

**OPERATING AGREEMENT FOR  
PFDSELECT MEDICAL RECEIVABLES  
1011, LLC**

**Dated  
July 24, 2024**

*THE MEMBERSHIP INTERESTS UNITS REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. ACCORDINGLY, THERE ARE SUBSTANTIAL RESTRICTIONS ON TRANSFER, AS SET FORTH IN THIS AGREEMENT. THESE INTERESTS MAY BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO DISTRIBUTE OR RESELL AND MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, MORTGAGED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR OFFERED TO BE SO TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR SUCH INTERESTS UNDER THE SECURITIES ACT OF 1933 OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS, TO ESTABLISH WHICH THE MANAGER MAY REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO IT THAT SUCH REGISTRATION IS NOT REQUIRED. THERE IS NO PUBLIC MARKET FOR INTERESTS AND NONE IS LIKELY TO DEVELOP. THE MANAGER AND THE COMPANY ARE UNDER NO OBLIGATION TO REGISTER MEMBERSHIP INTERESTS.*

**OPERATING AGREEMENT OF  
PFDSELECT MEDICAL RECEIVABLES  
1011, LLC,  
a Nevada limited liability company**

**THIS OPERATING AGREEMENT (“Agreement”) of PFDSELECT MEDICAL RECEIVABLES 1011, LLC, a Nevada limited liability company** (the “Company”) is made and entered into effective as of July 24, 2024, by and among the Company, **PFD Capital Partners, LLC**, a California limited liability company (the “**Class A Member**”) who is the initial Member of the Company and such Persons as may be admitted as Class B Members pursuant to the terms of this Agreement.

**RECITALS**

- A. On June 14, 2024, the Manager formed a limited liability company under the laws of the State of Nevada by filing Articles of Organization for **PFDSELECT MEDICAL RECEIVABLES 1011, LLC**, a Nevada limited liability company (the “**Company**”) with the Nevada Secretary of State.
- B. The parties now desire to adopt and approve a written Operating Agreement for the Company.

**AGREEMENT**

NOW, THEREFORE, the parties by this Agreement set forth the operating agreement for the Company under the laws of the State of Nevada upon the terms and subject to the conditions of this Agreement.

**ARTICLE I  
DEFINITIONS**

When used in this Agreement, the following terms shall have the meanings set forth below (all terms used in this Agreement that are not defined in this Article I shall have the meanings set forth elsewhere in this Agreement):

- 1.1 “**Act**” shall mean the provisions of Chapter 86 of the Nevada Revised Statutes, as the same may be amended from time to time.
- 1.2 “**Affiliate**” or “**affiliate**” shall mean, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such Person, (iii) any officer, director or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee or holder of ten percent (10%) or more of the voting securities of any Person described in clauses (i) through (iii) of this sentence.
- 1.3 “**Affiliate Members**” shall mean those Persons that continue to be members of the Class A Member as of any given date.
- 1.4 “**Agreement**” shall mean this Operating Agreement, as the same may hereafter be amended from time to time.
- 1.5 “**Available Cash**” shall mean: the amount, if any, of all cash receipts of the Company

from operations as of any applicable determination date (but excluding cash from Capital Contributions), in excess of the sum of (i) all cash disbursements of the Company prior to that date, including, without limitation, disbursements to purchase Receivables and monies paid with respect to any Class B Redemptions, plus (ii) any reserve, determined in the reasonable discretion of the Manager, for anticipated cash disbursements that will have to be made before additional cash receipts from third parties will provide the funds therefor, including, without limitation, a reserve for anticipated redemption of Class B Units pursuant to any Class B Redemptions as determined in the sole discretion of the Manager. Available Cash shall be determined and distributed no more frequently than on a quarterly basis or at such other times as the Manager determines that funds are available therefore, and after considering the reasonable business needs of the Company.

1.6 **“Articles”** shall mean the Articles of Organization for the Company originally filed with the Nevada Secretary of State and as amended from time to time.

1.7 **“Bankruptcy”** shall mean:

(a) the filing of an application by a Person for his, her or its consent to the appointment of a trustee, receiver, or custodian of his, her or its other assets;

(b) the entry of an order for relief with respect to a Person in proceedings under the United States Bankruptcy Code, as amended or superseded from time to time;

(c) the making by a Person of a general assignment for the benefit of creditors;

(d) the entry of an order, judgment, or decree by any court of competent jurisdiction appointing a trustee, receiver, or custodian of the assets of a Person unless the proceedings and the person appointed are dismissed within ninety (90) days; or

(e) the failure by a Person generally to pay his, her or its debts as the debts become due within the meaning of Section 303(h)(1) of the United States Bankruptcy Code, as determined by the Bankruptcy Court, or the admission in writing of his, her or its inability to pay his, her or its debts as they become due.

1.8 **“Capital Account”** shall mean, with respect to any Member, the capital account maintained for such Member in accordance with the following provisions:

(a) To each Member’s Capital Account there shall be credited such Member’s Capital Contributions (including Class B New Contributions as defined in Section 5.4 herein), such Member’s distributive share of Profits and any items in income or gain (from unexpected adjustments, allocations or distributions) that are specially allocated to a Member and the amount of any Company liabilities that are assumed by such Member or that are secured by any Company property distributed to such Member.

(b) To each Member’s Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Member, such Member’s distributive share of Losses and any items in the nature of expenses or losses that are specially allocated to a Member and the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) In the event, any interest in the Company is transferred according to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transfer or to the extent it relates to the transferred interest.

(d) In the event the Gross Asset Values of the Company assets are adjusted pursuant to

Section 1.27, the Capital Accounts of all Members shall be adjusted simultaneously to reflect the aggregate net adjustment as if the Company recognized gain or loss equal to the amount of such aggregate net adjustment.

The provisions of this Section and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulation Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such regulations. In the event it is necessary to modify the way the Capital Accounts are computed in order to comply with such regulations, the Manager shall make such modifications. The Manager shall adjust the amounts debited or credited to the Capital Accounts with respect to (i) any property contributed to the Company or distributed to any Member and (ii) any liabilities that are secured by such contributed or distributed property or that are assumed by the Company in the event the Manager shall determine that such adjustments are necessary or appropriate pursuant to Regulations Section 1.704-1(b)(2)(iv). The Manager shall also make any adjustments that are necessary or appropriate to maintain equality between the aggregate Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, and are otherwise in accordance with Regulations Section 1.701- 1(b)(2)(iv)(q). The Manager shall also make appropriate modifications if unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704 1(b).

- 1.9        **“Capital Contribution”** shall mean the total value of cash contributed to the Company by the Members in accordance with Article V, including, without limitation, any Class B New Contributions as to Class B Members.
- 1.10       **“Class B Interests”** shall mean the interest of the Class B Members in the Company attributable to the purchase of Class B Units and all rights, benefits and privileges pertaining thereto, as set forth in this Agreement.
- 1.11       **“Class B Members”** means collectively the Persons purchasing Units of Class B Interests that are admitted to the Company as Class B Members; and **“Class B Member”** means any one of the Class B Members, including, without limitation, their interest in the Class B Units issued to such Member.
- 1.12       **“Class A Cash Contribution”** shall have the meaning given in Section 5.1(a).
- 1.13       **“Class A Interest”** shall mean the Class A Member's entire interest in the Company as the Class A Member and all rights, benefits, privileges, and obligations pertaining thereto as set forth in this Agreement, including, without limitation, their interest in the Class A Units issued to such Member.
- 1.14       **“Class A Members”** shall mean those Persons who own Class A Units as follows: **PFD Capital Partners, LLC**, a Nevada limited liability Company.
- 1.15       **“Class A Units”** shall mean the Units of Class A Interests in the Company issued to Class A Members at the rate of \$1.00 per Unit upon their admission to the Company.
- “Class B Units”** shall mean the units of Class B Interests in the Company issued to Class Members at the rate of \$100,000.00 per Class B Unit. Any reference herein to a Class B Unit includes a fractional Class B Unit to the extent applicable as calculated by the Manager as to Members that purchase or make a Class B New Contribution that is less than \$100,000 per Class B Unit.
- 1.16       **“Class B New Contributions”** means a Capital Contribution paid to the Company by a Class B Member by reinvesting a Preferred Return that was concurrently paid to such

Class B Member to the extent permitted under the provisions of this Agreement. By way of clarification, no Class B New Contributions may be made with respect to any Preferred Return paid to a Class B Member in connection with a purchase and redemption of a Class B Unit (or fractional Class B Unit) by the Company or in connection with a dissolution of the Company.

- 1.17 **“Class B Redemption”** shall mean the purchase and redemption of Class B Units by the Company pursuant to Section 6.9 herein.
- 1.18 **“Code”** shall mean the Internal Revenue Code of 1986, as amended from time to time, the provisions of succeeding law and, to the extent applicable, the Regulations.
- 1.19 **“Company”** shall mean **PFDSELECT MEDICAL RECEIVABLES 1011, LLC**, a Nevada limited liability company, formed and governed by this Agreement.
- 1.20 **“Company Minimum Gain”** shall have the meaning ascribed to the term “Company Minimum Gain” in the Regulations Section 1.704-2(d).
- 1.21 **“Depreciation”** shall mean, for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, 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 year or other period, 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 year or other period bears to such beginning adjusted tax basis.
- 1.22 **“Economic Interest”** shall mean the right to receive distributions of the Company’s assets and allocations of income, gain, loss, deduction, credit and similar items from the Company pursuant to this Agreement and the Act, but shall not include any other rights of a Member, including, without limitation, the right to vote or participate in the management of the Company, except as may expressly be provided in the Act.
- 1.23 **“Economic Interest Owner”** shall mean the owner of an Economic Interest who is not a Member.
- 1.24 **“ERISA Plan Asset Regulations”** shall have the meaning given in Section 4.2(b).
- 1.25 **“ERISA Plan Investor”** shall mean any Member that is a pension or profit- sharing plan, Keogh Plan, 401(k) plan, Individual Retirement Account or other employee benefit plan qualified under the Employee Retirement Income Security Act of 1974, as amended.
- 1.26 **“Fiscal Year”** shall mean the Company’s fiscal year which shall be the calendar year.
- 1.27 **“Gross Asset Value”** shall mean, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) 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 Company.

