation §1.704-2(f)(4).

(d) Items of Company loss, deduction and expenditures described in §705(a)(2)(B) which are attributable to any nonrecourse debt of the Company and are characterized as partner (Member) nonrecourse deductions under §1.704-2(i) of the Treasury Regulations shall be allocated to the Members' or Economic Interest Owners' Capital Accounts in accordance with said §1.704-2(i) of the Treasury Regulations.

(e) Beginning in the first taxable year in which there are allocations of "nonrecourse deductions" (as described in §1.704-2(b) of the Treasury Regulations) such deductions shall be allocated to the Members and Economic Interest Owners in accordance with each Member's or Economic Interest Owner's Membership Interest.

(f) In accordance with §704(c)(1)(A) of the Code and §1.704-1(b)(2)(i) and (iv) of the Treasury Regulations, if a Member or Economic Interest Owner contributes property with a fair market value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes (and not for Capital Account purposes), be allocated among the Members and Economic Interest Owner so as to take account of any variation between the adjusted basis of such property to the Company and its fair market value at the time of contribution.

(g) Pursuant to §704(c)(1)(B) of the Code, if any contributed property is distributed by the Company other than to the contributing Member or contributing Economic Interest Owner within five years of being contributed, then, except as provided in §704(c)(2) of the Code, the contributing Member or contributing Economic Interest Owner shall, solely for federal income tax purposes (and not for Capital Account purposes), be treated as recognizing gain or loss from the sale of such property in an

amount equal to the gain or loss that would have been allocated to such Member or Economic Interest Owner under §704(c)(1)(A) of the Code if the property had been sold at its fair market value at the time of this distribution.

(h) In the case of any distribution by the Company to a Member or Economic Interest Owner, such Member or Economic Interest Owner shall, solely for federal income tax purposes (and not for Capital Account purposes), be treated as recognizing gain in an amount equal to the lesser of:

- (i) the excess (if any) of (A) the fair market value of the property (other than money) received in the distribution over (B) the adjusted basis of such Member's Membership Interest or Economic Interest Owner's Economic Interest in the Company immediately before the distribution reduced (but not below zero) by the amount of money received in the distribution, or
- (ii) the Net Precontribution Gain (as defined in §737(b) of the Code) of the Member or Economic Interest Owner. The Net Precontribution Gain means the net gain (if any) which would have been recognized by the distributee Member or Economic Interest Owner under §704(c)(1)(B) of the Code if all property which (1) had been contributed to the Company within five years of the distribution, and (2) is held by the Company immediately before the distribution, had been distributed by the Company to another Member or Economic Interest Owner. If any portion of the property distributed consists of property which had been contributed by the distributee Member or Economic Interest Owner to the Company, then such property shall not be taken into account under this provision and shall not be taken into account in determining the amount of the Net Precontribution Gain. If the property distributed consists of an interest in an Entity, the preceding sentence shall not apply to the extent that the value of such interest is attributable to the property contributed to such Entity after such interest had been contributed to the Company.

(i) All recapture of income tax deductions resulting from sale or disposition of Company property shall be allocated to the Member(s) or Economic Interest Owner(s) to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the sale or other disposition of such property.

(j) Any credit or charge to the Capital Accounts of the Members or Economic Interest Owners pursuant to Section 9.2(a), (b), (c), (d), and/or (e) hereof shall be taken into account in computing subsequent allocations of profits and losses pursuant to Section 9.1, so that the net amount of any items charged or credited to Capital Accounts pursuant to Section 9.1 and Section 9.2(a), (b), (c), (d), and/or (e) and shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each

Member or Economic Interest Owner pursuant to the provisions of this Article if the special allocations required by Section 9.2(a), (b), (c), (d), and/or (e) hereof had not occurred.

9.3 Distributions. Except as expressly provided otherwise in this Agreement, all distributions which are required or permitted hereunder, shall be made to the Members and Economic Interest Owners in proportion to his or her relative Membership Interest.

9.4 Limitation Upon Distributions. No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions, and the provisions contained in Tennessee Code Annotated §48-249-306 are not violated.

9.5 Accounting. The accounting method and accounting period of the Company are set forth on EXHIBIT F which is attached hereto and incorporated herein by reference.

