IN THE SUPREME COURT OF THE STATE OF NEVADA

FIRST 100, LLC; and 1st ONE HUNDRED HOLDINGS, LLC, Appellants,

v.

TGC/FARKAS FUNDING, LLC, Respondent.

Supreme Court No. 82794

Eighth Judicial District Court
Case No. A-20-822273-C

SUPPLEMENTAL APPENDIX IN SUPPORT OF RESPONDENT'S ANSWERING BRIEF VOLUME V of V

ERIKA PIKE TURNER
NVBN 6454
DYLAN T. CICILIANO
NVBN 12348
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Respondent
TGC/Farkas Funding, LLC

CHRONOLOGICAL INDEX OF RESPONDENTS' APPENDIX

Date	Description	Bates No.	Vol.
3/18/2020	Case No. A-20-809882-B Nevada Speedway v. Jay Bloom, et Raffi Nahabedian Initial Appearance for Jay Bloom	RA0001 - 0002	I
12/30/2020	Declaration of Service to Jay Bloom of Notice of Entry of Order Granting Plaintiff's Ex-Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt of Court	RA0003	I
1/5/2021	Declaration of Service to Jay Bloom of Subpoena Duces Tecum served upon Maier Gutierrez and Associates	RA0004	I
1/5/2021	Amended Declaration of Service to Jay Bloom of Subpoena Duces Tecum served upon wife Carolyn Farkas	RA0005	I
1/7/2021	Non-Party Jay Bloom's Objection to Subpoena - Civil	RA0006 - 0009	I
2/11/2021	Subpoena Civil issued to Adam Flatto	RA0010 - 0013	I
2/12/2021	Subpoena Civil Duces Tecum issued to Matthew Farkas	RA0014 - 0021	I
2/22/2021	Plaintiff's Motion to Compel and For Sanctions; And Application for Ex-Parte Order Shortening Time	RA0022 - 0150	I
2/25/2021	Plaintiff's Supplement to Motion to Compel and for Sanctions; And Application for Ex-Parte Order Shortening Time	RA0151 - 0158	I

Date	Description	Bates No.	Vol.
2/26/2021	Defendants' Opposition to Motion to Compel and For Sanctions Against Non-Party Jay Bloom and His Counsel and Countermotion for Protective Order and Sanctions Pursuant to NRS 18.010(2)(b)	RA0159 - 0290	II
3/3/2021	Exhibit 01 Demand for Production from TGC Farkas Funding, LLC (PLTF_001 – 004)	RA0291 - 0294	II
3/3/2021	Exhibit 02 Arbitration Award (PLTF_005 - 010)	RA0295 - 0300	II
3/3/2021	Exhibit 03 Declaration of Jay Bloom to Countermotion to Modify Arbitration Award (PLTF_011 – 017)	RA0301 - 0307	II
3/3/2021	Exhibit 04 Order Confirming Arbitration Award, Denying Countermotion to Modify Arbitration Award and Judgment (PLTF_018 – 024)	RA0308 - 0314	II
3/3/2021	Exhibit 05 Order Granting Order to Show Cause Why Judgment Debtors and Jay Bloom Should Not Be Deemed in Contempt of Court (PLTF_025 – 027)	RA0315 - 0317	II
3/3/2021	Exhibit 06 Index of Exhibits to Claimants Arbitration Brief Letter to Gutierrez re Demand (PLTF_028 – 031)	RA0318 - 0321	II
3/3/2021	Exhibit 07 First Amended Operating Agreement of First 100, LLC (PLTF_032 - 059)	RA0322 - 0349	II
3/3/2021	Exhibit 08 1st One Hundred Holdings, LLC Operating Agreement (PLTF_060 – 090)	RA0350 - 0380	II

Date	Description	Bates No.	Vol.
3/3/2021	Exhibit 11 Correspondence from Raffi Nahabedian, Esq. re Substitution of Counsel (PLTF_096 – 101)	RA0381 - 0386	II
3/3/2021	Exhibit 13 Settlement Agreement (PLTF_106 – 108)	RA0387 - 0389	II
3/3/2021	Exhibit 15 Declaration of Jay Bloom in support of Reply on Motion to Enforce Settlement Agreement (PLTF_116 - 120)	RA0390 - 0394	II
3/3/2021	Exhibit 16 Jay Bloom text to Matthew Farkas (PLTF_121 - 122)	RA0395 - 0396	II
3/3/2021	Exhibit 17 Email from Jay Bloom to Matthew Farkas re Matthew Farkas Affidavit (PLTF_123 - 128)	RA0397 - 0402	II
3/3/2021	Exhibit 20 TGC Farkas Funding LLC Agreement (PLTF_150 - 172)	RA0403 – 0425	III
3/3/2021	Exhibit 21 Email to First 100 (PLTF_173 - 178)	RA0426 - 0431	III
3/3/2021	Exhibit 22 Letter to Joseph Gutierrez, Esq. (PLTF_179 - 195)	RA0432 - 0448	III
3/3/2021	Exhibit 23 TGC Farkas Funding, LLC Amendment to Operating Agreement (PLTF_196 - 202)	RA0449 - 0455	III
3/3/2021	Exhibit 25 Email from Dylan Ciciliano to Raffi Nahabedian (PLTF_209 – 211)	RA0456 - 0458	III
3/3/2021	Exhibit 26 First 100, LLC Secretary of State Entity Detail (PLTF_212 – 228)	RA0459 - 0475	III

Date	Description	Bates No.	Vol.
3/3/2021	Exhibit 27 1st One Hundred Holdings, LLC Secretary of State Entity Detail (PLTF_229 – 239)	RA0476 - 0486	III
3/3/2021	Exhibit 28 Nahabedian Emails (PLTF_240 - 567)	RA0487 – 0814	III, IV
3/3/2021	Exhibit 29 Nahabedian Texts with Bloom (PLTF_568)	RA0815	IV
3/3/2021	Exhibit 30 Nahabedian Call Log (PLTF_569)	RA0816	IV
3/3/2021	Exhibit 32 Payment Direction Letter (PLTF_577 - 581)	RA0817 - 0821	IV
3/3/2021	Exhibit A Declaration of Jay Bloom (FIRST0001-0035)	RA0822 - 0856	IV
3/3/2021	Exhibit C Declaration of Jay Bloom In Support Of Respondents' Arbitration Brief (FIRST0108-0191)	RA0857 - 0940	V
3/3/2021	Exhibit FF Declaration of Matthew Farkas (FIRST0506-0509)	RA0941 - 0944	V
3/3/2021	Exhibit II Arbitration Award (FIRST0531-0536)	RA0945 - 0950	V
3/3/2021	Exhibit J Declaration of Adam Flatto (FIRST0327-0342)	RA0951 - 0966	V
3/3/2021	Exhibit QQ - TGC Farkas Funding LLC letter demanding production of books and records (FIRST0590-0591)	RA0967 - 0968	V
3/11/2021	Order Granting Plaintiff's Motion to Compel and Denying Countermotion for Protective Order and Sanctions Pursuant to NRS 18.010(2)(b)	RA0969 - 0975	V

Date	Description	Bates No.	Vol.
8/6/2021	Defendants' Status Report on Compliance with the Court's Orders	RA0976 - 1007	V
8/9/2021	Court Minutes - Status Check	RA1008	V

ALPHABETICAL INDEX OF RESPONDENTS' APPENDIX

Date	Description	Bates No.	Vol.
1/5/2021	Amended Declaration of Service to Jay Bloom of Subpoena Duces Tecum served upon wife Carolyn Farkas	RA0005	I
3/18/2020	Case No. A-20-809882-B Nevada Speedway v. Jay Bloom, et Raffi Nahabedian Initial Appearance for Jay Bloom	RA0001 - 0002	I
8/9/2021	Court Minutes - Status Check	RA1008	V
12/30/2020	Declaration of Service to Jay Bloom of Notice of Entry of Order Granting Plaintiff's Ex Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt of Court	RA0003	I
1/5/2021	Declaration of Service to Jay Bloom of Subpoena Duces Tecum served upon Maier Gutierrez and Associates	RA0004	I
2/26/2021	Defendants' Opposition to Motion to Compel and For Sanctions Against Non-Party Jay Bloom and His Counsel and Countermotion for Protective Order and Sanctions Pursuant to NRS 18.010(2)(b)	RA0159 - 0290	II

Date	Description	Bates No.	Vol.
8/6/2021	Defendants' Status Report on Compliance with the Court's Orders	RA0976 - 1007	V
3/3/2021	Exhibit 01 Demand for Production from TGC Farkas Funding, LLC (PLTF_001 – 004)	RA0291 - 0294	II
3/3/2021	Exhibit 02 Arbitration Award (PLTF_005 - 010)	RA0295 - 0300	II
3/3/2021	Exhibit 03 Declaration of Jay Bloom to Countermotion to Modify Arbitration Award (PLTF_011 – 017)	RA0301 - 0307	II
3/3/2021	Exhibit 04 Order Confirming Arbitration Award, Denying Countermotion to Modify Arbitration Award and Judgment (PLTF_018 – 024)	RA0308 - 0314	II
3/3/2021	Exhibit 05 Order Granting Order to Show Cause Why Judgment Debtors and Jay Bloom Should Not Be Deemed in Contempt of Court (PLTF_025 – 027)	RA0315 - 0317	II
3/3/2021	Exhibit 06 Index of Exhibits to Claimants Arbitration Brief Letter to Gutierrez re Demand (PLTF_028 – 031)	RA0318 - 0321	II
3/3/2021	Exhibit 07 First Amended Operating Agreement of First 100, LLC (PLTF_032 - 059)	RA0322 – 0349	II
3/3/2021	Exhibit 08 1st One Hundred Holdings, LLC Operating Agreement (PLTF_060 – 090)	RA0350 - 0380	II
3/3/2021	Exhibit 11 Correspondence from Raffi Nahabedian, Esq. re Substitution of Counsel (PLTF_096 – 101)	RA0381 – 0386	II