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (i) the contribution of more than a de minimis amount of money or other property to the Company by a new or existing Member as consideration for a Membership Interest in the Company; (ii) the distribution by the Company to

either a withdrawing or continuing Member of more than a de minimis amount of money or other property as consideration for an interest in the Company; and (iii) the termination of the Company for federal income tax purposes pursuant to Code Section 708(b)(1)(B); and If the Gross Asset Value of an asset has been determined or adjusted pursuant to sub- paragraphs (a) or (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

- 1.28 **“Incapacity”** means the Bankruptcy, dissolution, liquidation, adjudication of incompetency or death of any Person.
- 1.29 **“Invested Capital”** shall mean, as of any date, each Member’s unreturned Capital Contribution in the Company as reflected in such Member’s Capital Account as of such date.
- 1.30 **“Majority Interest of the Class A Members”** shall mean, as of any given date one or more Class A Members (excluding the Class B Members) that cumulatively hold: Class A Units in the Company which taken together exceed fifty percent (50%) of all issued and Outstanding Class A Units.
- 1.31 **“Majority Interest of the Class B Members”** shall mean, as of any given date one or more Class B Members that cumulatively hold: Class B Units in the Company which taken together exceed fifty percent (50%) of all issued and Outstanding Class B Units.
- 1.32 **“Manager”** shall mean **PFD Capital Partners, Inc.**, a Nevada corporation, or any person or entity substituted in place thereof pursuant to this Agreement.
- 1.33 **“Member Non-recourse Debt”** shall have the meaning ascribed to the term “Partner Non-recourse Debt” in Regulations Section 1.704-2(b)(4).
- 1.34 **“Member Non-recourse Deductions”** shall mean items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditures which are attributable to Member Non-recourse Debt.
- 1.35 **“Members”** shall mean the Class B Member and the Class A Member, and “Member” shall mean any one of the Members.
- 1.36 **“Membership Interest”** shall mean a Member’s entire interest in the Company and all rights, benefits and privileges pertaining thereto.
- 1.37 **“New Contributions”** means any monies contributed as capital by a Member to the Company in accordance with Section 5.4 herein (but excluding any Initial Contributions) and provided that capital contribution is accepted by the Company’s Manager in its sole and absolute discretion.
- 1.38 **“Non-recourse Liability”** shall have the meaning set forth in Regulations Section 1.752-1(a)(2).
- 1.39 **“Offering Circular”** shall mean the Private Placement Memorandum pursuant to which the Company will solicit investments in Class B Units issued by the Company, originally dated April 02, 2024 and as amended, updated and supplemented from time to time.
- 1.40 **“Percentage Interests”** shall mean the relative percentage interests of the Class B Members determined as of any date by dividing each such Member’s Class B Units by the total outstanding Class B Units held by all Members.

- 1.41 **“Person”** shall mean an individual, general partnership, limited partnership, limited liability company, corporation, trust, estate, real estate investment trust association or any other entity.
- 1.42 **“Preferred Return”** shall mean, with respect to each Class B Member’s Class B Unit (or fractional Class B Unit as applicable), during the **“Preferred Return Accrual Period”** (as defined below) attributable to such Class B Unit, a preferred return equal to 15% per annum on a Class B Member’s then Unrecovered Contribution Account (as defined below) that is attributable to such Class B Unit or fractional Class B Unit). Such Preferred Return is not guaranteed, meaning that the Preferred Return will not be paid if at the scheduled or required time for payment under the provisions of this Agreement, the Company does not have Available Cash to pay it, as determined by the Manager in its sole discretion. The Preferred Return is also non-cumulative and non-compounded, meaning that with respect to any unpaid Preferred Return not paid in full when scheduled to or when required to be paid under the provisions herein, such unpaid amount shall not be compounded or otherwise subject to a Preferred Return of 15% per annum; however such unpaid Preferred Return shall be carried forward and paid when there is sufficient Available Cash as provided for in Section 6.1(a) herein.

The Preferred Return with respect to each Class B Unit of a Class B Member with respect to each calendar quarter during the applicable Preferred Return Accrual Period is calculated as follows: the amount of the applicable Unrecovered Contribution Account with respect to the Class B Member’s Class B Unit in question determined as of the last day of each calendar quarter multiplied by 15% and then divided by 365 days and then multiplied by the number of days in the calendar quarter in question that the amounts in such Unrecovered Contribution Account were held by the Company.

By way of clarification, if a Class B Member purchases Class B Units under the Offering at different times, then each purchase will be accounted for in a separate Unrecovered Contribution Account, and any Preferred Returns paid to the Class B Member with respect to such separate Unrecovered Contribution Account that is reinvested in exchange for additional Class B Units (or fractional Class B Units) will be added to and accounted for in such separate Unrecovered Contribution Account.

- 1.43 For financial and income tax reporting purposes, neither accrual nor payment of the Preferred Return shall be an expense of the Company nor be treated as a guaranteed payment under Section 707(c) of the Code. Subject to Available Cash, the Manager shall make quarterly distributions of the Preferred Return (i.e. 3.75% accrual on quarterly basis) generally within 30 days after the end of each calendar quarter with respect to the applicable Preferred Return Accrual Period. The Preferred Return shall be calculated with respect to each calendar quarter (pro-rated for any partial calendar quarter based on the date that the Class B Unit in question was purchased) based on the Unrecovered Contribution Account attributable to each Class B Unit in question. Notwithstanding any provisions herein to the contrary, no Preferred Return shall accrue as to any unpaid but accrued Preferred Return.

*For example, if a Class B Member has an Unrecovered Contribution Account of \$100,000 as of October 1, 2024, and then purchases additional Class B Units with a Class B New Contribution in the sum of \$10,000 on November 1, 2024, then the Preferred Return for the calendar quarter ending December 31, 2024 would be calculated as follows: the \$100,000 would have a preferred return equal to 3.75% x \$100,000, and such \$10,000 Class B New Contribution would have a preferred return equal to 3.75% x 60/90 days (assuming a 90 day quarter) x \$10,000.*

1.44 **“Preferred Return Accrual Period”** means, as to each Class B Unit (or fractional Class B Unit) issued to a Class B Member under the Offering (but excluding Class B Units issued from reinvestments of Preferred Returns), the earlier of (a) the period of time commencing on the day the Class B Member makes its initial Capital Contribution as to such Class B Unit and ending 60 months thereafter; (b) the date that such Class B Units issued to the Class B Member under the Offering is fully purchased and redeemed by the Company and all then accrued and unpaid Preferred Return with respect to the Unrecovered Contribution Account attributable to such Class B Units issued under the Offering has been paid to the Class B Member with respect to the Class B Unit in question; and (c) the date that the Company dissolves. For example, if a Class B Member purchased a Class B Unit on October 15, 2024, as to that Class B Unit, the Preferred Return Accrual Period would begin on October 15, 2024 and end on October 15, 2029 notwithstanding whether or not the Class B Member received back its or his or her Unrecovered Contribution Account regarding such Class B Unit on or before October 15, 2029 and notwithstanding whether or not there is any accrued Preferred Return that is owed on or after October 15, 2029 regarding such Class B Unit. By way of clarification, each purchase of Class B Units (or fractional Class B Units) under the Offering will have its separate Preferred Return

1.45 **“Profits” and “Losses”** shall mean, for each Fiscal Year or other period, an amount equal to the Company’s taxable income or loss for such Fiscal Year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company that is exempt from federal income tax and not otherwise considered in computing Profits and Losses pursuant to this Section shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to this Section, shall be subtracted from such taxable income or loss;

(c) In the event the book value of any Company asset is adjusted as a result of the application of Regulations Section 1.704-1(b)(2)(iv)(e) or Section 1.704-1(b)(2)(iv)(f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) 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 for such Fiscal Year or other period, computed in accordance with Regulations Section 1.704(b)(2)(iv)(g); and

(f) Notwithstanding any other provision of this Section, any items that are specially allocated, shall not be considered in computing Profits or Losses.

1.46 **“Receivables”** shall be defined in Section 3.2(d) herein.

1.47 **“Regulations”** shall, unless the context clearly indicates otherwise, mean the regulations currently in force as final or temporary that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code.

- 1.48 **“Units”** shall mean equity interests in the Company which shall constitute of membership interests under the Act. Other than as set forth in this Agreement, each Unit of the Company shall be identical in all respects with each other Unit of the Company of the same class. The capital structure of the Company shall consist of two classes of membership interests: Class A Units and Class B Units.
- 1.49 **“Unrecovered Contribution Account”** means the following determined as of the date in question: with respect to each Class B Member, the amount of money contributed by such Class B Member to the capital of the Company, including, without limitation, any Class B New Contributions, and decreased by the amount of money distributed by the Company to such Class B Member pursuant to any redemption of Class B Units, By way of clarification, if a Class B Member receives a Preferred Return and elected not to reinvest such Preferred Return as a Class B New Contribution, then such Preferred Return would not increase the amount of the Unrecovered Contribution Account.