9.6 Loans to Company. Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

9.7 Records, Audits, and Reports. At the expense of the Company, the President shall maintain records and accounts of all operations and expenditures of the Company. At a minimum, the Company shall keep at its principal place of business the following records:

(a) a current list of the full name and last known business, residence, or mailing address of each Member and Officer of the Company, together with the taxpayer identification number of each Member of the Company;

(b) a current list of the full name and last known business, residence, or mailing address of each permitted assignee of financial rights and a description of the rights permitted to be assigned together with the taxpayer identification number of each such assignee;

(c) a copy of the Articles of Organization and all amendments to such Articles;

(d) copies of the currently effective Operating Agreement and/or any agreements concerning classes or series of Membership Interest;

(e) copies of the Company's federal, state, and local income tax returns and reports, if any, for the four (4) most recent years;

(f) financial statements required by Tennessee Code Annotated §48-249-406(6) and the accounting records of the Company;

(g) records of all proceedings of Members, if any;

(h) any written consents obtained from Members under the Act;

(i) a statement of all contributions accepted and the identity of the contribution and the agreed value of the contribution;

(j) a copy of all contribution agreements and contribution allowance agreements, if any; and

(k) a copy of the Company's most recent annual report as delivered to the Secretary of State pursuant to Tennessee Code Annotated §48-249-1017.

9.8 Returns and Other Elections. The President shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished, upon written request, to the Members within a reasonable time after the end of the Company's fiscal year.

All elections permitted to be made by the Company under federal or state laws shall be made by the President in his or her sole discretion.

ARTICLE X - RESTRICTIONS ON TRANSFERS OF MEMBERSHIP INTERESTS

10.1 Transfers Prohibited. Neither a Member nor an Economic Interest Owner may transfer all or any portion of its interest in the Company, except in strict compliance with the terms and conditions set forth in the "Member Restriction Agreement" executed in conjunction with this Agreement and attached hereto as EXHIBIT H.

10.2 Effect of Prohibited Transfer. Any attempted transfer made in violation of this Agreement and/or the Member Restriction Agreement (EXHIBIT H) shall be void ab initio. Notwithstanding the foregoing, any person or entity that is a purported transferee of a Membership Interest in the Company may never acquire any right greater than the rights accorded an Economic Interest Owner.

ARTICLE XI - ADDITIONAL MEMBERS

11.1 Admission of New Members. From the date of the formation of the Company, any Person or Entity acceptable to the Members by their unanimous vote thereof may become a Member in this Company either by the issuance by the Company of Membership Interests for such consideration as the Members by their unanimous votes shall determine, or as a permitted transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Agreement and the Member Restriction Agreement (EXHIBIT H). No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Officers may, at its option, at the time a Member is admitted, close the Company's books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of §706(d) of the Code and the Treasury Regulations promulgated thereunder. Except as provided in the Member Restriction Agreement, no existing Member shall have any preemptive or similar

right to acquisition of additional Membership Interest because of admission of a new Member pursuant to this Section 11.1.

ARTICLE XII - DISSOLUTION AND TERMINATION

12.1 Dissolution

(a) The Company shall be dissolved upon the occurrence of any of the following events:

- (i) by the unanimous written agreement of all Members; or
- (ii) if dissolved by a court of competent jurisdiction.

(b) A Member shall not voluntarily resign, attempt to withdraw, or take any other voluntary action which causes a dissolution event (a "Resigning Member"). Unless otherwise approved by a majority vote of the Members otherwise entitled to vote, a Resigning Member who voluntarily causes a Withdrawal Event shall be in breach of this Agreement and shall only be entitled to repayment of the positive balance (if any) in its Capital Account or an amount determined in accordance with a written agreement applicable to the withdrawal of a Member.

12.2 Effect of Filing Notice of Dissolution. Upon the filing by the Tennessee Secretary of State of a notice of dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until a certificate of dissolution has been issued by the Secretary of State or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

12.3 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Officers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Officers shall:

- (i) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Officers may determine to distribute any assets to the Members in kind),
- (ii) Allocate any Net Profit or Net Loss resulting from such sales to the Members' and Economic Interest Owners' Capital Accounts in accordance with ARTICLE VIII hereof,