Date	Description	Bates No.	Vol.
3/3/2021	Exhibit 13 Settlement Agreement (PLTF_106 – 108)	RA0387 – 0389	II
3/3/2021	Exhibit 15 Declaration of Jay Bloom in support of Reply on Motion to Enforce Settlement Agreement (PLTF_116 - 120)	RA0390 – 0394	II
3/3/2021	Exhibit 16 Jay Bloom text to Matthew Farkas (PLTF_121 - 122)	RA0395 – 0396	II
3/3/2021	Exhibit 17 Email from Jay Bloom to Matthew Farkas re Matthew Farkas Affidavit (PLTF_123 - 128)	RA0397 – 0402	II
3/3/2021	Exhibit 20 TGC Farkas Funding LLC Agreement (PLTF_150 - 172)	RA0403 – 0425	III
3/3/2021	Exhibit 21 Email to First 100 (PLTF_173 - 178)	RA0426 – 0431	III
3/3/2021	Exhibit 22 Letter to Joseph Gutierrez, Esq. (PLTF_179 - 195)	RA0432 – 0448	III
3/3/2021	Exhibit 23 TGC Farkas Funding, LLC Amendment to Operating Agreement (PLTF_196 - 202)	RA0449 – 0455	III
3/3/2021	Exhibit 25 Email from Dylan Ciciliano to Raffi Nahabedian (PLTF_209 – 211)	RA0456 – 0458	III
3/3/2021	Exhibit 26 First 100, LLC Secretary of State Entity Detail (PLTF_212 – 228)	RA0459 – 0475	III
3/3/2021	Exhibit 27 1st One Hundred Holdings, LLC Secretary of State Entity Detail (PLTF_229 – 239)	RA0476 – 0486	III
3/3/2021	Exhibit 28 Nahabedian Emails (PLTF_240 - 567)	RA0487 – 0814	III, IV

Date	Description	Bates No.	Vol.
3/3/2021	Exhibit 29 Nahabedian Texts with Bloom (PLTF_568)	RA0815	IV
3/3/2021	Exhibit 30 Nahabedian Call Log (PLTF_569)	RA0816	IV
3/3/2021	Exhibit 32 Payment Direction Letter (PLTF_577 - 581)	RA0817 – 0821	IV
3/3/2021	Exhibit A Declaration of Jay Bloom (FIRST0001-0035)	RA0822 – 0856	IV
3/3/2021	Exhibit C Declaration of Jay Bloom In Support Of Respondents' Arbitration Brief (FIRST0108-0191)	RA0857 – 0940	V
3/3/2021	Exhibit FF Declaration of Matthew Farkas (FIRST0506-0509)	RA0941 – 0944	V
3/3/2021	Exhibit II Arbitration Award (FIRST0531-0536)	RA0945 – 0950	V
3/3/2021	Exhibit J Declaration of Adam Flatto (FIRST0327-0342)	RA0951 – 0966	V
3/3/2021	Exhibit QQ - TGC Farkas Funding LLC letter demanding production of books and records (FIRST0590-0591)	RA0967 – 0968	V
1/7/2021	Non-Party Jay Bloom's Objection to Subpoena - Civil	RA0006 – 0009	I
3/11/2021	Order Granting Plaintiff's Motion to Compel and Denying Countermotion for Protective Order and Sanctions Pursuant to NRS 18.010(2)(b)	RA0969 – 0975	V
2/22/2021	Plaintiff's Motion to Compel and For Sanctions; And Application for Ex-Parte Order Shortening Time	RA0022 – 0150	I
2/25/2021	Plaintiff's Supplement to Motion to Compel and for Sanctions; And Application for Ex-Parte Order Shortening Time	RA0151 – 0158	I

Date	Description	Bates No.	Vol.
2/12/2021	Subpoena Civil Duces Tecum issued to Matthew Farkas	RA0014 – 0021	I
2/11/2021	Subpoena Civil issued to Adam Flatto	RA0010 – 0013	I

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **SUPPLEMENTAL APPENDIX IN SUPPORT OF RESPONDENTS' ANSWERING BRIEF VOLUME V of V** was filed electronically with the Nevada Supreme Court on November 1, 2021. Electronic Service of the foregoing document shall be made in accordance with the Master Service List as follows:

MAIER GUTIERREZ & ASSOCIATES
JASON R. MAIER
Nevada Bar No. 8557
Email: jrm@mglaw.com
Joseph A. Gutierrez
Nevada Bar No. 9046
Email: jag@mgalaw.com
Danielle J. Barraza
Nevada Bar No. 13822
Email: djb@mgalaw.com
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for Appellants

BY: */s/ Max Erwin*
an employee of Garman Turner Gordon LLP

DECLARATION OF JAY BLOOM IN SUPPORT OF RESPONDENTS' ARBITRATION BRIEF

I, JAY BLOOM ("Declarant"), declare as follows:

1. This declaration is made in support of Respondents' Arbitration Brief (the "Brief").

2. I am over the age of eighteen (18) and I have personal knowledge of all matters set forth herein. If called to do so, I would competently and truthfully testify to all matters set forth herein, except for those matters stated to be based upon information and belief.

3. I make this declaration in my capacity as the principal, founding director, and chairman of the Board of Directors of First 100, LLC and 1st One Hundred Holdings, LLC.

4. Attached to the Brief as **Exhibit B** is a true and accurate copy of the Redemption Membership Agreement that was signed by Matthew Farkas. I personally received a copy of this Redemption Membership Agreement from Mr. Farkas.

5. Attached to the Brief as **Exhibit C** is a true and accurate copy of the Operating Agreement of 1st One Hundred Holdings, LLC, adopted December 4, 2013. This Operating Agreement was signed by Matthew Farkas as the "Manager" of TGC. On numerous occasions, Matthew Farkas held himself out to me as a "Manager" of TGC, although I have not personally verified that, as I have not reviewed any of TGC's Operating Agreements or modifications thereto.

6. Attached to the Brief as **Exhibit D** is a true and accurate copy of the June 6, 2017 correspondence that I authorized my attorneys to send to GARMAN TURNER GORDON.

7. Attached to the Brief as **Exhibit E** is a true and accurate copy of the September 24, 2019 correspondence that I authorized my attorneys to send to GARMAN TURNER GORDON.

8. I have reviewed the Claimant's Arbitration Brief. I would like to clarify that Exhibit 1 to the Claimant's Appendix is a typical (confidential) portfolio presented to potential investors, it was not designed to "induce" an investment, but rather to inform potential investors about Respondents' business and provide them with information should they be interested in investing in the business.

9. While Exhibit 4 to the Claimant's Arbitration Brief is a proposed List of Members,

that was contingent upon all such Members actually executing the Respondents' Operating Agreement and Subscription Agreement.

10. Exhibit 5 to the Claimant's Arbitration Brief reflects a document from First 100 Director J. Chris Morgando indicating that First 100 was granting a 2% equity position to VP of Finance Matthew Farkas, in return for his services rendered to Respondents, along with the standard 1% position to Adam Flatto in return for the $1,000,000 investment. To be clear, the $1,000,000 subscribed by TGC was consideration for a 1% Membership Interest (contingent upon the Operating Agreement and Subscription forms being properly executed). Respondent merely permitted Matthew Farkas to transfer his 2% equity position to TGC.

11. Exhibit 6 to the Claimant's Arbitration Brief is a Disclosure Document and a Memo from Holdings offering (not demanding) its Members to review and execute a Membership Interest Redemption Agreement which provides for the redemption or buy back of the Member's interest at $1.5 million per percentage of ownership interest, or a fraction thereof on a pro rata basis. Part of the reasoning behind this Membership Interest Redemption Agreement proposal was a result of Respondents learning about certain tax advantages for doing a Membership Interest Redemption as opposed to the ordinary income taxes that would accrue in the event of a distribution, if any were realized, or even made.

12. Although I could not locate an actual First 100 Subscription Agreement signed by TGC, I recall that one may have been signed solely by Matthew Farkas on behalf of TGC.

13. I have reviewed First 100, LLC's records and 1st One Hundred Holdings, LLC's records and have not located any Operating Agreement that was signed by Adam Flatto or Marshall Rose or that listed them individually as investors or members.

14. I do recall reaching out to Matthew Farkas after reviewing the initial May 2, 2017 correspondence from GARMAN TURNER GORDON and he informed me that he had no knowledge of TGC's retention of GARMAN TURNER GORDON, nor did he consent to such representation.

15. First 100, LLC and 1st One Hundred Holdings, LLC have remained hesitant about acquiescing to TGC's books and records demands because: 1) for a period of time, it was not even clear that Matthew Farkas authorized the request; 2) the GARMAN TURNER GORDON engagement letter

does not reference a power of attorney for a books and records request; 3) Respondents have had concerns about whether Matthew Farkas was authorized to sign any First 100 or Holdings Membership documents on behalf of TGC; 4) Matthew Farkas provided to me an executed Redemption Membership Agreement which included a release of all claims against First 100 and Holdings; and 5) the books and records request has remained overbroad, with TGC refusing to compromise on the items demanded to be provided.

I declare under penalty of perjury of the laws of the United States of America and the State of Nevada that the foregoing is true and correct.

DATED this 21st day of July, 2020

JAY BLOOM

EXHIBIT “B”

MEMBERSHIP INTEREST REDEMPTION AGREEMENT

This Redemption Agreement ("Agreement") is entered into this 15th day of April, 2017, by and between 1st One Hundred Holdings, LLC, a Nevada limited liability company (the "Company") and Jethro Gordon, an individual (the "Redeemer").