## ARTICLE II ORGANIZATION OF THE COMPANY

- 2.1 Formation. The parties hereto hereby agree to form a limited liability company, pursuant to the provisions of the Act.
- 2.2 Name. The name of the Company shall be “PFDSELECT MEDICAL RECEIVABLES 1011, LLC”, which name may be changed by the Manager with notice to the Members.
- 2.3 Term. The term of this Agreement shall commence as of the date of the Agreement and shall continue indefinitely until terminated as hereinafter provided.
- 2.4 Office and Agent. The Company shall continuously maintain an office and registered agent in the State of Nevada as required by the Act. The principal office of the Company shall be located at 11500 S. Eastern Ave, Ste 150, Henderson, NV 89052 or at such other location as the Manager may determine. The registered agent shall be as stated in the Articles or as otherwise determined by the Manager.
- 2.5 Addresses of Members and Manager. Unless a Member or Manager notifies the other Members and Manager to the contrary, the address of the Manager shall be the principal office of the Company and the address of the Members shall be as set forth in the Subscription Agreement submitted by such Member to the Company pursuant to Sections 5.3 and/or 5.4.
- 2.6 Purpose of Company. The Company is formed for the limited purposes of:
- (a) purchase Receivables and finance Receivables (e.g. make loans secured by Receivables) and to collect, liquidate, dispose of and enforce the Company’s Receivables and otherwise protect the value of such Receivables, on such terms as determined by the Manager and on such other terms and conditions described in the Offering;
  - (b) engaging in such other activities directly related to the foregoing business as may be necessary, advisable, or appropriate; and
  - (c) to do all things incidental to or in furtherance of the above enumerated purposes.
- 2.7 Limited Power of Attorney. Each Member hereby makes, constitutes and appoints the Manager, with full power of substitution and reconstitution, its true and lawful attorney-in-fact for it and in its name, place and stead for its use and benefit, to sign, execute, certify,

acknowledge, swear to, file and record any and all agreements, certificates, instruments and other documents which such Person may deem reasonably necessary, desirable or appropriate to (i) effectuate, implement and continue the valid and subsisting existence of the Company; (ii) to effectuate the dissolution and termination of the Company in accordance with the provisions hereof and the Act; (iii) to effectuate all other amendments of this Agreement or the Articles of Organization made in accordance with this Agreement; (iv) to admit a Member, to effect his or her substitution as a Member, to effect the substitution of the Member's assignee as a Member in accordance with this Agreement; and (v) to otherwise carry out the express provisions of this Agreement. Each Member authorizes each such attorney-in-fact to take any action necessary or advisable in connection with the foregoing, hereby giving each attorney-in-fact full power and authority to do and perform each and every act or thing whatsoever requisite or advisable to be done in connection with the foregoing as fully as such Member might or could do so personally, and hereby ratifies and confirms all that such attorney-in-fact shall lawfully do or cause to be done by virtue thereof or hereof.

This power of attorney is a special power of attorney coupled with an interest and is irrevocable, and (i) may be exercised by any such attorney-in-fact by listing the Member executing any agreement, certificate, instrument or other document with the single signature of any such attorney-in-fact acting as attorney-in-fact for such Member, (ii) shall survive the death, disability, legal incapacity, bankruptcy, insolvency, dissolution or cessation of existence of a Member and (iii) shall survive the assignment by a Member of any portion of its Membership Interest, except for assignments of such Member's entire Membership Interest permitted under this Agreement.

### **ARTICLE III THE MANAGER**

3.1 Management by the Manager. Subject to any provisions of the Articles and this Agreement relating to actions required to be approved by the Members, if any, the business, property and affairs of the Company shall be managed, and all powers of the Company shall be exercised by or under the direction of the Manager. The Company shall initially have one (1) Manager, as specified in Article I, above.

3.2 Authority of Manager. Except for situations in which the approval of any Member(s) is specifically required by the Act or this Agreement, (i) all management powers over the business and affairs of the Company shall be exclusively vested in the Manager, as the sole manager of the Company, and (ii) the Manager shall conduct, direct and exercise full control over all activities of the Company. The Manager shall be the "manager" of the Company for the purposes of the Act. Except as otherwise expressly provided for herein and subject to the other provisions of this Agreement, the Members hereby consent to the exercise by the Manager of all such powers and rights conferred by the Act with respect to the management and control of the Company. Any vacancies in the position of Manager shall be filled by a vote of the majority of the outstanding Class A Units and otherwise in accordance with the provisions of this Article III. The Manager's power and authority shall include the power to exercise and to authorize and direct the Company's officers (if any) to exercise, on behalf and in the name of the Company, all of the powers of a Manager. The Manager shall include, without limitation, the following powers and authority:

(a) To expend Company funds in furtherance of the business of the Company and to acquire and deal with assets upon such terms as it deems advisable, from Affiliates and other persons;

(b) To offer Class B Units for sale from time to time at a price of **\$100,000.00 per Class B Unit** (or fractional Class Units of not less than 1/10 of a Class B Unit for \$10,000 or such lesser amount as determined in the sole discretion of the Manager), and take appropriate action to comply with applicable

law regarding the issuance of Class B Units;

(c) To bind the Company in all transactions involving the Company's property or business affairs;

(d) To take all actions on behalf of the Company deemed necessary by the Manager, in its sole discretion, to purchase and sell and make loans ("Loans") secured by medical, personal injury and other health care related accounts receivables generated by medical and healthcare providers (together with all related rights and claims related thereto to the extent acquired by the Company, the "Receivables"), including, without limitation, the purchase of Receivables and loans secured by Receivables from the Manager's affiliates, and, through third party service providers including affiliates of the Manager, including, without limitation, service providers that sell Receivables, to the Company, to service, collect, liquidate, dispose of and enforce Company's interest in such Receivables and otherwise protect the value of such Receivables including, without limitation: (i) filing suit and pursuing other legal remedies against any obligor with respect to such Receivables; and (iii) taking any other action deemed necessary by the Manager in its sole judgment to protect the Company's interest in any Receivables and Loans.

(e) To borrow money from any Person (which may, but is not required to be a bank or other financial institution) and to secure such loans with the assets of the Company if the Company needs cash for purposes of legal fees and costs in connection with a lawsuit to enforce the rights of the Company with regard to a purchase of Receivables, all on such terms and conditions as the Manager shall deem appropriate;

(f) To employ, at the expense of the Company, such agents, employees, vendors (including, without limitation, as described in the Offering), independent contractors, attorneys and accountants as the Manager deems necessary for any Company purpose;

(g) To effect necessary insurance for the proper protection of the Company, the Manager or Members;

(h) To prosecute, defend, pay, collect, compromise, arbitrate, or otherwise adjust all claims or demands of or against the Company.

(i) To amend this Agreement with respect to the matters described in subsections 12.4(a) through (f) below;

(j) To determine the accounting method or methods to be used by the Company, which methods may be changed at any time by written notice to all Members;

(k) To open accounts in the name of the Company in one or more banks, savings and loan associations or other financial institutions or money market funds, and to deposit Company funds therein, subject to withdrawal upon the signature of the Manager or any person authorized by the Manager;

(l) To sell from time to time all or any portion of the Company's assets, or any undivided or beneficial interests therein; and

(m) To retain such vendors, advisors, and professionals, execute all instruments and documents and do all other things necessary or appropriate in the judgment of the Manager to effectuate any of the foregoing.

3.3 Fiduciary Duty. The Manager shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Company, and the Manager shall not employ such funds or assets in any manner except for the exclusive benefit of the Company.

3.4 Devotion of Time to Company Business. The Manager shall not be required to devote full time to the affairs of the Company but shall devote whatever time, effort and skill the Manager may deem to be reasonably necessary for the conduct of the Company's business. The Manager may engage in any other business including businesses related to or competitive with the Company.

3.5 Competing Activities. The Manager and its principals and Affiliates may engage or invest in, independently or with others, any business activity of any type or description, including without limitation those that might be the same as or similar to the business of the Company or any subsidiary thereof and that might be in direct or indirect competition with the Company or any subsidiary thereof. Neither the Company, any subsidiary of the Company nor any Member shall have any right in or to such other permitted ventures or activities or to the income or proceeds derived therefrom. The Manager shall not be obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented to the Company, could be taken by the Company. The Manager shall have the right to hold any investment opportunity or prospective economic advantage, including, without limitation, an opportunity with respect to Receivables, for its own account or to recommend such opportunity to Persons other than the Company. The Members hereby waive any and all rights and claims which they may otherwise have against the Manager and its Affiliates as a result of any of such activities.

3.6 Performance of Duties; Limited Liability.

(a) No Person who is a Manager or officer or both a Manager and officer of the Company shall be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, by reason of being a Manager or officer or both a Manager and officer of the Company.