- (iii) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are also creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distributions and the return of capital, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, and the amounts of such Reserves shall be deemed to be an expense of the Company),
- (iv) Distribute the remaining assets in the following order:
 - (1) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted in accordance with this Agreement to reflect such deemed sale.
 - (2) The positive balance (if any) of each Member's and Economic Interest Owner's Capital Account (as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs) shall be distributed to the Members, either in cash or in kind, as determined by the Officers, with any assets distributed in kind being valued for this purpose at their fair market value. Any such distributions to the Members in respect of their Capital Accounts shall be made in accordance with the time requirements set forth in §1.704-1 (b)(2)(ii)(b)(2) of the Treasury Regulations.
 - (3) Any remaining assets shall be distributed to the Members in accordance with their Membership Interests.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of §1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Members shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

12.4 Articles of Termination. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, articles of termination shall be executed and delivered to the Tennessee Secretary of State. Upon the filing of the articles of termination, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The President shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

12.5 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE XIII - DEFINITIONS

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) **“Act”** shall mean the Tennessee Revised Limited Liability Company Act as codified at Tennessee Code Annotated §48-249-101, et seq.

(b) **“Agreement”** shall mean this Operating Agreement as originally executed and as amended from time to time, and all Exhibits attached hereto.

(c) **“Articles of Organization”** shall mean the Articles of Organization of the Company as filed with the Secretary of State of Tennessee, as the same may be amended from time to time in accordance with the terms of this Operating Agreement.

(d) **“Capital Account”** as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted in accordance with ARTICLE VIII.

(e) **“Capital Contribution”** shall mean any contribution to the capital of the Company in cash or property by a Member whenever made. Capital Contribution shall not include any loan or advance made by a Member.

(f) **“Initial Capital Contribution”** shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement.

(g) **“Code”** shall mean the Internal Revenue Code of 1986, as amended, or the corresponding provisions of subsequent superseding federal revenue laws.

(h) **“Company”** shall refer to the LLC formed by the filing of the Articles of Organization attached hereto as EXHIBIT A.

(i) **“Deficit Capital Account”** shall mean with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

- (i) credit to such Capital Account any amount which such member is obligated to restore under §1.704-(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of §1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with §1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner nonrecourse debt (as determined under §1.704-2(i)(3) of the Treasury Regulations); and
- (ii) debit to such Capital Account the items described in §§1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition of Deficit Capital Account is intended to comply with the provision of Treasury Regulations §§1.704-1(b)(2)(ii)(d) and 1.704-2, and shall be interpreted consistently with those provisions.

(j) **“Depreciation”** means, for each fiscal year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such fiscal year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the President.

(k) **“Distributable Cash”** means all cash, revenues, and funds received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company’s business; and (iii) such Reserves as the Members deem reasonably necessary to the proper operation of the Company’s business.

(l) **“Economic Interest”** shall mean a Member’s or Economic Interest Owner’s share of one or more of the Company’s Net Profits, Net Losses and distributions of the Company’s assets pursuant to this Operating Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members.

(m) **“Economic Interest Owner”** shall mean the owner or holder of any interest in the Company who is not a Member.

(n) **“Entity”** shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

(o) **“Gross Asset Value”** means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the President, provided that the initial Gross Asset Values of the assets contributed to the Company shall be as set forth in EXHIBIT D, and provided further that, if the contributing Member is the President, the determination of the fair market value of any other contributed asset shall require the consent of the other Members owning a Majority Interest entitled to vote (determined without regard to the Capital Account of such contributing Member);
- (ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the President as of the following times: (a) the acquisition of an additional interest by any new or existing Member in exchange for more than a de minimis contribution of property (including money); (b) the distribution by the Company to a Member of more than a de minimis amount of property as consideration for a Membership Interest or Economic Interest; and (c) the liquidation of the Company within the meaning of Regulations §1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Members reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;
- (iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the President, provided that, if the distributee is the President, the determination of the fair market value of the

distributed asset shall require the consent of the other Members owning a Majority Interest entitled to vote (determined without regard to the Capital Account of the distributee Member); and

- (iv) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code §734(b) or Code §743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Reg. §1.704-1(b) (2)(iv)(m) and Section 8.3 and subparagraph (iv) under the definition of Net Profits and Net Losses; provided, however, that Gross Asset Values shall not be adjusted pursuant to this definition to the extent the Members determine that an adjustment pursuant to subparagraph (ii) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (i), (ii) or (iv) of this definition, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

(p) **“Majority Interest”** shall mean one or more Interests of Members which taken together exceed fifty percent (50%) of the aggregate of all Membership Interests entitled to vote.