RECITALS:

WHEREAS, the Company desires to redeem all of Redeemer's membership interests in the Company, as well as any interest claimed in any and all subsidiaries (the "Redeemer Membership Interest"); and

WHEREAS, Redeemer desires to sell, transfer, and convey the Redeemer Membership Interest, and terminate all agreements relating to its interest in the ownership and operation of the Company, including but not limited to all rights and obligations under the Company's Operating Agreement dated as of December 4, 2013 (the "Operating Agreement"), according to the terms and conditions hereof;

WHEREAS, Redeemer acknowledges that it received the Disclosure Document attached as Exhibit A hereto, which Company believes provides all information that the Company considers necessary or appropriate to enable the Seller to decide whether to enter into this Agreement and to consummate the transaction contemplated herein; and

WHEREAS, Redeemer acknowledges that it has reviewed the Disclosure Document and has had an opportunity to request any additional information from Company and consult with counsel;

NOW THEREFORE, in consideration of the Company's payment of One Million Five Hundred Thousand Dollars ($1,500,000.00) per percentage of Membership Interest (or any fraction thereof at a prorated amount) to Redeemer, the mutual release, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties hereto agrees as follows:

1. Redemption of Redeemer Membership Interest. Upon Closing (described below), as of that date and without further action by any party hereto (a) the Company shall be deemed to have redeemed the Redeemer Membership Interest, and all of Redeemer's rights and obligations under the Operating Agreement shall be deemed to have terminated; (b) upon such redemption, Redeemer shall be deemed to have released all rights, benefits and obligations of ownership of the Redeemer Membership Interest, and any other rights or benefits, relating to ownership or operation of the Company; and (c) Redeemer does ratify, confirm and approve of all actions and decisions of Company, its subsidiaries and its management, from inception to date.

2. Consideration.

    a. Redemption of 1st One Hundred Holdings, LLC Interest.
        i. The Company redeems the Redeemer Membership Interest upon both:
            - The return of this Redemption Agreement executed by Redeemer, and
            - the payment by Company to Redeemer of such amount due as a result of this redemption.
        ii. No Membership Interest shall be deemed to have been redeemed until all payments are provided by the Company to Redeemer upon redemption.

    b. Order of Payment of Redemptions.
    Membership Interest redemption payments will be made after payment of all Company tax obligations, debt, accounts payable and Preferred Membership Interest redemption is paid.

    Membership Interest redemption shall be paid to Redeemer as funds are recovered by Company in the order of Company's receipt of Redeemers signed Membership Interest

Redemption Agreements. As monies are recovered, payments will be made to each Redeemer in full in the order such Redeemer's Redemption Agreement and Redeemer Membership Interest certificates issued by the Company. are received by Maier Gutierrez Ayon at 8816 Spanish Ridge Ave, Las Vegas, NV 89148, until the earlier of the Company cannot recover any further funds or all such redemptions are paid. Notwithstanding the foregoing, failure by Redeemer to return the Redeemer Membership Interest certificates shall not be construed as a retention by Redeemer of any ownership or other rights in the Redeemer Membership Interest and such certificate(s) shall be rendered void automatically and without further action by Company immediately upon payment by Company of the redemption amount. Pursuant to Section 6(c) hereof, Redeemer agrees to execute such further documents as the Company may request to formalize the voiding of the certificates.

c. Paymaster.
Payments shall be issued directly from the Company's attorney trust account (acting as paymaster) to Redeemer. Redeemer agrees to execute such instructions and/or documents, and provide such information, as the paymaster shall request in connection with making payments under this Agreement. References to payments made by the Company contained herein shall include any payments made by the paymaster on the Company's behalf.

In the event any Redeemer enters an objection to paymaster's function, all remaining funds subject to disbursement will be directed to be distributed to Company for Company's distribution and Redeemer agrees to this direction in the event of a dispute.

3. Representations and Warranties.

(a) Redeemer's Representation and Warranties. Redeemer represents and warrants:

(i) Good Standing. Redeemer is either an individual or a company, duly organized, validly existing and in good standing under the laws of its respective state.

(ii) Authority. Redeemer has the right, power, legal capacity and authority to enter into and perform all obligations under this Agreement. No approval, consent, order or authorization of, or registration filing with, or notice to, any governmental or public body or authorities or any other person or party is required to give effect to this Agreement.

(iii) Title. Redeemer is the lawful record owner of the Redeemer Membership Interest, and has good title to the Redeemer Membership Interest, free and clear of any liens, encumbrances, security agreements, pledges, options, other purchase rights, or other encumbrances of any kind. Redeemer has not transferred, assigned or pledged the Redeemer Membership Interest to any third party.

(iv) No Breach or Violation. The consummation of the transactions contemplated by this Agreement will not result in or constitute a default or event that, without notice, lapse of time, or both, or the occurrence or nonoccurrence of any other event that would be a default, breach or violation of Redeemer's organizational documents, or any contract, agreement, or commitment to which Redeemer is a party or by which it is bound. The execution, delivery and performance by Redeemer of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) require any consent or other action by any person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of Redeemer or to a loss of any benefit to which Redeemer is entitled under any provision of any agreement or other instrument binding upon Redeemer or any of its assets or properties or (ii) result in the creation or imposition of any lien on any asset of Redeemer.

(v) Total Membership Interests. Neither Redeemer nor any affiliate of Redeemer beneficially owns (i) any other membership interests or other securities of the Company, (ii) any securities convertible into or exchangeable for membership interests of the Company (whether or not such securities are currently exercisable), or (iii) any options or other rights to acquire any membership interests or other securities of the Company.

(vi) Finder's Fees. No investment banker, broker, finder or other intermediary is entitled to a fee or commission from the Company in respect of this Agreement based upon any arrangement or agreement made by or on behalf of Redeemer or any of its affiliates.

(vii) Non-Reliance. Redeemer is an informed and sophisticated party and, in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, has relied solely on its own independent analysis and investigation as of the date hereof and not on any information provided by the Company (other than the representations and warranties contained in this Agreement or as otherwise expressly stated in this Agreement). Except for the representations and warranties contained in Section 3(b) or as otherwise expressly stated herein, Redeemer acknowledges that none of the Company or any of its subsidiaries or its affiliates, or any other person on behalf of the Company or any of its subsidiaries or its affiliates, makes or has made any other express or implied representation or warranty in connection with the transactions contemplated by this Agreement.

Section 3.09. Private Offering. None of Redeemer or its affiliates has issued, sold or offered any security of the Company to any person under circumstances that would cause the transfer of the Redeemer Membership Interests, as contemplated by this Agreement, to be subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). None of Redeemer or its affiliates will offer the Redeemer Membership Interests or any part thereof or any similar securities for issuance or sale to, or solicit any offer to acquire any of the same from, any person so as to make the transfer of the Redeemer Membership Interests subject to the registration requirements of Section 5 of the Securities Act. Transfer of the Redeemer Membership Interests hereunder is exempt from the registration and prospectus delivery requirements of the Securities Act.(b) Company Representations and Warranties.

(i) Good Standing. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada.

(ii) Authority. The Company has the right, power, legal capacity and authority to enter into and perform all obligations under this Agreement. No approval, consent, order or authorization of, or registration filing with, or notice to, any governmental or public body or authorities is required to give effect to this Agreement.

(iii) No Breach or Violation. The consummation of the transactions contemplated by this Agreement will not result in or constitute a default or event that, without notice, lapse of time, or both, or the occurrence or nonoccurrence of any other event that would be a default, breach or violation of the organizational documents of the Company, or any contract, agreement, or commitment to which the Company is a party or by which the Company is bound.

4. Mutual Release.

(a) In further consideration for each party's execution of this Agreement and performance of transactions contemplated herein, each of the parties hereto unconditionally and irrevocably acquits and forever fully releases and discharges each other party, and each of their affiliates, partners, parents, subsidiaries, officers, employees, agents, attorneys, principals, directors, and shareholders of each such party, and their respective heirs, legal representatives, successors and assigns (collectively "Releasees"), from any all claims, demands, causes of action obligations, remedies, suits, damages and liabilities of any nature whatsoever, whether now known, suspected or claimed, whether arising under common law, inequity, or under statute, which such party has ever had or now has against any of the other parties, and which may have arisen at any time prior to the Closing, and/or which are in any manner related to ownership of the Redeemer Membership Interest, the Company's Operating Agreement, and/or related documents, instruments or agreements relating to the ownership and operation of the Company or the enforcement of, attempted or threatened enforcement by any parties of any of their respective common rights, remedies, or recourse related thereto (the "Released Claims"). Each party covenants and agrees not to ever commence, voluntarily aid in any way, prosecute, or cause to be commenced or prosecuted against any of the Releasees, any action or other proceeding based upon any of the Released Claims. Notwithstanding the foregoing, nothing in this Section 4(a) shall be construed as a waiver of any claims arising from Sections 6(j) or 6(k) of this Agreement.

(b) Each of the parties hereto understands, acknowledges and agrees that the release set forth above may be asserted as a full and complete defense, and may be used for a basis for an injunction against, any action,

suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) The parties hereto agree that no fact, events, circumstances, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

5. Closing. The closing of the Redemption Transaction described herein shall be conducted on the date (the "Closing Date") of, and shall be effective simultaneously with, the execution and delivery of the documents reflecting the Membership Interest Redemption Agreement between Redeemer and the Company and further the payment by Company to Redeemer of the Redemption amount.

6. Miscellaneous Provisions.

(a) Expenses. Each of the Company and the Redeemer agrees to pay their respective fees and expenses, their financial advisors and legal counsel upon Closing.

(b) Governing Law. This Agreement shall be construed and enforced in accordance with the rights of the parties and the rights of the parties shall be governed by, the State of Nevada. Each of the parties agree that any legal action between the parties, or any of them, relating to this Agreement, the interpretation of the terms hereof whether the performance hereof or the consummation of the transactions contemplated herein, whether in tort or contract or at law or in equity shall exclusively be brought in a state court located in Clark County, Nevada having jurisdiction of the subject matter thereof, and each party irrevocably: (i) consents to personal jurisdiction in any such state court; (ii) waives any objection to laying venue in any such action or proceeding in any such court, and (iii) waives any immunity from suit and/or any objection that any such court is an inconvenient forum or does not have jurisdiction over any party hereto.

(c) Further Assurances. From time to time hereafter, each party at the request of the other, and without further consideration, agrees to execute and deliver, or cause to executed and delivered at its expense such other instruments of transfer and/or other documentation as reasonably may be requested by the other in order to effectuate the transactions contemplated by this Agreement.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures to this Agreement or any other document required to be delivered at Closing pursuant to this Agreement shall be binding on the parties.