(b) Notwithstanding any other provision to the contrary contained in this Agreement, no Manager or officer shall be liable, responsible or accountable in damages or otherwise to the Company or to any Member or assignee of a Member for any loss, damage, cost, liability or expense incurred by reason of or caused by any act or omission performed or omitted by such Person in such capacity, whether alleged to be based upon or arising from errors in judgment, negligence, gross negligence or breach of the duty of care, except with respect to any actions or omissions of such Person that constitute criminal activity, willful misconduct, fraud or a knowing violation or breach of this Agreement. Without limiting the foregoing, no Manager or Member shall in any event be liable for (i) the failure to take any action not specifically required to be taken by him under the terms of this Agreement, (ii) any action or omission taken or suffered by any other Person or (iii) any mistake, misconduct, negligence, dishonesty or bad faith on the part of any employee or agent of the Company appointed by such Person in good faith.

(c) Any Manager or officer may consult, at its sole cost and expense, with legal counsel selected by it, and any act or omission suffered or taken by such Person on behalf of the Company or in furtherance of the interests of the Company in good faith reliance upon, and in accordance with, the prior written advice of such counsel shall be full justification for any such act or omission, and the Manager or officer shall be fully protected in so acting or omitting to act; provided, however, that if it is ultimately determined that such action was a breach of this Agreement or results in the improper receipt, directly or indirectly, of personal benefit to the Manager or officer such Person shall be accountable to the Members for such action or omission notwithstanding such prior legal advice.

(d) Notwithstanding that it may constitute a conflict of interest, the Members, the Manager or their Affiliates may engage in any transaction with the Company (including the purchase, sale, lease or exchange of any property or the rendering of any service or the establishment of any salary, other compensation or other terms of employment) to the maximum extent permitted by the Act.

(a) Indemnification. To the fullest extent permitted by law, the Company shall indemnify,

defend and hold harmless, any Member, Manager and Officer (each being referred to as an “**Indemnitee**”) who was or is a party (other than a party plaintiff suing on his or her own behalf), or who is threatened to be made such a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Company) arising out of, or in connection with, any actual or alleged act or omission or by reason of the fact that the Indemnitee is or was a Member, Manager or Officer, or is or was serving at the request of the Company as a director or officer of any other Person, against expenses (including attorneys’ fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such action, suit or proceeding if (a) the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claims are based were not a result of fraud, self-dealing, gross negligence, or willful misconduct, recklessness by such Indemnitee, and (b) the Indemnitee met the standard of conduct of (i) acting in good faith and in a manner the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company and (ii) with respect to any criminal proceeding, having no reasonable cause to believe the Indemnitee’s conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the Indemnitee did not act in good faith and in a manner that the Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful. Any indemnification pursuant to this Section 3.7 shall only be from assets and property of the Company and, notwithstanding anything to the contrary herein, no Member shall have any obligation to make additional Capital Contributions to the Company in connection with any indemnification provided by the Company.

The Company may reimburse to each Indemnitee expenses (including reasonable legal fees) incurred by such Indemnitee in defending any claim, demand, action, suit or proceeding prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an unsecured undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately and finally be determined by a court of competent jurisdiction that the Indemnitee is not entitled to be indemnified therefore under this Section 3.7. In a suit brought by an Indemnitee to enforce the right to reimbursement of expenses, it shall not be a defense that the Indemnitee has not met the applicable standard of conduct set forth in Nevada law regarding indemnification. The obligations of the Company under this Agreement shall survive the resignation or removal of the Indemnitee as Manager or Officer of the Company and shall survive the termination of the Company or this Agreement.

- 3.7 Manager Removal. The Manager may not be removed by the vote or action of the Class B Members and may only be removed by the written consent of a Majority Interest of the Class A Members, and in such case such Class A Members shall designate a successor Manager.
- 3.8 Retirement by or Incapacity of Manager. The Manager may withdraw (“**retire**”) from the Company upon not less than thirty (30) days’ written notice of same to the Members. In the event that the Manager voluntarily withdraws, or if the Manager has dissolved as an entity, then one or more replacement managers may be appointed by the affirmative vote or written consent of the holders of more than 50% of the Class A Units.

#### **ARTICLE IV MEMBERS AND MEMBERSHIP CLASSES**

- 4.1 Membership Classes. The Company shall have two classes of Membership Interests – the Class A Interests and the Class B Interest. The Class A Interests and Class B Interest shall each have only those rights and obligations attributable to such Membership Interests as expressly set forth in this Agreement. The Class B Interest shall be issued to the Class B Member, only, and may not be issued, transferred, or held by any other Person. The Class A Units may be transferred to any affiliate or subsidiary of a Class A Member.
- 4.2 No Participation in Management. Except as expressly provided herein, the Members shall

take no part in the conduct or control of the Company business and shall have no right or authority to act for or bind the Company. Economic Interest Owners shall have no voting rights whatsoever.

4.3 Voting Rights of Members. The Manager shall have the right to take all actions in furtherance of the Company's operations as it deems necessary in its sole discretion including, without limitation, to all actions set forth in Article III and elsewhere in this Agreement. Notwithstanding the foregoing, an affirmative vote, consent or ratification by the holders of more than 50% of the Class A Units shall be required for each of the actions set forth in subsections (a) through (c), below (the "**Member Actions**"). The Member Actions subject to the Members' voting rights as described herein are the following actions, and no others:

(a) dissolution and termination of the Company prior to the expiration of the term of the Company as stated in Section 2.3 above;

(b) amendment to this Agreement, provided that this subsection (b) shall not apply to the matters set forth in Section 13.4 below, with respect to which matters the Manager alone may amend this Agreement without the vote of the Members; and

(c) merger or consolidation of the Company pursuant to Section 10.3 below;

4.4 Voting Rights of Class A Member and Class B Member. So long as the Class A Member is a Member of the Company it shall have the right to vote upon each of the Member Actions in the same manner as any other Member. Except as expressly provided for in this Agreement and except as required by law, the Class B Member shall not have any voting rights with respect to any Member Actions or with respect to any other matters.

4.5 Meetings. Meetings of Members shall be called, noticed, and held, and voting procedures shall be followed in accordance with the provisions of this Section 4.5; provided, however, that any such meeting may be held telephonically.

4.6 Limited Liability of Members. Units are non-assessable, and no Member shall be personally liable for any of the expenses, liabilities, or obligations of the Company or for any of the losses thereof beyond the amount of such Member's agreed upon Capital Contribution to the Company and such Member's share of any undistributed net income and gains of the Company. In no event shall any Member be liable with respect to, or be required to contribute capital to restore, a negative or deficit balance in such Member's Capital Account upon the dissolution or liquidation or at any other time of either the Company or such Member's Interest except in the case and to the extent of a distribution made in violation of the express provisions of this Agreement.

## ARTICLE V CAPITAL CONTRIBUTIONS; SUBSCRIPTIONS; NEW CONTRIBUTIONS

5.1 Capital Contributions of the Class A Member. The Class A Member shall make the following Capital Contributions (the "**Class A Capital**") to the Company in exchange for the Class A Interest:

(a) Upon execution of this Agreement, each Class A Member shall contribute cash to the Company in the amount of **\$100.00** (the "**Class A Cash Contribution**").

5.2 Capital Contributions of the Class B Members. The Class B Members shall contribute to the capital of the Company an amount equal to **\$100,000** for each Class B Unit subscribed for

by each such Class B Member. Class B Member's Capital Contributions shall be made by subscribing for Class B Units pursuant to the Cash Subscriptions procedures set forth in Section 5.3.

5.3 Cash Subscriptions; Admission to Company. All investors, including any Affiliate Members, that meet the investor suitability standards set forth in the Offering may purchase Class B Units for cash by completing and executing the Subscription Agreement and Power of Attorney attached to the Offering ("**Subscription Agreement**") and delivering the Subscription Agreement to the Manager together with the purchase price payable for Class B Units ("**Cash Subscriptions**"). Cash Subscriptions shall be made and accepted or rejected in accordance with the terms and conditions of this Section 5.3.

(a) The initial minimum Cash Subscription amount is \$100,000 (i.e., one Class B Unit); provided, however, that the Manager may, in its sole discretion, accept Cash Subscriptions in lesser amounts and with a corresponding fractional Class B Unit.

(b) The Manager reserves the right to reject any Cash Subscription submitted for any reason in the sole and absolute discretion of the Manager.

(c) If accepted, an investor submitting a Cash Subscription (a "**Cash Subscriber**") will become a Class B Member and Class B Units will be issued to such Class Member at the rate of **\$100,000** per Class B Unit, and the Cash Subscriber's entire investment will be deposited into the Company for use by the Company.

(d) Cash Subscriptions are non-cancelable and irrevocable and Cash Subscription funds are non-refundable for any reason, except with the consent of the Manager.

5.4 New Contributions.

(a) A Class B Member may elect, pursuant to the Subscription Agreement or otherwise, on a quarterly basis, in writing in a form as provided by the Manager, to have up to 100% of the cash distributions paid to such Class B Member from Available Cash with respect to Preferred Return, as described in Section 6.1 (a), immediately and automatically (without any further consent or approval of such Class B Member) reinvested into the Company as an additional capital contribution by such Class B Member subject to the following terms: (i) the Manager may elect at any time in the Manager's sole and absolute discretion to decline to accept such additional capital contributions (such monies that are accepted for reinvestment, the "**Class B New Contributions**"); (ii) the Company shall issue additional Class B Units (and fractional Units as applicable) to such Class B Member based upon an issuance price of \$100,000 per Class B Unit; (iii) the Class B Units issued as a result of such Class B New Contributions shall also be subject to the Preferred Return commencing on the date that such Class B New Contribution is accepted by the Company's Manager.