(q) **“Member”** shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members, in accordance with this Agreement and the Member Restriction Agreement (EXHIBIT H). If a party is a Member immediately prior to the purchase or other acquisition by such party of an Economic Interest, such party shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be.

(r) **“Membership Interest”** shall mean a Member’s entire interest in the Company including such Member’s Economic Interest and such other rights and privileges that the Member may enjoy by being a Member.

(s) **“Net Profits”** and **“Net Losses”** shall mean for each taxable year of the Company any amount equal to the Company’s net taxable income or loss for such year as determined for federal income tax purposes (including separately stated items) in accordance with the accounting method and rules used by the Company and in accordance with §703 of the Code with the following adjustments:

- (i) Any items of income, gain, loss and deduction allocated to Members pursuant to Section 9.2 shall not be taken into account in computing Net Profits or Net Losses of this Operating Agreement;

- (ii) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits and Net Losses (pursuant to this definition) shall be added to such taxable income or loss;
- (iii) Any expenditure of the Company described in §705(a)(2)(B) of the Code and not otherwise taken into account in computing Net Profits and Net Losses (pursuant to this definition) shall be subtracted from such taxable income or loss;
- (iv) In the event of the Gross Asset Value of any Company asset is adjusted pursuant to clause (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits and Net Losses;
- (v) Gain or loss resulting from any disposition of any Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value;
- (vi) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation (as defined above) for such fiscal year; and
- (vii) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to §734(b) of the Code or §743(b) of the Code is required pursuant to §1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Membership Interest or Economic Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses.

(t) **“Person”** shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “Person” where the context so permits.

(u) **“Reserves”** shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Members for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company’s business.

(v) **“Treasury Regulations”** shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Articles of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

14.1 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member’s and/or Company’s address, as appropriate, which is set forth in this Operating Agreement or in the case of an Economic Interest Owner is addressed to the Economic Interest Owner at the address provided by such Economic Interest Owner. Any Economic Interest Owner shall be required to provide the Company its current mailing address within two (2) business days after becoming an Economic Interest Owner and shall have the obligation to keep the Company promptly updated with regard to any change in such address. Except as otherwise provided herein, any such notice shall be deemed to be given three (3) business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

14.2 Application of Tennessee Law. This Operating Agreement, and all disputes arising hereunder, shall be governed exclusively by its terms and by the internal, substantive laws of the State of Tennessee, specifically including but not limited to the Act. The parties agree that the proper, most convenient, and exclusive venue for any dispute arising pursuant to the terms of this Agreement shall be the state and federal courts located in Knox County, Tennessee.

14.3 Waiver of Action for Partition. Each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

14.4 Amendments. This Operating Agreement may not be amended except by the unanimous written agreement of all of the Members.

14.5 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

14.6 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, this same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

14.7 Headings and Pronouns. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof. All pronouns and only variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural as the identity of the Person or Persons may require.

14.8 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of a covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

14.9 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14.10 Severability. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

14.11 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

14.12 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company and the parties do not intend or desire any such benefit.

14.13 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

14.14 Exhibits. The Exhibits which are attached to this Agreement are incorporated herein by reference as if fully set forth verbatim.

14.15 Partnership Representative. The Partnership Representative shall be designated on EXHIBIT G. The Partnership Representative shall act as the “partnership representative” as defined in § 6233(a) of the Code as amended by the Bipartisan Budget Act of 2015 (or any similar position under any corresponding provisions of applicable state, local or foreign law). The Partnership Representative shall use its reasonable efforts to comply with the responsibilities outlined in §§6221 through 6233 of the Code (including any Regulations promulgated thereunder), as applicable, and in doing so shall incur no liability to any Member. The Partnership Representative shall keep all Members informed of all notices from government taxing authorities which may come to the attention of the Partnership Representative. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Partnership Representative in performing those duties. A Member shall be responsible for any costs incurred by such Member with respect to any tax audit or tax-related administrative or judicial proceeding against such Member, even though it relates to the Company.

14.16 No Employment Contract. The terms and provisions of this Agreement shall not constitute or create any contract of employment between the Company and any Member. To

the extent a Member or Economic Interest Owner is or becomes an employee of the Company, such employment shall be “at will” absent a written employment agreement executed by an Officer or Member duly authorized to contractually bind the Company.