(e) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or, invalidity, without invalidating the reminder of such provision or the remaining provisions of this Agreement.

(f) Benefit. This Agreement shall inure to the benefit and shall be binding upon all the parties, their legal representatives, successors, heirs and assigns.

(g) Paragraph Headings. Paragraph headings in this Agreement are for convenience only and are not to be construed as a part hereof or in any way limiting or amplifying the provisions hereof.

(h) Rule of Construction. The parties hereto acknowledge that this Agreement was reached by a process of negotiation with the benefit of legal representation, and agree that: (i) the rule of construction to the effect that any ambiguities are revolved against the drafting party shall not be employed in the interpretation of this Agreement; and (ii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

(i) Entire Agreement. This Agreement sets forth the entire agreement of the parties and shall not be amended, modified, or otherwise changed except in a writing signed by both parties and incorporating this Agreement by reference.

(j) Confidentiality. This Agreement and all information that each of the Company or Redeemer (as applicable, the "Discloser") has disclosed or provided to the other party (as applicable, the "Recipient"), whether written or otherwise, in connection with the transactions contemplated hereby and the negotiations and discussions that have occurred between Redeemer and the Company in connection therewith (collectively, the "Information"), shall be treated as confidential by the Recipient and the Recipient shall use commercially reasonable efforts not to disclose the Information to any other Person. For purposes hereof, a Recipient shall be deemed to use commercially reasonable efforts not to disclose Information if it uses the same standard of care with respect to such Information as the Recipient uses with its own confidential information of similar kind and character, but not less than reasonable care. Notwithstanding the foregoing, (A) Information does not include information which: (i) is or becomes generally available to the public other than as a result of an unauthorized disclosure by the Recipient, (ii) is or becomes available to the Recipient on a non-confidential basis from a source other than the Discloser, (iii) was possessed or known by the Recipient prior to the disclosure thereof to the Recipient by the Discloser, or (iv) was or is developed by the Recipient without reference to the Information, (B) Information may be disclosed by Recipient to its, and its Affiliates', Representatives, and the Recipient shall use commercially reasonable efforts to cause its, and its Affiliates', Representatives to abide by the terms of this Section 6(j), and (C) nothing in this Section 6(j) shall prohibit disclosure of Information by any party to the extent that such disclosure is (i) required by applicable law (including the rules or regulations of any applicable governmental authority or other regulatory or self-regulatory body, (ii) made pursuant to subpoena or other court or governmental authority proceedings, (iii) made in any litigation regarding this Agreement or the transactions contemplated hereby, or (iv) made with the prior written consent of the other party. To the extent disclosure is required by applicable law, the disclosing party will, to the extent permitted by applicable law, provide as much advance notice to the other party of such proposed disclosure (including timing and content) as is reasonably practicable.

(k) The parties agree that they will not make any negative or disparaging statements (orally or in writing) about the other party hereto or any of their respective owners, managers, officers, attorneys, partners, shareholders, employees, products, services, or business practices.

(l) Any and all prior acts of 1st One Hundred Holdings, LLC (and its related entities, management, Members, Officers, Directors, employees), including, but not limited to: investments, divestures, expenditures, advances, disbursements or other transactions, financial or otherwise, are hereby ratified, approved adopted and confirmed by the undersigned.

IN WITNESS WHEREOF, the undersigned have caused this Redemption Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

REDEEMER

By: _____

Its: VP FINANCE

REDEEMER

By: _____

Its:

1st ONE HUNDRED HOLDINGS, LLC

By: _____

Jay Bloom
Its: Director

{01208222;1}

1st ONE HUNDRED HOLDINGS, LLC
EMPLOYEE ADDENDUM TO MEMBERSHIP INTEREST REDEMPTION AGREEMENT
Modification of Amount of Company Payment

Pursuant to the "Membership Interest Redemption Agreement" between the parties, the redemption amount set forth in the recitals shall be modified by adding an additional sentence at the end of this section which provides as follows:

In consideration of service as an employee of First 100, LLC and/or 1st One Hundred Holdings, LLC., the amount calculated as payable to the Redeemer for that equity received in consideration of service to the company shall be multiplied by 1.833 times the amount calculated above.

IN WITNESS WHEREOF, the undersigned have caused this Redemption Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

REDEEMER

By: _____

Its: VP FINANCE

REDEEMER

By: _____

Its:

1st ONE HUNDRED HOLDINGS, LLC

By: _____
Jay Bloom
Its: Director

EXHIBIT “C”

OPERATING AGREEMENT
of
1ST ONE HUNDRED HOLDINGS, LLC

This operating agreement of 1ST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Adopted December 4, 2013 and having an effective date of December 4, 2013, is: (i) adopted by the Manager (as defined below); and (ii) executed and agreed to, for good and valuable consideration, by the Members (as defined below).

ARTICLE I: DEFINITIONS

As used in this Operating Agreement, unless the context clearly indicates otherwise, the following terms have the following meanings:

1.1 "Act" means Chapter 86 of the Nevada Revised Statutes and any successor statute, as amended from time to time.

1.2 "Articles" means the Articles of Organization filed with the Nevada Secretary of State by which the Company was organized as a Nevada limited liability company under and pursuant to the Act.

1.3 "Bankrupt Member" means any Member: (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the Member a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in a proceeding of the type described in sub-clauses (i) through (iv) of this Clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member's or of all or any substantial part of the Member's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the Member's consent or acquiescence, a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties has been appointed and 90 days have expired without the appointment's having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

1.4 "Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Nevada are closed.

1.5 "Capital Contribution" means any contribution by a Member to the capital of the Company.

1.6 "Class A Member" means a Member identified on SCHEDULE A hereto.

1.7 "Class A Membership Interest" means, with respect to any Class A Member, the percentage interest set forth opposite such Class A Member's name on SCHEDULE A, as may be amended from time to time.

1.8 "Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

1.9 "Company" means 1st One Hundred HOLDINGS, LLC, a Nevada limited liability company

1.10 "Default Interest Rate" means a rate per annum equal to the lesser of (a) one percent (1.0%) plus a varying rate per annum that is equal to the Wall Street Journal prime rate as quoted in the money rates section of

the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

1.11 "Delinquent Member" means a Member who does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement.

1.12 "Dispose," "Disposing," or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

1.13 "General Interest Rate" means a rate per annum equal to the lesser of (a) the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

1.14 "Lending Member" means those Members, whether one or more, who advance the portion of the Delinquent Member's Capital Contribution that is in default.

1.15 "Manager" means SJC Ventures Holding Company, LLC, a Delaware limited liability company. There is only one Manager of the Company.

1.16 "Member" means any Person executing this Operating Agreement as of the date of this Operating Agreement as a Member, or hereafter admitted to the Company as a Member as provided in this Operating Agreement, but does not include any Person who has ceased to be a Member in the Company.

1.17 "Membership Interest" means the interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

1.18 "NRS" means Nevada Revised Statutes.

1.19 "NRS Chapter 86" means the Nevada statutes contained in Chapter 86 of the Nevada Revised Statutes concerning limited-liability companies, and any successor statute, as amended from time to time.

1.20 "Operating Agreement" means this Operating Agreement, as approved or amended by the Members, as herein provided.

1.21 "Permitted Transferee" means any member of such Member's immediate family, or a trust, including a charitable remainder trust, corporation, limited liability company, or partnership controlled by such Member or members of such Member's immediate family, or another Person controlling, controlled by, or under common control with such Member.

1.22 "Person" includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

1.23 "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

ARTICLE II: ORGANIZATION

2.1 **FORMATION.** The Company has been organized as a Nevada limited liability company by the filing of Articles under and pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of Nevada.

2.2 NAME. The name of the Company is 1ST ONE HUNDRED HOLDINGS, LLC and all Company business must be conducted in that name, or such other registered names that comply with applicable law as the Manager may select from time to time.

2.3 REGISTERED OFFICE; REGISTERED AGENT; PRINCIPAL OFFICE IN THE UNITED STATES; OTHER OFFICES. The registered office of the Company required by the Act to be maintained in the State of Nevada shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Nevada shall be the initial registered agent named in the Articles or such other Person or Persons as the Manager may designate from time to time in the manner provided by law. The principal office of the Company in the United States shall be at such place as the Manager may designate from time to time, which need not be in the State of Nevada, and the Company shall maintain records there as required by NRS §86.241 and shall keep the street address of such principal office at the registered office of the Company in the State of Nevada. The Company may have such other offices as the Manager may designate from time to time.

2.4 PURPOSES. The purpose of the Company is everything allowable by law.

2.5 FOREIGN QUALIFICATION. Prior to the Company's conducting business in any jurisdiction other than Nevada, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager or Members, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager or Members, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.6 TERM. The Company commenced on the date the Nevada Secretary of State issued a certificate of organization for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.7 MERGERS AND EXCHANGES. The Company may be a party to: (a) a merger; or (b) an exchange or acquisition permitted by the Act, subject to the requirements of this Operating Agreement.

2.8 NO STATE-LAW PARTNERSHIP. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

ARTICLE III; MEMBERS

3.1 ONE CLASS OF MEMBERSHIP INTEREST. The Company shall have one class of Membership Interests: Class A Voting Membership Interests.

3.2 MEMBERSHIP INTERESTS. The Member names and Class A Membership Interests of the Class A Members are set forth on SCHEDULE A.

3.3 CLASSES AND VOTING. The Company may issue voting Membership Interests and non-voting Membership Interests. The Membership certificates shall clearly designate so as to distinguish between voting and non-voting classes. Upon adoption of this Operating Agreement:

i. Class A Members shall have voting rights. All references in this Operating Agreement to discretionary actions subject to a vote of Members shall solely refer to Class A Members.

3.4 VOTING; PROXIES. Each outstanding Class A Membership Interest shall be entitled to one vote per one full percent of Class A Membership Interest owned by the Member on each matter submitted to a vote at a meeting of Members. A Member may vote either in person or by proxy executed in writing by the Member or by his

duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.5 QUORUM. Unless otherwise provided in the Articles, the holders of a simple majority of the Membership Interest entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Class A Members.