(b) A Class A Member shall, so long as there are any Class B Members, as to each cash distribution paid to it, as provided for in Section 6.1 (b), reinvest, as additional capital contributions, all of each such cash distribution less: the portion of such cash distribution that the Class A Member elects to retain and not reinvest and instead use toward payment of anticipated income taxes attributable to the taxable income allocable to the Class A Member with respect to such cash distribution, as determined by the Class A Member in its reasonable determination. With respect to such additional capital contributions, no additional Class A Units shall be issued to such Class A Member, and such additional investment shall be added to the Capital Account of each such Class A Member.

(c) All of the capital contributions made by the Member as described above in this Section 5.4. are collectively referred to as "New Contributions".

**ARTICLE VI**  
**ALLOCATIONS AND DISTRIBUTIONS;**  
**CLASS B REDEMPTIONS**

6.1 Distributions of Cash. The Company's Available Cash, other than with respect to Section 6.3, shall be distributed to the Members on a quarterly basis, generally within 15 to 30 days after the end of each calendar quarter, as determined by the Manager as follows:

(a) First, to the Class B Members based on the Percentage Interest of each Class B Member and up to but not to exceed the amount of their respective unpaid Preferred Return determined through the end of the calendar quarter immediately preceding the date of the distribution in question.

(b) Second, after the distributions set forth in subsection 6.1 (a) above have been made, the balance to the Class A Members in proportion to the number of Class A Units held by each Class A Member;

6.2 Profits and Losses. Profits and Losses of the Company shall be allocated among the Members in accordance with the following provisions:

Except as provided in Section 6.4, Net Profits, Net Losses and credits shall be allocated among the Members in accordance with the provisions of Section 6.1 with respect to distributions;

6.3 Cash Distributions Upon Dissolution. Upon dissolution and termination of the Company, all cash distributions shall thereafter be distributed to Members in accordance with the provisions of Article IX below.

6.4 Special Allocations. Notwithstanding the provisions of Section 6.2, the following provisions shall be controlling:

(a) In the event any Member has a deficit Capital Account at the end of any Company fiscal year more than the sum of:

(1) The amount the Member is obligated to restore under any provision of this Agreement, and

(2) The amount the Member is deemed to be obligated to restore under Treasury Regulation §1.704-2(g)(1), (i)(5), then each such Member shall be specially allocated items of Company income in the amount of the excess as quickly as possible; except that an allocation under this Section 6.4(a) shall be made only if and to the extent that the Member would have a deficit Capital Account in excess of that sum after all other allocations provided for in this Article 6 have been made as if Section 6.4(f) and this Section 6.4(a) were not in the Agreement.

(b) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall receive Company income and gain for such Fiscal Year (and, if necessary, in subsequent fiscal years) in an amount equal to the portion of such Member's share of the net decrease in Company Minimum Gain that is allocable to the disposition of Company property subject to a Non-recourse Liability, which share of such net decrease shall be determined in accordance with Regulations Section 1.704-2(g)(2). Allocations pursuant to this subsection (b) shall be made in proportion to the amounts required to be allocated to each Member under this subsection (b). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). This subsection (b) is intended to comply with the minimum gain chargeback requirement contained in Regulations Section 1.704- 2(f) and shall be interpreted consistently therewith.

(c) Chargeback of Minimum Gain Attributable to Member Non-recourse Debt. If there is a net decrease in Company Minimum Gain attributable to a Member Non-recourse Debt, during any Fiscal Year, each member who has a share of the Company Minimum Gain attributable to such Member Non-recourse Debt (which share shall be determined in accordance with Regulations Section 1.704-2(i)(5)) shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, in subsequent Fiscal Years) in an amount equal to that portion of such Member's share of the net decrease in Company Minimum Gain attributable to such Member Non-recourse Debt that is allocable to the disposition of Company property subject to such Member Non-recourse Debt (which share of such net decrease shall be determined in accordance with Regulations Section 1.704-2(i)(5)). Allocations pursuant to this subsection (c) shall be made in proportion to the amounts required to be allocated to each Member under Section 6.4(b). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4). This subsection (c) is intended to comply with the minimum gain chargeback requirement contained in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(d) Non-recourse Deductions. Any non-recourse deductions (as defined in Regulations Section 1.704-2(b)(1)) for any Fiscal Year or other period shall be specially allocated to the Members in proportion to their Percentage Interests.

(e) Member Non-recourse Deductions. Those items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditures which are attributable to Member Non-recourse Debt for any Fiscal Year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Non-recourse Debt to which such items are attributable in accordance with Regulations Section 1.704-2(i).

(f) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), or any other event creates a deficit balance in such Member's Capital Account in excess of such Member's share of Company Minimum Gain, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate such excess deficit balance as quickly as possible. Any special allocations of items of income and gain pursuant to this subsection (f) shall be taken into account in computing subsequent allocations of income and gain pursuant to this Article VI so that the net amount of any item so allocated and the income, gain, and losses allocated to each Member pursuant to this Article VI to the extent possible, shall be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this subsection (f) if such unexpected adjustments, allocations, or distributions had not occurred.

6.5 Code Section 704(c) Allocations. Notwithstanding any other provision in this Article VI, in accordance with Code Section 704(c) and the Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value on the date of contribution. Allocations pursuant to this Section are solely for purposes of federal, state and local taxes. As such, they shall not affect or in any way be taken into account in computing a Member's Capital Account or share of profits, losses, or cash distributions pursuant to any provision of this Agreement.

6.6 Allocations in Respect of a Transferred Interest. If any Membership Interest is transferred, or is increased or decreased by reason of the admission of a new Member or otherwise, during any Fiscal Year of the Company, each item of income, gain, loss, deduction, or credit of the Company for such Fiscal Year shall be assigned pro rata to each day in the particular period of such Fiscal Year to which such item is attributable (i.e., the day on or during which it is accrued or otherwise incurred) and the amount of each such item so assigned to any such day shall be allocated to the Member based upon his or her respective Membership Interest at the close of such day.

6.7 Obligations of Members to Report Allocations. The Members are aware of the income tax consequences of the allocations made by this Article VI and hereby agree to be bound by the provisions of this Article VI in reporting their shares of Company income and loss for income tax purposes.

6.8 Overriding Adjustments. Notwithstanding any other provisions hereof, the Manager shall have the discretion, to be exercised based upon the advice of the Company's accountants or other tax advisors, to make such further allocations of Company Profits and Losses or to adjust the allocations of Company Profits or Losses so as to ensure, to the extent possible, that such allocations, when coupled with distributions payable to the Members under the terms of this Agreement, reflect the intended economic arrangements of the parties. The Manager shall have the authority to unilaterally amend this Agreement as necessary to provide for such allocations so long as such amendment does not alter the intended economic arrangements of the Members.

6.9 Class B Redemptions

(a) With respect to each Class B Unit (or fractional Class B Unit as applicable) that is issued under the Offering, on and after the one year anniversary of the date that such Class B Unit was issued, the Class B Member holder of such Class B Unit shall be entitled to elect to require the Company to purchase and redeem all or a portion of such Class B Units together with any Class B Units issued to such Class B Member due to reinvestments of Preferred Returns attributable to such Class B Unit (as to such Class B Unit and the Class B Units from such reinvestments of Preferred Returns, collectively, (the "**Redemption Right**") in accordance with the following terms and subject, in all cases and notwithstanding any provisions herein to the contrary, to Available Cash at the time of the applicable Closing as determined by the Manager in its sole discretion:

(i) on or after the one-year anniversary after such Class B Member fully paid the Company for such Class B Units, a Class B Member desiring to exercise its Redemption Right (the "**Redeeming Member**") shall exercise such right by giving written notice (the "**Redemption Notice**") to the Manager and specifying in such Redemption Notice the number of Class B Units that such Class B Member wishes to redeem and sell back to the Company to the extent covered by the Redemption (the "**Redeemed Units**").

(ii) The closing ("**Closing**") of the redemption and purchase by the Company of the Redeemed Units in question (the "**Redemption**") shall occur and be effective on (such date, the "**Closing Date**") the later of (i) 105 days after receipt by the Manager of the Redemption Notice and (ii) the last Business Day of the calendar quarter following such 105 day period. The Redemption Amount shall be due and paid to the Redeeming Member within 45 days after the Closing Date.

(iii) On the Closing Date, the Redeeming Member shall execute and deliver to the Company (i) such instruments of conveyance and make such representations and warranties as Manager shall reasonably request to deliver good title to the Redeemed Units, free and clear of all liens, pledges, encumbrances, security interests or restrictions of any kind whatsoever (other than restrictions on transfer arising under federal and state securities laws); and (ii) a release, in a form reasonably accepted to the Company, of the Company and its Manager from any known or unknown claims that may exist through the Closing Date with respect to the Redeeming Member's rights and interest as to the Redeemed Units that are being redeemed and purchased (except such release shall exclude a release of the Company's obligations to pay the Redeeming Member the Redemption Amount, as defined below, as provided for herein) . The Redeeming Member shall bear its own expenses in connection with the Closing. Upon the Closing of any Redeemed Units, the Redeeming Member shall have no rights or interest in the Redeemed Units other than the right to receive the Redemption Amount.

(iv) The purchase price for the Redeemed Units in question (“**Redemption Amount**”) shall equal the balance of the Unrecovered Contribution of the Redeeming Member attributable to such Redeemed Units, as determined by the Manager, determined as of the scheduled Closing Date, plus the unpaid Preferred Return for the Unrecovered Contribution Account(s) for the Redeemed Units in question determined through the day preceding Closing Date.