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

COMPANY:

TRANSFORMATION, LLC, a Tennessee Limited Liability Company

By: _____
James Murray, President

MEMBERS:

James Murray

Shannon Murray

CERTIFICATE

The undersigned hereby agree, acknowledge and certify that the foregoing Operating Agreement, consisting of twenty-eight (28) pages, plus this certificate and Exhibits A through H (which are incorporated herein by reference as if fully set forth in the Operating Agreement), constitutes the Operating Agreement of TRANSFORMATION, LLC adopted by the Members of the Company effective February 10, 2021.

COMPANY:

TRANSFORMATION, LLC, a Tennessee Limited
Liability Company

By: _____
James Murray, President

MEMBERS:

James Murray

Shannon Murray

EXHIBIT A

ARTICLES OF ORGANIZATION AS FILED

EXHIBIT B

NAMES, ADDRESSES, AND MEMBERSHIP INTERESTS OF MEMBERS

<u>NAME</u>	<u>ADDRESS</u>	<u>MEMBERSHIP INTEREST</u>
James Murray	8122 Westmont Circle Knoxville, TN 37919	50%
Shannon Murray	8122 Westmont Circle Knoxville, TN 37919	50%

EXHIBIT C

VOTING RIGHTS OF MEMBERS

The Company shall have one class of Membership Interests and each Membership Interest shall have voting rights. Each Member shall be entitled to a vote which is equal to that Member's Membership Interests, as that term is defined in the Agreement.

EXHIBIT D

INITIAL CAPITAL CONTRIBUTIONS

<u>Initial Members</u>	<u>Initial Capital Contribution</u>
James Murray	\$500.00
Shannon Murray	\$500.00
TOTAL	\$1,000.00

EXHIBIT E

ADDITIONAL CAPITAL CONTRIBUTION

Each Member shall be required to make such additional Capital Contributions as shall be determined by the Members to be reasonably necessary for the Company's operations, enhancements, expansions, debt reductions, or any other reasonable business purpose.

Upon the making of any such determination, the President shall give written notice to each Member of the amount of required additional contribution, and each Member shall deliver to the Company its pro rata share thereof (in proportion to the respective Interest of the Member on the date such notice is given) no later than thirty (30) days following the date such notice is given. None of the terms, covenants, obligations or rights contained in this provision is or shall be deemed to be for the benefit of any person or entity other than the Members and the Company, and no such third person shall under any circumstances have any right to compel or require any actions by the President or a contribution by any Member.

If any Member fails or refuses to make an Additional Contribution in accordance with this provision, then, as the Company's sole remedy for a failure to make a required capital contribution, the President may request (rather than require) that each Member contribute its proportionate share of a total requested amount of capital. In the event all Members do not contribute the capital requested by the President, then the Member(s) who have made capital available to the Company shall be deemed to have made a loan to the Company (a "Member Loan"). All Member Loans made pursuant to this section shall bear interest at the lesser of: (i) eighteen percent (18%) per annum; or (ii) the maximum rate permitted by law and shall be due and payable in full upon demand by the Member(s) who made such loan. From the time of the making of a Member Loan until the entire amount of principal and interest has been paid in full, all rights of the Member(s) who refused or failed to make capital available to the Company to receive or share in any distribution from the Company, shall be completely and fully assigned to the Member(s) who has made a Member Loan to the Company, and the Member(s) who has failed to make capital available to the Company shall have no right or authority to vote or participate in the operation of the business of the Company until such Member Loan(s) has been fully paid. In the event that the Member Loan(s) is not fully repaid at the time the Company is being liquidated, then the Member(s) who has made a Member Loan(s) shall be paid, to the fullest extent possible, in proportion to the Member Loan(s) made by each such Member, prior to any payment or distribution to the Member(s) who did not make capital available to the Company. For purposes of this provision, Member Loan(s) shall be repaid in the order in which such Member Loan(s) was made, with all such Member Loan(s) being made within fourteen (14) days of the other being treated as having been made simultaneously. Notwithstanding any other provision of this Agreement to the contrary, no Member shall have any liability to repay any portion of a Member Loan with money or assets beyond its interest in the Company.

EXHIBIT F

ACCOUNTING METHOD AND PERIOD

The Company shall use the cash method of accounting and the accounting period for the Company shall be the calendar year.

EXHIBIT G

INITIAL OFFICERS

<u>NAME</u>	<u>TITLE</u>
James Murray	President
Shannon Murray	Secretary

PARTNERSHIP REPRESENTATIVE

James Murray

EXHIBIT H

MEMBER RESTRICTION AGREEMENT