3.6 MAJORITY VOTE. With respect to any matter when a quorum is present at any meeting, the vote of the holders of a simple majority of the Membership Interest, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Articles or this Operating Agreement, or by an express provision of the Act which is applicable to such vote unless overridden by the Articles, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

3.7 PLACE AND MANNER OF MEETING. All meetings of the Members shall be held at such time and place, within or without the State of Nevada, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.8 CONDUCT OF MEETINGS. All meetings of the Members shall be presided over by the chairman of the meeting, who shall be a Person designated by the Manager. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.9 ANNUAL MEETING. An annual meeting of the Members shall be held each year. Failure to hold the annual meeting at the designated time shall not work as a dissolution of the Company.

3.10 SPECIAL MEETINGS. Special meetings of the Members may be called at any time by: (i) the Manager of the Company; (ii) the President of the Company if such office exists; or (iii) the holders of at least ten percent (10%) of the Class A Membership interests. Unless waived, notice of such special meeting must be made in writing at least ten days prior to the meeting date, and such notice shall state the purpose of such special meeting and the matters proposed to be acted on thereat. A quorum must be present for such meeting to be recognized and effective.

3.11 NOTICE. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting either personally or by mail, to each Member, provided that such notice may be waived as provided in this Operating Agreement. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Company, with postage thereon prepaid.

3.12 CLOSING RECORD BOOKS AND FIXING RECORD DATE. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or entitled to distribution or in order to make a determination of Members for any other proper purpose, the Manager may provide that the record books shall be closed for a stated period not exceeding sixty (60) days. If the record books shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the record books, the Manager may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days and in the case of a meeting of Members, not less than ten (10) days prior to the date of which the particular action requiring such determination of Members is to be taken. If the record books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, or Members entitled to receive distribution, the date on which notice of the meeting is mailed or the

date on which the resolution of the Manager, declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of record books and the stated period of closing has expired.

3.13 ACTION WITHOUT MEETING. Any meeting, or any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members (including any action requiring less than the vote of a simple majority of the members), may be taken without a formal meeting, and without prior notice, but only if consent in writing, setting forth the action so taken, shall have been signed by the holders of all the Membership Interest for each class entitled to vote and such consent shall have the same force and effect as vote by formal meeting of the Members. Written consents made pursuant to this Section shall be signed and dated.

3.14 CONFIDENTIAL INFORMATION. The Members acknowledge that from time to time, they may receive information from the Manager or other Persons regarding the Company or Persons with which it does business. Each Member shall hold in strict confidence any information it receives regarding the Company that is identified as being confidential (and if that information is provided in writing, that is so marked) and may not disclose it to any person other than to another Member or a Manager, except for disclosures: (i) compelled by law (but the Member must notify the Manager promptly of any request for that information, before disclosing it, if practicable); (ii) to advisers or representatives of the Member or Persons to which that Member's Membership Interest may be Disposed as permitted by this Operating Agreement, but only if the recipients have agreed to be bound by the provisions of this Section; or (iii) of information that Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Members acknowledge that breach of the provisions of this Section may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this Section may be enforced by specific performance. The Members acknowledge that the Manager from time to time may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business, affairs, properties, and financial condition of the Company should be kept confidential and not provided to some or all other Members, and that it is not just or reasonable for those Members to examine or copy that information.

3.15 LIABILITIES TO THIRD PARTIES. Except as otherwise expressly agreed in writing, no Member or the Manager shall be liable for the debts, obligations or liabilities of the Company.

3.16 WITHDRAWAL / SURRENDER. A Member may unilaterally withdraw from the Company as a Member, but only by ways of a written surrender of membership interest tendered to the Company and all Members then in existence.

3.17 LACK OF AUTHORITY TO BIND OR OBLIGATE. The Company is Manager-managed. No Member (other than a Manager or a duly appointed officer) has the authority or power to act for or on behalf of the Company, to do any act that would be obligating or binding on the Company, or to incur any expenditures on behalf of the Company.

3.18 REPRESENTATIONS AND WARRANTIES. Each Member hereby represents and warrants to the Company and each other Member that (a) if that Member is a corporation, it is duly organized, validly existing and in good standing under the law of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein); (b) if that Member is a limited liability company, it is duly organized, validly existing, and (if applicable) in good standing under the law of the state of its organization and is duly qualified and (if applicable) in good standing as a foreign limited liability company in the jurisdiction of its principal place of business (if not organized therein); (c) if that Member is a partnership, trust, or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the law of the state of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), and the representations and warranties in Clause (a), (b), or (c), as applicable, are true and correct with respect to each partner (other than limited partners), trustee, or other Member thereof, (d) that Member has full corporate, limited liability company,

partnership, trust, or other applicable power and authority to execute and agree to this Operating Agreement and to perform its obligations hereunder and all necessary actions by the board of directors, shareholders, Manager, Member(s), partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Operating Agreement by that Member have been duly taken; (e) that Member has duly executed and delivered this Operating Agreement; and (f) that Member's authorization, execution, delivery, and performance of this Operating Agreement do not conflict with any other agreement or arrangement to which that Member is a party or by which it is bound.

3.19 ADMISSION OF ADDITIONAL MEMBERS. Following adoption of this Operating Agreement, the Company may admit one or more additional Members from time to time, but only upon the simple majority vote of Class A Members then in existence. The terms of admission or issuance must specify the Capital Contributions applicable thereto, and may also provide for the creation of additional classes of Members and having different rights, powers, and duties, but is so then this Operating Agreement shall be amended to reflect such added classes. Upon the admission to the Company of any additional members, the Membership Interests of the other Members shall be reduced accordingly on a pro rata basis. SCHEDULE A shall be amended from time to time as of the effective date of the admission of an additional member to the Company. As a condition to being admitted to the Company, each additional member shall execute an agreement to be bound by the terms and conditions of this Agreement.

3.20 RESTRICTIONS ON TRANSFERENCE OF MEMBERSHIP INTEREST. Notwithstanding anything herein to the contrary, the Membership Interest and transferability of Membership Interest in the Company are substantially restricted. Neither record title nor beneficial ownership of a Membership Interest may be transferred or encumbered without the consent of all Members. This Company is formed by a closely-held group, who will have surrendered certain management rights (in exchange for limited liability) based upon their relationship and trust. Capital is also material to the business and investment objectives of the Company and its federal tax status. An unauthorized transfer of a Membership Interest could create a substantial hardship to the Company, jeopardize its capital base, and adversely affect its tax structure. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the Company's capital and its financial ability to continue. Notwithstanding the foregoing restrictions upon transfer and ownership, the following transfers are permitted:

A. Death of a Member Who Is A Natural Person. The personal representative of a deceased Member's estate, or his or her contract beneficiary, may exercise all of the decedent's rights and powers as a Member, and the decedent's Membership Interest in the Company will continue and pass to those entitled thereto upon the Member's death. It is specifically provided that a Member may prepare a written and acknowledged document in which he or she designates one or more beneficiaries of that Person's Membership Interest, and his or her written designation will be binding upon the Company if delivered to the Company before or within at least sixty 60 days after the death of the Member.

B. Estate Planning Transfers. A Member will also have the right to make estate planning transfers of all or any part of his or her Membership Interest in the Company. The term "estate planning transfer" will mean any transfer made during the life of a Member without value, or for less than full consideration, by way of a marital partition agreement and/or a transfer of all or any part of a Membership Interest to a trust whose beneficiary or beneficiaries are the Member and/or the spouse of a Member, and/or the descendants of a Member, and/or one or more beneficiaries qualified to receive a charitable gift under § 170(c) of the Code. The Articles and this Operating Agreement will bind the transferee of any estate planning transfer to the exact terms and conditions of the Articles and this Operating Agreement.

C. Transfers for Convenience. A Member who is a company may freely transfer its Membership to another company whose ownership is identical to the ownership of the assignor Member, provided, however, that such Member may not cause or permit an interest, direct or indirect, in itself to be disposed of such that, after the disposition, (a) the Company would be considered to have terminated within the meaning of §708 of the Code or (b) that Member shall cease to be controlled by substantially the same Persons who control it as of the date of its admission to the Company. On any breach of the provisions of clause (b) of the immediately preceding sentence, the Company shall have the option to buy, and on exercise of that option the breaching Member shall sell, the breaching Member's Membership Interest all in accordance with Article XI as if the breaching Member were a Bankrupt

Member.

D. Approved Sale or Transfers. A Member may transfer its Membership to another Person upon the written approval of a simple majority of the Class A Members.

3.21 DISPUTED TRANSFERS. The Company will not be required to recognize the interest of any transferee who has obtained a purported interest as the result of a transfer of ownership which is not an authorized transfer. If the Membership Interest is in doubt, or if there is reasonable doubt as to who is entitled to a distribution of the income realized from a Membership Interest, the Company may accumulate the income until this issue is finally determined and resolved. Accumulated income will be credited to the capital account of the Member whose interest is in question.

3.22 RIGHT OF FIRST REFUSAL. If any Person or agency should acquire the interest of a Member as the result of an order of a court of competent jurisdiction which the Company is required to recognize, or if a Member makes an unauthorized transfer of a Membership Interest which the Company is required to recognize, the interest of the transferee may then be acquired by the Company upon the following terms and conditions:

(a) The Company will have the unilateral option to re-acquire the Membership Interest by giving written notice to the transferee of its intent to purchase within 90 days from the date it is finally determined that the Company is required to recognize the transfer.

(b) The Company will have 180 days from the first day of the month following the month in which it delivers notice exercising its option to purchase the Membership Interest. The valuation date for the Membership Interest will be the first day of the month following the month in which notice is delivered.

(c) Unless the Company and the transferee agree otherwise, the fair market value of a Member's Membership Interest is to be determined by the written appraisal of a Person or firm qualified to value this type of business. The appraiser selected by the Company must be a member of and qualified by the American Society of Appraisers, Business Valuations Division, [P. O. Box 17265, Washington, DC 20041] to perform appraisals.