(v) To the extent the Company does not have sufficient Available Cash to make the Redemption in question on the Closing, as determined by the Manager, the Manager may elect by sending written email notice to the Redeeming Member to postpone the Closing until the Company has sufficient Available Cash to make such Redemption, which date shall be determined by the Manager.

(vi) In no event shall a Closing occur if, after taking into account the Closing, there are any unpaid Preferred Return with respect to any Class B Member, including, without limitation, the Redeeming Member, as determined by the Manager.

(vii) If the Redeeming Member requests that the Closing occur on date that is earlier than the prescribed Closing Date as provide for above, and if the Manager in its sole discretion agrees to such earlier date, then the Manager may, in its discretion, impose an early redemption fee of up to 5% of the applicable Redemption Amount and such fee will be offset against the Redemption Amount.

(viii) **Redemption Limitation.** If a Member or Members in any forty five (45) day period (the “**Redemption Period**”) seek(s) through Redemption Notices (as defined above) to exercise a Redemption Right (a “Redemption Request”) as to Class B Units which will collectively equate to 25% or more of the Net Average Value (as defined below) (the “**Redemption Limitation Amount**”), the Manager shall ratably reduce all Redemption Requests to 25% of the number of Class B Units then subject the Redemption Requests, and, if necessary, as determined by the Manager in its discretion, reduce the amount of the Class B Units that are the subject to the Redemption Request (s) in question on a pro rata basis based on the amount of funds that can be used to redeem the Class B Units in question as provided for herein. In no event shall the aggregate amount of all Redemption Requests made in a Redemption Period exceed such Redemption Limitation Amount; provided, however, that notwithstanding the provisions of this paragraph to the contrary, in the sole determination of the Manager after taking into account the anticipated cash flow of the Company and anticipated or further Redemption Requests made after the end of the Redemption Period in question, the Manager in its sole and absolute discretion, may increase or decrease the Redemption Limitation Amount with respect to Redemption Requests made in any Redemption Period.

Except as provided above, or as otherwise expressly provided for in this Agreement, and notwithstanding any provisions in the Offering to the contrary, in no event shall a Class B Member have the right to redeem their Class B Units.

Further, if the total “**Net Average Value**” means: 75% of the uncollected balance of the Receivables owned by or held as collateral for loans by the Company as of the last day of the Redemption Period, as estimated by the Manager in its sole determination.

(ix) There is no guarantee that the Company will have sufficient funds or have a sufficient Net Average Value to cause the applicable redemption of Class B Units.

(x) Notwithstanding anything to the contrary herein, the Manager shall not be

required to borrow money or sell or liquidate assets to raise cash to affect any redemption of Class B Units.

(xi) The Manager shall pay the Redemption Amounts to Class B Members who requested redemption in the order of the request.

(b) **Required Redemptions.** At any time, the Manager may require a Class B Member to sell and redeem all or any amount of his/her Class B Units (a “**Required Redemption**”) if the Manager considers, in its sole and absolute discretion, such redemption to be to be in the best interest of the Company or for any other reason or no reason at all. In such an event, the Manager will give at least five days written notice to the Class B Member specifying the number of Class B Units to be purchased and the estimated closing date. The closing of such redemption (“**Required Redemption Closing Date**”) shall occur as soon as practical; provided, however that the Manager may elect to cancel such proposed redemption if the Manager determines there is not sufficient Cash Available. Upon such Required Redemption Closing Date: (i) the Company shall pay the affected Class B Member a cash amount for such redeemed Class B Units equal to the balance of the Unrecovered Contribution Account with respect to the Class B Units in question plus any unpaid Preferred Return with respect to such Unrecovered Contribution Account, determined as of the date just prior to the closing date of such redemption (the “**Required Redemption Purchase Price**”); (ii) the redeeming Member shall execute and deliver to the Company such instruments of conveyance and make such representations and warranties as Manager shall reasonably request to deliver good title to the redeemed Class B Units, free and clear of all liens, pledges, encumbrances, security interests or restrictions of any kind whatsoever (other than restrictions on transfer arising under federal and state securities laws); (iii) the redeeming Member shall bear its own expenses in connection with such Required Redemption; and (iv) the amount of the Required Redemption Purchase Price shall be deemed distributed to the Redeeming Member.

## ARTICLE VII ACCOUNTING AND REPORTS

7.1 Books and Records. The Company shall keep adequate books and records at its principal place of business, which shall set forth an accurate account of all transactions of the Company as well as the other information required by the Act.

7.2 Taxable Year; Accounting Methods. The Company shall use the Fiscal Year as its taxable year. The Company shall report its income for income tax purposes using such method of accounting selected by the Manager and permitted by law.

7.3 Information.

(a) Tax Information. Tax information necessary to enable each Member to prepare its state, federal, local and foreign income tax returns shall be delivered to each Member within seventy-five (75) days after the end of each tax year or as soon thereafter as is reasonably practicable.

(b) Basic Financial Information. The Company will furnish to each Member within approximately 90 days following the end of each calendar year, annual audited financial statements for each fiscal year of the Company, including an audited balance sheet as of the end of such fiscal year, an audited statement of operations and an audited statement of cash flows of the Company for such year (collectively, “**Financial Statements**”). In addition, the Company will furnish to each Member within approximately 45 days after the end of each calendar quarter unaudited Financial Statements that are prepared internally by the Company. Each Member agrees that such Member will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement, including all financial information, other than to any of the Member’s attorneys, accountants, consultants, and other professionals, to the extent necessary to obtain their services in connection with monitoring the Member’s

investment in the Company.

(c) Confidentiality. The Manager has the right to keep confidential from the Members for that period of time as the Manager deems reasonable, any information that the Manager in good faith determines (i) to be in the nature of trade secrets, (ii) the disclosure of which may not be in the best interests of the Company or could damage the Company or (iii) the disclosure of which would be unlawful or would breach an agreement between the Company and a third party. Each Member agrees that such Member will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement other than to any of the Investor's attorneys, accountants, consultants, and other professionals, to the extent necessary to obtain their services in connection with monitoring the Investor's investment in the Company. If a Member is requested or required pursuant to applicable law to disclose any confidential information regarding the Company, that Member shall provide the Manager with prompt notice of request or demand to enable the Company to seek an appropriate protective order. If a protective order or other remedy is not obtained by the Company, the Member shall furnish only that portion of the confidential information that is required to be disclosed and shall use reasonable efforts to obtain assurances that confidential treatment will be accorded to that portion of the confidential information that is disclosed.

(d) Information for Members. By its execution below, each Member hereby irrevocably waives pursuant to the Act any rights it may have to any information that such Member is not otherwise entitled pursuant to the express provisions of this Agreement.

- 7.4 Tax Matters Partner. In the event the Company is subject to administrative or judicial proceedings for the assessment or collection of deficiencies for federal taxes or for the refund of overpayments of federal taxes arising out of a Member's distributive share of profits, the Manager shall act as the Tax Matters Partner ("TMP") and shall have all the powers and duties assigned to the TMP under Sections 6221 through 6232 of the Code and the Treasury Regulations thereunder. The Members agree to perform all acts necessary under Section 6231 of the Code and Treasury Regulations thereunder to designate the Manager as the TMP.
- 7.5 Acknowledgment of Liability for State and Local Taxes. To the extent that the laws of any Federal, Nevada or other taxing jurisdiction (collectively and individually, the "**Taxing Jurisdiction**") require, each Member requested to do so by the Manager shall submit an agreement indicating that the Member shall make timely income tax payments to the Taxing Jurisdiction and that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes, interest, and penalties attributable to the Member's income. If a Member fails to provide such agreement, the Company may withhold or pay over to such Taxing Jurisdiction the amount of tax, penalty, and interest determined under the laws of the Taxing Jurisdiction with respect to such income. Any such payments shall be treated as distributions for the purposes of ARTICLE VI.
- 7.6 Partnership Status. The Company shall be treated as a partnership for U.S. federal income tax purposes and no election to the contrary shall be made.

## ARTICLE VIII TRANSFER OF COMPANY INTERESTS

- 8.1 Restrictions on Transfers. Notwithstanding any provision to the contrary contained herein, the following restrictions shall apply to any and all proposed sales, assignments or transfers of Membership Interests and Economic Interests, and any proposed sale, assignment or transfer in violation of same shall be void ab initio:

(a) No Class A Member shall make any transfer or assignment of all or any part of his Membership Interest without the prior written consent of the Manager, which consent may be withheld in

the sole discretion of the Manager; provided, however, that any Class A Interest (including an Economic Interest therein) may be transferred or assigned by the Class A Member to any affiliate of any Class A Member.

(b) No Class B Member shall make any transfer or assignment of all or any part of his Membership Interest without the prior written consent of the Manager, which consent may be withheld in the sole discretion of the Manager.

(c) No Class B Member shall make any transfer or assignment of all or any part of his Economic Interest without the prior written consent of the Manager, which consent shall not be unreasonably withheld.

(d) No Class B Member or Class A Member shall make any transfer or assignment of all or any part of his Membership Interest or Economic Interest if said transfer or assignment would, when considered with all other transfers during the same applicable twelve-month period, cause a termination of the Company for federal or Nevada state income tax purposes.

(e) No Member shall be entitled to sell, assign, transfer or convey (any of such actions, a "Proposed Transfer") his Membership Interest or Economic Interest to any Person unless such Proposed Transfer complies with the following:

(1) either (i) the Membership Interest or Economic Interest that are the subject of the Proposed Transfer are registered under the Securities Act and the rules and regulations thereunder and any applicable state securities laws; or (ii) the Company and its counsel determine, in its reasonable discretion, that the Proposed Transfer qualifies for an exemption from the registration requirements of the Securities Act, any applicable state securities laws and any securities laws of any applicable jurisdiction and, if requested by the Company, counsel to the Member proposing to effect such Proposed Transfer provides an written legal opinion to that effect; and

(2) Such Member provides a general release of the Company and the Manager, and their respective affiliates, officers, directors, employees, attorneys, agents, and all other related parties, in accordance with the laws and jurisdiction of the state of Nevada and any other applicable law and in a form reasonably acceptable to the Manager.

(f) The Company, in the sole discretion of the Manager, may elect to issue a membership certificate or other instrument to each Member to evidence the issuance of the applicable Membership Interest or Economic Interest. If such an instruments evidencing any Membership Interest or Economic Interest is issued, then such instrument shall bear and be subject to a legend condition in substantially the following form:

**THE LIMITED LIABILITY COMPANY UNITS REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES ACTS OR LAWS OF ANY STATE IN RELIANCE UPON EXEMPTIONS UNDER THOSE ACTS. THE SALE OR OTHER DISPOSITION OF SUCH MEMBERSHIP UNITS IS RESTRICTED AS STATED IN THIS OPERATING AGREEMENT, AND IN ANY EVENT IS PROHIBITED UNLESS THE LLC RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO IT AND ITS COUNSEL THAT SUCH SALE OR OTHER DISPOSITION CAN BE MADE WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES ACTS AND LAWS. BY ACQUIRING MEMBERSHIP UNITS REPRESENTED BY THIS OPERATING AGREEMENT, EACH MEMBER REPRESENTS THAT IT WILL NOT SELL OR OTHERWISE DISPOSE OF ITS MEMBERSHIP UNITS WITHOUT COMPLYING WITH THE PROVISIONS OF THIS OPERATING AGREEMENT AND REGISTRATION OR OTHER COMPLIANCE WITH THE AFORESAID ACTS AND THE**

## **RULES AND REGULATIONS ISSUED THEREUNDER**

8.2 Transfer of Membership Interests and Substitution. No assignee of the whole or any portion of a Membership Interest in the Company shall have the right to become a substituted Member in place of his assignor unless the following conditions are first met:

(a) The assignor shall designate such intention in the instrument of assignment.

(b) The written consent of the Manager to such substitution shall be obtained, which consent may be withheld in the sole discretion of the Manager and which, in any event, shall not be given if the Manager determines that such sale or transfer may jeopardize the continued ability of the Company to qualify as a “partnership” for federal income tax purposes or that such sale or transfer may jeopardize the status of the original sale of said interest pursuant to the nonpublic and intrastate offering exemptions from registration or qualification under the Securities Act of 1933, as amended (the “1933 Act”) or applicable Nevada securities law (“Nevada Law”);

(c) The instrument of assignment shall be in a form and substance satisfactory to the Manager.

(d) The assignor and assignee named therein shall execute and acknowledge such other instruments as the Manager may deem necessary to effectuate such substitution, including but not limited to a power of attorney with provisions more fully described in this Agreement.

(e) The assignee shall accept, adopt, and approve in writing all of the terms and provisions of this Agreement as the same may have been amended.

(f) Such assignee shall pay or, at the election of the Manager, obligate himself to pay all reasonable expenses (including reasonable attorneys’ fees) incurred by the Company not exceeding \$500 connected with such substitution; and

(g) The Company has received, if requested by the Manager, at the sole cost of the assignor, a legal opinion in form and substance satisfactory to the Manager that such transfer will not violate the registration provisions of the 1933 Act or the qualification requirements of Nevada Law, which opinion shall be furnished at the Member’s expense.

8.3 Rights of Assignees. If a Transfer complies with the provisions of the preceding Section 8.1, but the Person acquiring such Transferred Units is not admitted as a Member as a result of such Person’s failure to comply with the provisions of Section 8.2, such Person shall become an assignee with respect to such Units. An assignee with respect to such Units is entitled only to receive Economic Interests with respect to such Units as set forth in this Agreement, and shall have no other rights, benefits or authority of a Member under this Agreement or the Act, including, without limitation, no right to receive notices to which Members are entitled under this Agreement, no right to vote, no right to inspect the books or records of the Company, no right to bring derivative actions on behalf of the Company, no right to purchase any additional Units, and no other rights of a Member under the Act or this Agreement; provided, however, that the Units of an assignee shall be subject to all of the restrictions, obligations and limitations under this Agreement and the Act, including without limitation the restrictions on Transfer contained in this Article VIII.

## **ARTICLE IX WITHDRAWAL FROM COMPANY**

9.1 Withdrawals by Members. No Member shall have the right to withdraw from the Company or otherwise obtain the return of all or any portion of his, her or its Invested Capital.

**ARTICLE X**  
**DISSOLUTION OF THE COMPANY; MERGER OF THE**  
**COMPANY**

10.1 Events Causing Dissolution. The Company shall dissolve upon occurrence of the earlier of the following events:

(a) At any time commencing 12 months from the date of this Agreement if an election is made to dissolve by the holders of the majority of the Class A Units and provided that the following conditions have been met: (i) every Class B Member shall receive on or prior to the effective date of such dissolution (the “**Determination Date**”) the following: the balance of their respective Unrecovered Contribution Account plus the Preferred Return then due with respect to each Class B Member determined as of the day immediately preceding the Determination Date.

(b) the Class B Members have received in cash: their respective Unrecovered Contribution Account and any unpaid Preferred Return; or

(c) The entry of a decree of judicial dissolution pursuant to the Act and other applicable Nevada law.

10.1 Winding Up. Upon the occurrence of an event of dissolution, the Company shall not immediately be terminated, but shall continue until its affairs have been wound up. Upon dissolution of the Company, unless the business of the Company is continued as provided above, the Manager will wind up the Company’s affairs as follows:

(a) Manager shall distribute the Receivables owned by the Company solely to the Class A Members, on a pro rata basis based on the number of Class A Units held by each Class A Member, without conducting an appraisal of the value of such Receivables and without an obligation to liquidate or sell the Receivables.

(b) All sums of cash held by the Company as of the date of dissolution (including liquid assets which shall be converted to cash), together with all sums of cash received by the Company during the winding up process from any source whatsoever, shall be applied and distributed to the Class A Members in proportion to the positive balances in their respective outstanding Capital Accounts, but only after all the Company’s debts have been paid or otherwise adequately provided for.

(c) Upon the completion of the liquidation of the Company and distribution of liquidation proceeds, the Manager shall cause to be filed a Certificate of Dissolution as required by the Act and shall furnish to each of the Members a statement setting forth the receipts and disbursements of the Company during such liquidation, the amount of proceeds from such liquidation distributed with respect to Membership Interests and the amount of proceeds paid or distributed to Members.

**ARTICLE XI**  
**MANAGER COMPENSATION**

11.1 Compensation. The Manager shall receive no compensation for its services as Manager.

11.2 Contracts with Affiliates. The Manager may cause the Company to enter into other agreements whereby the Manager or its or other Persons, or entities controlled by any of the foregoing, provide or sell or purchase services or property to or from the Company, are compensated for such services or property, and are reimbursed for expenses incurred on behalf of the Company in providing such services or property, so long as each such agreement is on terms and conditions that are fair and reasonable to the Company as determined by the

Manager in its reasonable discretion and are at least as favorable to the Company as those generally available from unaffiliated Persons capable of similarly performing them in similar transactions between parties operating at arm's length, as determined by the Manager in its reasonable discretion. Notwithstanding any of the preceding provisions herein to the contrary, the Members acknowledge that the Manager it is affiliated with **PFD Management, LLC**, a Nevada limited liability company, a vendor that has or will enter into agreements with the Company to provide services relating to the servicing and administration of purchases of Receivables as described in the Offering Circular, and the Members hereby consent to and waive any conflict of interest with respect to such affiliation and the Members hereby consent to the compensation arrangement with **PFD Management, LLC** as provided for in the Offering Circular.

- 11.3 Reimbursement of Manager for Certain Expenses. The Manager shall be reimbursed by the Company for all organizational syndication and operating expenses incurred on behalf of the Company, including without limitation, out-of-pocket general and administrative expenses of the Company, accounting and audit fees, legal fees and expenses, postage, and preparation of reports to Members.

## **ARTICLE XII ARBITRATION**

- 12.1 Resolutions of Controversies and Claims. If any controversy or claim, whether based on contract, tort, statute, or other legal or equitable theory (including any claim of fraud, misrepresentation, or fraudulent inducement), arising out of or related to the corporate contract between and among the Company, its Members, Manager, employees, or agents (as the contract is embodied under the Articles of Organization, this Agreement, resolutions, the Act, and the common law at the time of the acts giving rise to the controversy or claim) (each a "Dispute"), the parties agree to resolve the Dispute as provided in this Article XII.
- 12.2 Mediation. If the Dispute cannot be resolved by negotiation, the parties agree to submit the Dispute to mediation by a mediator mutually selected by the parties. If the parties are unable to agree upon a mediator, the American Arbitration Association appoints the mediator. In any event, the mediation shall take place within 30 days of the date that a party gives the other party written notice of its desire to mediate the Dispute. Each party to such mediation shall share the costs of such mediator on a pro rata basis (based on the number of parties to such mediation).
- 12.3 Arbitration.