(d) Closing of the sale will occur at the registered office of the Company at 10 o'clock A.M. on the first Tuesday of the month following the month in which the valuation report is accepted by the transferee (called the "closing date"). The transferee must accept or reject the valuation report within 30 days from the date it is delivered. If not rejected in writing within the required period, the report will be accepted as written. If rejected, closing of the sale will be postponed until the first Tuesday of the month following the month in which the valuation of the Membership Interest is resolved. The transferee will be considered a non-voting owner of the Membership Interest, and entitled to all items of income, deduction, gain or loss from the Membership Interest, plus any additions or subtractions therefrom until closing.

(e) In order to reduce the burden upon the resources of the Company, the Company will have the option, to be exercised in writing delivered at closing, to pay its purchase money obligation in 10 equal annual installments (or the remaining terms of the Company if less than 10 years) with interest thereon at market rates, adjusted annually as of the first day of each calendar year at the option of the Manager. The term "market rates" will mean the rate of interest prescribed as the "prime rate" as quoted in the money rates section of the Wall Street Journal, which is also the base rate on corporate loans at large United States money center commercial banks, as of the first day of the calendar year. If §§483 and 1274A of the Code apply to this transaction, the rate of interest of the purchase money obligation will be fixed at the rate of interest then required by law. The first installment of principal, with interest due thereon, will be due and payable on the first day of the calendar year following closing, and subsequent annual installments, with interest due thereon, will be due and payable, in order, on the first day of each calendar year which follows until the entire amount of the obligation, principal and interest, is fully paid. The Company will have the right to prepay all or any part of the purchase

money obligation at any time without premium or penalty.

(f) The Manager may assign the Company's option to purchase to one or more of the Members (this with the affirmative consent of no less than 50% of the remaining Members, excluding the interest of the Member or transferee whose interest is to be acquired), and when done, any rights or obligations imposed upon the Company will instead become, by substitution, the rights and obligations of the Members who are assignees.

(g) Neither the transferee of an unauthorized transfer or the Member causing the transfer will have the right to vote during the prescribed option period, or if the option to purchase is timely exercised, until the sale is actually closed.

3.23 **TAX TREATMENT OF TRANSFERRED MEMBERSHIP INTERESTS.** With respect to any transferred Membership Interest that may occur, all items of income, gain, loss, deduction, and credit allocable to any transferred Membership Interest shall for tax purposes be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest without regard to the results of Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under §706 of the Code and the regulations thereunder.

ARTICLE IV: CAPITAL CONTRIBUTIONS

4.1 **INITIAL CONTRIBUTIONS.** Contemporaneously with the execution by such Member of this Operating Agreement, each Member shall make the Capital Contributions described for that Member in SCHEDULES A and B. No interest shall be earned or paid on Capital Contributions or a member's capital account.

4.2 **SUBSEQUENT CONTRIBUTIONS.** If necessary and appropriate to enable the Company to meet its costs, expenses, obligations, and liabilities, and if no lending source is available, then the Manager shall notify each Class A Member ("Capital Call") of the need for any additional capital contributions, and such capital demand shall be made on each Class A Member in proportion to its Class A Membership Interest. Any such Capital Call notice must include a statement in reasonable detail of the proposed uses of the required additional capital contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the additional capital contributions must be made.

4.3 **FAILURE TO CONTRIBUTE.** If a Member does not contribute all of its share of a Capital Call by the time required, then either:

1) One or more Class A Members may provide the additional capital, with such added capital to be reflected in that Class A Member's Capital Contribution, however, such additional capital to be entitled to priority return superior to those set forth in Article V.

or

2) Any other Members, individually or in concert (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Call that is in default, with the following results:

   (a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement;

   (b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefore by the Lending Member to the Delinquent Member;

(c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member;

(d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal);

(e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership Interest, and the Lending Member may file a financing statement evidencing and perfecting such security interest; and

(f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including, without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member.

4.4 **RETURN OF CONTRIBUTIONS.** Class A Members are not entitled to the return of any part of their Capital Contributions. An un-repaid Capital Contribution is not a liability of the Company or of any Member.

4.5 **ADVANCES BY MEMBERS.** If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so with the Manager's consent may advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.6 **CAPITAL ACCOUNTS.** A capital account shall be established and maintained for each Member, by Class. The Members' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.704-1 (b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. § 1.704-1 (b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. §1.704-1(b)(2)(iv)(g). On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(l).

ARTICLE V: ALLOCATIONS AND DISTRIBUTIONS

5.1 **DISTRIBUTIONS.** From time to time (but at least once each calendar quarter) the Manager shall determine in its reasonable judgment to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. If such an excess exists, the Manager shall cause the Company to distribute to the Members an amount in cash (or property other than cash) equal to that excess. Distributions by the Manager shall be mandatory upon the affirmative vote of a simple majority of the Class A Members, subject to Section 5.5.

5.2 **ALLOCATION OF PROFIT DISTRIBUTIONS OF THE COMPANY.** Profit distributions of the Company in each fiscal quarter shall be allocated to the Members as follows:

1. To the Class A Members in accordance with their respective Class A Membership Interests.

5.3 **RIGHT TO RECEIVE DISTRIBUTIONS.** Except as otherwise provided in NRS §86.391 and §86.521, at the time a Member becomes entitled to receive a distribution, the Member has the status of and is entitled

to all remedies available to a creditor of the Company with respect to the distribution.

5.4 LIMITATION ON DISTRIBUTION. Notwithstanding any other provision in this Article, the Manager may not make a distribution to the Company's Members to the extent that, immediately after giving effect to the distribution, all liabilities of this Company, other than liabilities to Members with respect to their interests and liabilities for which the recourse of creditors is limited to specified property of this Company, exceed the fair value of this Company assets, except that the fair value of property that is subject to a liability for which recourse of creditors is limited shall be included in this Company's assets only to the extent that the fair value of that property exceeds that liability. However, a Member who receives such a distribution has no liability under the Act to return the distribution unless the Member knew that the distribution violated any provision of the Act.

ARTICLE VI: MANAGER

6.1 MANAGEMENT BY MANAGER.

A. Except for situations in which the approval of the Members is required by this Operating Agreement or by non-waivable provisions of applicable law, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of the Manager. No member shall take part in the management of the Company's business, transact any business in the Company's name or have the power to sign documents or otherwise bind the Company. The Manager may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

(1) hiring, managing, and terminating officers, employees, and independent contractors

(2) entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company;

(3) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(4) maintaining the assets of the Company in good order;

(5) collecting sums due the Company;

(6) to the extent that funds of the Company are available therefore, paying debts and obligations of the Company;

(7) acquiring, utilizing for Company purposes, and Disposing of any asset of the Company;

(8) borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;

(9) selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;

(10) obtaining insurance for the Company;

(11) determining distributions of Company cash and other property as provided in Article V; and

(12) the institution, prosecution and defense of any proceeding in the Company's name.

B. Notwithstanding the provisions of Section 6.1 A., the Manager may not cause the Company to do any of the following without complying with the applicable requirements set forth below:

(1) sell, lease, exchange or otherwise dispose of (other than by way of a pledge, mortgage, deed of trust or trust indenture) all or substantially all the Company's property and assets (with or without good will), other than in the usual and regular course of the Company's business, without complying with the applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by a simple majority of the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(2) be a party to (i) a merger, or (ii) an exchange or acquisition, without complying with the

applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by a simple majority of the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(3) amend or restate the Articles, without complying with the applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by a simple majority of the Members, unless such provision is rendered inapplicable by another provision of applicable law.

6.2 ACTIONS BY MANAGER; DELEGATION OF AUTHORITY AND DUTIES.

A. In managing the business and affairs of the Company and exercising its powers, the Manager shall act: (i) collectively through meetings and written consents consistent as may be provided or limited in other provisions of this Operating Agreement; (ii) through officers to whom management authority and duties have been delegated, pursuant to subsection (C) below; and (iii) through committees comprised of Members and management, if any so may be appointed.

B. The Manager may, from time to time, designate one or more advisory boards to provide guidance and insight to the Company's strategic direction and operations, provided, however, that any such advisory board shall have no managerial authority or any other authority to act on behalf of or bind the Company.

C. The Manager may, from time to time, designate one or more natural persons to be officers of the Company. No officer need be a resident of the State of Nevada or a Member. Any officers so designated shall have such authority and perform such duties as the Manager may, from time to time, delegate to them. The Manager may assign titles to particular officers. Unless the Manager decide otherwise, if the title is one commonly used for officers of a business corporation formed under the NRS Chapter 78, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office but may also include other such specific delegation of authority and duties made to such officer by the Manager. Each officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been terminated by Manager or the President of the Company, if any. Any number of offices may be held by the same person. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Manager or the President of the Company (if such position has been appointed). Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Manager. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Manager whenever in their judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Manager.

D. Any Person dealing with the Company, other than a Member, may rely on the authority of the Manager or officer in taking any action in the name of the Company without inquiry into the provisions of this Operating Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

6.3 AGENCY. The Manager and any appointed officers are agents of this Company for the purpose of any act carrying out the business of the Company, including the execution in the name of the Company of any instrument for apparently carrying on in the usual way the business of this Company.

6.4 COMPENSATION. The Manager shall be paid reasonable compensation and reimbursed for all expenses incurred on behalf of the Company.

6.5 REMOVAL AND RESIGNATION. The Manager may not be removed or terminated by the Members except by unanimous vote. The Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein.

6.6 VACANCIES. Any vacancy occurring in the position of Manager may only be filled by the affirmative vote of a simple majority of Class A Members by election at a special meeting of Members called for that purpose.

6.7 APPROVAL OR RATIFICATION OF ACTS OR CONTRACTS BY MEMBERS. The Manager in its discretion may submit any act or contract for approval or ratification at any annual meeting of the Members, or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by a simple majority of the Class A Members shall be as valid and as binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.8 INTERESTED MANAGER, OFFICERS AND MEMBERS.

A. No contract or transaction shall be voidable between this Company and any other Person in which the Company's Manager, any Member, or any officer is (i) that Person or (ii) holds a financial interest in that Person, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to all of the Members, and the Manager or committee in good faith authorizes the contract or transaction; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to all Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or

(3) The contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Manager or the Members.

B. A Member who is a Manager may be counted in determining the presence of a quorum at a meeting of the Members which authorizes the contract or transaction.

ARTICLE VII: INDEMNIFICATION

7.1. DEFINITIONS. For purposes of this Article VII:

A. "Limited Liability Company" includes any domestic or foreign predecessor entity of the Company in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Company by operation of law and in any other transaction in which the Company assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

B. "Manager" means any Person who is or was a Manager of the Company and any Person who, while a Manager of the Company, is or was serving at the request of the Company as a Manager, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

C. "Expenses" include court costs and attorneys' fees.

D. "Official capacity" means: (1) when used with respect to a Manager, the office of Manager in the Company; and (2) when used with respect to a Person other than a Manager, the elective or appointive office in the Company held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Company; provided, however, that "official capacity" does not include service for any other foreign or domestic limited liability company, corporation, or any partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

E. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether

civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, or proceeding.

7.2 STANDARD FOR INDEMNIFICATION. The Company shall indemnify a Person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the Person is or was a Manager or Officer of the Company, or for any action, related to Company or for non-Company matters, if it is determined either by the Manager for any reason, or in accordance with this Article, that the Person:

A. conducted himself in good faith;

B. reasonably believed (i) in the case of conduct in his official capacity as a Manager of the Company, that his conduct was in the Company's best interests, and (ii) in all other cases, that his conduct was at least not opposed to the Company's best interests;

C. in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful; or

D. for any other reason as may be determined solely in the discretion of the Manager.

7.3 PROHIBITED INDEMNIFICATION. Except to the extent permitted by this Article, a Manager or Member may not be indemnified under any Section of this Article in respect of a proceeding:

A. in which the Person is found liable on the basis that personal benefit from company assets was improperly received by him; or

B. in which the Person is found liable to the Company.

Either the Manager or simple majority of the membership may elect to provide for such indemnification of the Manager or any party under any circumstance.

7.4 EFFECT OF TERMINATION OF PROCEEDING. The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the Person did not meet the requirements set forth in any Section of this Article. A Person shall be deemed to have been found liable in respect of any claim, issue or matter only after the Person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Until such time as to a final disposition, the Company shall provide the indemnification and defenses contemplated herein.

7.5 EXTENT OF INDEMNIFICATION. A Person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the Person in connection with the proceeding; but if the Person is found liable to the Company or is found liable on the basis that Personal benefit was improperly received by the Person, the indemnification shall (a) be limited to reasonable expenses actually incurred, and (b) not be made in respect of any proceeding in which the Person shall have been found liable for willful or intentional misconduct in the performance of such Person's duty to the Company.

7.6 DETERMINATION OF INDEMNIFICATION. A determination of indemnification under any Section of this Article may be made by (i) the Manager, (ii) legal counsel to the company, or (iii) by a simple majority of the Members in a vote.

7.7 AUTHORIZATION OF INDEMNIFICATION. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that: (i) if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by the foregoing Section for the selection of special legal counsel; and (ii) the provision of this Article making indemnification mandatory in certain cases specified herein shall be deemed to constitute authorization in the manner specified by this Section of indemnification in such cases. A Manager or its

employees or officers shall automatically be afforded indemnification should the Manager no longer be serving in such capacity for the Company.

7.8 SUCCESSFUL DEFENSE OF PROCEEDINGS. Except as provided otherwise by law or by this Operating Agreement, the Company shall indemnify a Manager against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant or respondent if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

7.9 COURT ORDER IN SUIT FOR INDEMNIFICATION. Indemnification required by the foregoing Section shall be subject to Order upon request by an indemnified party in a court of competent jurisdiction upon claim by the Manager as to entitlement to indemnification under that Section, the court shall order indemnification and shall award to the Manager the expenses incurred in securing the indemnification.

7.10 COURT DETERMINATION OF INDEMNIFICATION. Upon application of a Manager, a court of competent jurisdiction shall determine, after giving any notice the court considers necessary, that the Manager is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in any Section of this Article or has been found liable in the circumstances described in any Section of this Article. The court shall order the indemnification that the court determines is proper and equitable; but, if the Person is found liable to the Company or is found liable on the basis that personal benefit was improperly received by the Person, the indemnification shall be limited to reasonable expenses actually incurred by the Person in connection with the proceeding.

7.11 ADVANCEMENT OF EXPENSES. Reasonable expenses incurred by a Manager who was, is, or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Company in advance of the final disposition of the proceeding, without the authorization or determination specified in this Article, after the Company receives a written affirmation by the Manager of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article and a written undertaking, which must be an unlimited general obligation of the Manager (and can be accepted without reference to financial ability to make repayment) but need not be secured, made by or on behalf of the Manager to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the Manager against expenses incurred by him in connection with that proceeding is prohibited by this Article. A provision contained in the Articles, this Operating Agreement, a resolution of Members or Manager, or an agreement that makes mandatory the payment or reimbursement permitted under this Section shall be deemed to constitute authorization of that payment or reimbursement.

7.12 EXPENSES OF WITNESS. Notwithstanding any other provision of this Article, the Company may pay or reimburse expenses incurred by a Manager in connection with his appearance as a witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding, given that such appearance or participation occurs by reason of his being or having been a Manager of the Company.

7.13 INDEMNIFICATION OF OFFICERS. The Company may, at the discretion of the Manager, indemnify and advance or reimburse expenses to a Person who is or was an officer of the Company to the same extent that it shall indemnify and advance or reimburse expenses to Manager under this Article.

7.14 INDEMNIFICATION OF OTHER PERSONS. The Company may, at the discretion of the Manager, indemnify and advance expenses to any Person who is not or was not an officer, employee, or agent of the Company but who is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise to the same extent that it shall indemnify and advance expenses to Manager under this Article.

7.15 ADVANCEMENT OF EXPENSES TO OFFICERS AND OTHERS. The Company shall indemnify and advance expenses to an officer, and may indemnify and advance expenses to an employee or agent of the Company, or other Person who is identified in the foregoing Section and who is not a Manager, to such further extent as such Person may be entitled by law, agreement, vote of Members or otherwise.

7.16 CONTINUATION OF INDEMNIFICATION. The indemnification and advance payments provided by this Article shall continue as to a Person who has ceased to hold his position as a Manager, officer, employee or agent, or other Person described in any Section of this Article, and shall inure to his heirs, executors and administrators.

7.17 LIABILITY INSURANCE. The Company may purchase and maintain insurance or another arrangement on behalf of any Person who is or was a Manager, officer, employee, or agent of the Company or who is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a Person, whether or not the Company would have the power to indemnify him against that liability under this Article. If the insurance or other arrangement is with a Person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Company would not have the power to indemnify the Person only if including coverage for the additional liability has been approved by the Members of the Company. Without limiting the power of the Company to procure or maintain any kind of insurance or other arrangement, the Company may, for the benefit of Persons indemnified by the Company, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Company; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Company or with any insurer or other Person deemed appropriate by the Manager regardless of whether all or part of the stock or other securities of the insurer or other Person are owned in whole or part by the Company. In the absence of fraud, the judgment of the Manager as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other Person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be avoidable and shall not subject the Manager approving the insurance or arrangement to liability, on any ground, regardless of whether Manager participating in the approval are beneficiaries of the insurance or arrangement.

ARTICLE VIII: CERTIFICATES

8.1 CERTIFICATES. Certificates in the form determined by the Manager may be executed representing all Membership Interests then outstanding, as may change from time to time. Such certificates shall be consecutively numbered, and shall be entered in the books of the Company as they are issued. Each certificate shall state on the face thereof the holder's name, the class of membership, the Membership Interest, and such other matters as may be required by the laws of the State of Nevada. They shall be signed by a Manager or officer of the Company, and may be sealed with the seal of the Company if adopted. A Member has the right to possess the original certificate, provided, however, that the Manager may keep a copy of such certificate in the records of the Company.

8.2 REPLACEMENT OF LOST OR DESTROYED CERTIFICATE. The Manager may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the holder of record thereof, or his duly authorized attorney or legal representative who is claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Manager in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate or certificates or his legal representative to advertise the same in such manner as it shall require or to give the Company a bond with surety and in form satisfactory to the Company (which bond shall also name the Company's transfer agents and registrars, if any, as obligees) in such sum as it may direct as indemnity against any claim that may be made against the Company or other obligees with respect to the certificate alleged to have been lost or destroyed, or to both advertise and also give such bond.

8.3 TRANSFER OF MEMBERSHIP INTEREST. Upon surrender to the Company or the transfer agent of the Company of a certificate for Membership Interest duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Company to issue a new certificate to the Person entitled thereto, cancel the old certificate, and record the transaction upon its books.

8.4 REGISTERED MEMBERS. The Company shall be entitled to treat the holder of record of any certificate or certificate of Membership Interest of the Company as the owner thereof for all purposes and, accordingly shall not be bound to recognize any equitable or other claim to or interest in such Membership Interest or any rights deriving from such Membership Interest on the part of any other Person, including (but without limitation) a purchaser, assignee or transferee, unless and until such other Person becomes a Member, whether or not the Company shall have either actual or constructive notice of the interest of such Person, except as otherwise provided by law.

ARTICLE IX: TAXES

9.1 TAX RETURNS. The tax matters partner, as defined in Section 9.3, shall cause to be prepared and filed any necessary federal and state income tax returns for the Company, including making the elections described in Section 9.2. Each Member shall furnish to the tax matters partner all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

9.2 TAX ELECTIONS. The Company may make the following elections on the appropriate tax returns:

A. to adopt the calendar year as the Company's fiscal year;

B. to adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;

C. if a distribution of Company property as described in §734 of the Code occurs or if a transfer of a Membership Interest as described in §743 of the Code occurs, on written request of any Member, to elect, pursuant to §754 of the Code, to adjust the basis of Company properties;

D. to elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under §195 of the Code as permitted by §709(b) of the Code; and

E. any other election the Manager may deem appropriate and in the best interests of the Members.

9.3 TAX MATTERS PARTNER. The Manager shall designate itself to be the "tax matters partner" of the Company pursuant to §6231(a)(7) of the Code. The tax matters partner shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of §6223 of the Code. Any Member who is designated tax matters partner shall inform each other Member of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof on or before the fifth Business Day after becoming aware thereof and, within that time, shall forward to each other Member copies of all significant written communications it may receive in that capacity. The tax matters partner may not take any action contemplated by §§6222 through 6232 of the Code without the consent of a simple majority of Members but this sentence does not authorize any action left to the determination of an individual Member under §§6222 through 6232 of the Code.