(a) If not resolved by mediation, the parties shall resolve the Dispute by arbitration pursuant to this Article XII and the then-current rules and supervision of the American Arbitration Association. The arbitration shall be held in Orange County, California, before a single arbitrator who is knowledgeable about the laws relating to business entities. The arbitrator may order the parties to exchange copies of non-rebuttal exhibits and copies of witness lists in advance of the arbitration hearing. The arbitrator has no other power, however, to order discovery or depositions unless and then only to the extent that (i) a party would be entitled as a Member or Manager to inspect or copy documents or other information of the Company under the Act, or (ii) all parties otherwise agree in writing. The arbitrator's decision and award are final and binding and may be entered in any court having jurisdiction. The arbitrator does not have the power to award, and no one subject to this Article may seek, an award of, punitive, exemplary, or consequential damages, or any damages excluded by or in excess of any damage limitations expressed in this Agreement or any subsequent agreement between the parties. To prevent irreparable harm, the arbitrator may grant temporary or permanent injunctive or other equitable relief.

(b) Issues of arbitrability are determined in accordance with the Federal substantive and procedural laws relating to arbitration. All other aspects of the Agreement are interpreted in accordance

with, and the arbitrator applies and is bound to follow, the substantive laws of the State of Nevada (without regard to conflict of law principles). Each party bears its own attorneys' fees associated with negotiation, mediation, and arbitration, and other costs and expenses charged by AAA are borne equally by the parties to such arbitration. If court proceedings to stay litigation or compel arbitration are necessary, the party who unsuccessfully opposes such proceedings must pay all associated costs, expenses, and attorneys' fees reasonably incurred by the other party.

- 12.4 Confidentiality. Neither a party, witness, nor the arbitrator may disclose the facts of the underlying dispute or the contents or results of any negotiation, mediation, or arbitration without the prior written consent of all parties, except as necessary (and then only to the extent required) to enforce or challenge the settlement agreement or the arbitration award or to comply with legal, financial or tax reporting requirements
- 12.5 Limitations on Actions. No party may bring a claim or action, regardless of form, arising out of or related to this Agreement, including any claim of fraud, misrepresentation, or fraudulent inducement, more than one year after the cause of action accrues, unless the injured party could not have reasonably discovered, and did not discover, the basic facts supporting the claim within one year.
- 12.6 Covered Parties. The duties to mediate and arbitrate extend to any Member, Manager, Officer, employee, shareholder, principal agent, trustee in bankruptcy or otherwise, affiliate, subsidiary, third-party beneficiary, or guarantor of a party making or defending a claim that would otherwise be subject to this Article. Unless the context otherwise requires, references to party or parties within this Article include the foregoing persons, provided, however, that the specific provisions regarding the allocation of costs in subsection (b) of Section 12.2 do not preclude any rights to indemnification, reimbursement, contribution or other similar benefits held by the foregoing persons.
- 12.7 Severability. If any part of this Article XII is held to be unenforceable, it shall be severed and shall not affect either the duties to mediate and arbitrate or any other part of this Article XII.

### **ARTICLE XIII MISCELLANEOUS**

- 12.1 Covenant to Sign Documents. Without limiting the power of attorney granted by Sections 2.6 and 2.7 above, each Member covenants, for himself and his successors and assigns, to execute, with acknowledgment or verification, if required, any and all certificates, documents and other writings which may be necessary or expedient in the creation of the Company and the achievement of its purposes, including, without limitation, all such filings, records or publications necessary or appropriate in the judgment of the Manager to comply with the applicable laws of any jurisdiction in which the Company shall conduct its business.
- 13.2 Notices. Except as otherwise expressly provided for in this Agreement, all notices which any Member may desire or may be required to give any other Member shall be in writing and shall be deemed duly given when delivered personally or when deposited in the United States mail, first-class postage prepaid, addressed to the Member's address provided to the Manager in accordance with Section 2.5, hereof. Notices to the Manager or to the Company shall be delivered to the Company's principal place of business, as set forth in Section 2.5 above or as hereafter changed as provided herein.
- 13.3 13.3 Right to Engage in Competing Business. Nothing contained herein shall preclude any Member from purchasing or lending money upon the security of any other property or rights

therein, or in any manner investing in, participating in, developing or managing any other venture of any kind, without notice to the other Members, without participation by the other Members, and without liability to them or any of them. Each Member waives any right he may have against the Manager for capitalizing on information received because of the Manager's management of the affairs of this Company.

- 13.4 Amendment. This Agreement is subject to amendment by the affirmative vote of Majority Interest of the Class A Members and Majority Interest of the Class B Members as with the written concurrence of the Manager. Notwithstanding anything to the contrary contained in this Agreement, the Manager shall have the right to amend this Agreement, without the vote or consent of any of the Members, in the following circumstances:
- (a) To change the name of the Company.
  - (b) To substitute a Person as a Member.
  - (c) To admit an additional Member.
  - (d) To admit a successor or additional Manager in accordance with the terms of this Agreement.
  - (e) To correct a false or erroneous statement in this Agreement; or
  - (f) To change this Agreement in order that it shall accurately represent the agreement among the Members.
- 13.5 Governing Law. This Agreement shall be governed by and shall be interpreted and enforced in accordance with the substantive laws of the State of Nevada without regard to any conflict of law principles.
- 13.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any and all prior agreements and representations, either oral or in writing, between the parties hereto with respect to the subject matter contained herein.
- 13.7 Waiver. No waiver by any party hereto of any breach of, or default under, this Agreement by any other party shall be construed or deemed a waiver of any other breach of or default under this Agreement and shall not preclude any party from exercising or asserting any rights under this Agreement with respect to any other breach or default.
- 13.8 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 13.9 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement.
- 13.10 Number and Gender. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and the word "person" shall include a natural person, firm, partnership, corporation, trust, association of other form of legal entity. Any consent or action required or permitted to be given or made by a Manager may be given or made by any Manager.
- 13.11 Counterparts. This Agreement may be executed in counterparts and by facsimile or electronic PDF transmission, any or all of which may be signed by the Manager on behalf of the Members as their attorney-in- fact.
- 13.12 Legal Representation.

Counsel to the Company (“Company Counsel”) may also be counsel to the Manager. The Manager may execute on behalf of the Company and the Members any consent to the representation of the Company that Company Counsel may request pursuant to the applicable rules of professional conduct (“Rules”). Each Member acknowledges that Company Counsel does not represent any Member in the absence of a clear and explicit written agreement to such effect between the Member and Company Counsel (and then only to the extent specifically set forth in that agreement) , and that in the absence of any such agreement Company Counsel shall owe no duties directly to a Member. In the event any dispute or controversy arises between any Member and the Company, or between any Member or the Company, on the one hand, and the Manager that the Company Counsel represents, on the other hand, then each Member agrees that the Company Counsel may represent either the Company, the Manager, or each of them, in any such dispute or controversy to the extent permitted by the Rules, and each Member hereby consents to such representation. Each Member further acknowledges that the Company Counsel has not represented the interest of any Member in the preparation and negotiation of this Agreement. and each Member acknowledges that it has been afforded the opportunity to consult with independent counsel with regard thereto.

(a) Each Member further acknowledges that Company Counsel has represented only the interests of the Manager and not the other Members in connection with the formation of the Company and the preparation and negotiation of this Agreement, and each Member acknowledges that it has been afforded the opportunity to consult with independent counsel with regard thereto.

- 13.13 Sole and Absolute Discretion. Except as otherwise expressly provided in this Agreement, all actions that the Manager may take and all determinations that the Manager may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of the Manager.

[continued next page]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

Class A Member:

**PFD Capital Partners, LLC**, a California limited liability company

DocuSigned by:  
By: Robert Pryke  
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July 24, 2024

**Name:** Robert Pryke

**Title:** Vice President

Manager:

**PFD Capital Partners, Inc.**, a Nevada corporation

DocuSigned by:  
By: Gary L Ermoian for PFD Capital Partners, Inc., Manager  
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July 25, 2024

**Name:** Gary L Ermoian

**Title:** Chief Operating Officer

**SCHEDULE A**

**CLASS A MEMBERS**

Name and Address	Date of Admission	Capital Contribution	Number of Class A Units issued
PFD Capital Partners, LLC a Nevada limited liability company  Address: 11500 S. EASTERN AVE., SUITE #150 HENDERSON, NEVADA 89052	June 14, 2024	\$150.00	150

**Class B MEMBERS**

Name and Address	Date of Admission	Capital Contribution	Number of Class B Units issued

*[Current Schedule A is on file with the Manager.]*

**SCHEDULE A**

**Class B MEMBERS**

<b>Name and Address</b>	<b>Date of Admission</b>	<b>Capital Contribution</b>	<b>Number of Class B Units issued</b>

*[Current Schedule A is on file with the Manager.]*

DocuSigned by:

*Gary L Ermoian for PFD Capital Partners, Inc., Manager*

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Gary L Ermoian for PFD Capital Partners Inc, Manager

COO

July 25, 2024

By PFD Capital Partners, Inc., its Manager

DocuSigned by:

*Robert Pryke*

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Robert Pryke, Vice President

July 24, 2024