ARTICLE X: NOTICE

10.1 METHOD. Whenever by statute or the Articles or this Operating Agreement, notice is required to be given to any Member or the Manager, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, postage prepaid, addressed to the Manager or Member at the address appearing on the books of the Company, or in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mail.

10.2 WAIVER. Whenever, by statute or the Articles or this Operating Agreement, notice is required to

be given to any Member or Manager, a waiver thereof in writing signed by the Person or Persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of the Manager or a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Manager or Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE XI: BANKRUPTCY OF A MEMBER

11.1 BANKRUPTCY. If any Member becomes a Bankrupt Member, the Company shall have the option, exercisable by notice from the Manager to the Bankrupt Member (or its representative) at any time prior to the 180th day after receipt of notice of the occurrence of the event causing it to become a Bankrupt Member, to buy, and on the exercise of this option the Bankrupt Member's bankruptcy estate (or the trustee thereof) shall sell, its Membership Interest to the Company. The purchase price shall be a dollar amount equal to the Class A Capital Contribution of the Bankrupt Member. The payment to be made to the Bankrupt Member or its estate pursuant to this Section is in complete liquidation and satisfaction of all the rights and interest of the Bankrupt Member and its estate (and of all Persons claiming through the Bankrupt Member and its estate) in and in respect to the Company, including, without limitation, any Membership Interest, any rights in specific Company property, and any rights against the Company and (insofar as the affairs of the Company are concerned) against the Members.

ARTICLE XII: DISSOLUTION, LIQUIDATION, AND TERMINATION

12.1 DISSOLUTION. The Company shall dissolve and its affairs shall be wound up on the written consent of all Members.

12.2 LIQUIDATION AND TERMINATION. On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Members as liquidator. If there is no Manager then the Members by simple majority vote will appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

B. the liquidator shall provide written notice to be mailed to each known creditor of and claimant against the Company;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to the Members as follows:

(1) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(2) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in

property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(3) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the partnership occurs (other than those made by reason of this Clause (3)); and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation). All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 12.2. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

12.3 DEFICIT CAPITAL ACCOUNTS. Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of money pursuant to this Operating Agreement to all Members in proportion to their respective Capital Contributions, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

12.4 ARTICLES OF DISSOLUTION. On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Manager or a Member shall file Articles of Dissolution with the Secretary of State of Nevada and take such other actions as may be necessary to terminate the Company.

ARTICLE XIII: GENERAL PROVISIONS

13.1 BOOKS AND RECORDS.

A. The Company shall maintain those books and records as provided by statute and as it may deem necessary or desirable. All books and records provided for by statute shall be open to inspection of the Members from time to time and to the extent expressly provided by statute. The Manager may examine all such books and records at all reasonable times. The Company shall keep and maintain the following records in its principal office in the United States or make them available in that office within five days after the date of receipt of a written request as may be specified in the Act:

(1) a current list that states:

(a) the name and mailing address of each Member;
(b) the percentage or other interest in the Company owned by each Member; and
(c) if one or more classes or groups are established in or under the Articles or this Operating Agreement, the names of the Members who are Members of each specified class or group;

(2) copies of the federal, state, and local information or income tax returns for the Company's six most recent tax years.

(3) a copy of the Articles and this Operating Agreement, all amendments or restatements, executed copies of any powers of attorney, and copies of any document that creates, in the manner provided by the Articles or this Operating Agreement, classes or groups of Members;

(4) unless contained in the Articles or this Operating Agreement, a written statement of:

(a) the amount of the cash contribution and a description and statement of the agreed value of any other contribution made by each Member, and the amount of the cash contribution and a description and statement of the agreed value of any other contribution that the Member has agreed to make in the future as an additional contribution;
(b) the times at which additional contributions are to be made or events requiring additional contributions to be made;
(c) events requiring the Company to be dissolved and its affairs wound up; and
(d) the date on which each Member in the Company became a Member; and

(5) correct and complete books and records of accounts of the Company.

B. The Company shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

C. The Company shall keep in its registered office in Nevada and make available to Members on reasonable request the street address of its principal United States office in which the records required by this Section are maintained or will be available.

D. A Member, on written request stating the purpose, may examine and copy, in person or by the Member's representative, at any reasonable time, for any proper purpose, and at the Member's expense, records required to be kept under this Section and other information regarding the business, affairs, and financial condition of the Company as is just and reasonable for the Person to examine and copy.

E. On the written request by any Member, the Manager shall provide to the requesting Member or assignee, without charge, true copies of:

(1) the Articles and this Operating Agreement and all amendments or restatements; and
(2) any of the tax returns described in the Act.

13.2 **AMENDMENT OR MODIFICATION.** This Operating Agreement may be amended or modified from time to time only by a written instrument adopted by the affirmative vote of 98% or more of the Class A Members.

13.3 **CHECKS, NOTES, DRAFTS, ETC.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by one or more designated Persons appointed by the Manager or Chief Financial Officer of the Company, if such officer position exists.

13.4 **HEADINGS.** The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

13.5 **CONSTRUCTION.** Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits or Schedules, if any, are to Exhibits or Schedules attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and
B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

13.6 ENTIRE AGREEMENT; SUPERSEDURE. This Operating Agreement constitutes the entire agreement of the Members of the Company and suporsedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.7 EFFECT OF WAIVER OR CONSENT. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.8 BINDING EFFECT. Subject to the restrictions on Dispositions set forth in this Operating Agreement, this Operating Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

13.9 DISPUTE RESOLUTION - BINDING ARBITRATION ELECTION. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall solely be settled by arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The parties specifically waive any rights to litigation as a dispute resolution methodology and further divest any Court of jurisdiction to determine disputes between the parties to this Agreement. Notwithstanding, judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. The arbitration shall be held in the City of Las Vegas and State of Nevada, in the English language, and shall be conducted before three arbitrators, wherein the party calling for arbitration selects one arbiter, the party defending selects one arbiter and the arbiters select a third, agreeable to the parties or, if no agreement can be reached, then selected by the AAA. All costs related to the arbitration shall initially be borne by the aggrieved party. The arbitrators shall make findings of fact and law in writing in support of his decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate. The provisions hereof shall not preclude any party from seeking post arbitration injunctive relief to protect or enforce its rights hereunder, or prohibit any court from making findings of fact in connection with granting or denying such injunctive relief after and in accordance with the decision of the arbitrator. No decision of the arbitrator shall be subject to judicial review or appeal; the parties waive any and all rights of judicial appeal or review, on any ground, of any decision of the arbitrator.

13.10 LIQUIDATED DAMAGES PROVISION. Should any party initiate a civil proceeding against any other, notwithstanding the binding arbitration provision above, such party initiating civil litigation shall recognize that it has caused material damage and harm to the other by way of their breach of this agreement, and agrees to provide to the named defendant party, liquidated damages in the amount of any costs of defense incurred by the aggrieved party plus ten thousand dollars ($10,000.00).

13.11 GOVERNING LAW; SEVERABILITY. THIS OPERATING AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEVADA, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS OPERATING AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Operating Agreement and (a) any provision of the Articles, or (b) any mandatory provision of the Act, the applicable provision of the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

13.12 FURTHER ASSURANCES. In connection with this Operating Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating

Agreement and those transactions.

13.13 NOTICE TO MEMBERS OF PROVISIONS OF THIS AGREEMENT. By executing this Operating Agreement, each Member acknowledges that it has actual notice of: (a) all of the provisions of this Operating Agreement, including, without limitation, the restrictions on the transfer of Membership Interests set forth in Article III; and (b) all of the provisions of the Articles. Each Member hereby agrees that this Operating Agreement constitutes adequate notice of all such provisions, including, without limitation, any notice requirement under the Chapter 86 of the Nevada Revised Statutes and under the Nevada Uniform Commercial Code, and each Member hereby waives any requirement that any further notice thereunder be given.

13.14 COUNTERPARTS. This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

13.15 CONFLICTING PROVISIONS. To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then the Manager shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to the Manager in interpreting the provisions of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Manager may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in their sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to one or more Members or the Manager.

# # # # #

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Operating Agreement was unanimously adopted by the Members and Manager, effective as of the first date written in the preamble above, and we have hereunto affixed our signatures.

MANAGER:

MANAGER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company

By: _____
Jay Bloom, Manager

MEMBERS:

MEMBER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company

By: _____
Jay Bloom, Manager

MEMBER: SJC 1, LLC, a Nevada limited liability company

By: _____
Jay Bloom, Manager

MEMBER: SJC 2, LLC, a Nevada limited liability company

By: _____
Jay Bloom, Manager

MEMBER: CBWE, LLC, a Nevada limited liability company

By: _____
Carlos Cardenas, Manager

MEMBER: MAMBER VENTURES LLC, a Nevada limited liability company

By: _____
Manuel A. Ramirez Pleitez, Manager

MEMBER: PALADIN VENTURES, LLC, a Nevada limited liability company

By: LS MARLO TRUST

By: _____
J. Chris Morgando, Trustee

MEMBER: BART RENDEL, an individual

By: _____
Bart Rendel, individually

MEMBER: SCOTT OLIFANT, an individual

By: _____
Scott Olifant, Esq., individually

MEMBER: HANNAH HARVEY, an individual

By: _____
Hannah Harvey, individually

MEMBER: JETHRO WAYNE GORDON, an individual

By: _____
Jethro Wayne Gordon., individually

MEMBER: WENDELL BROWN, an individual

By: _____
Wendell Brown, individually

MEMBER: GLENN PLANTONE, an individual

By: _____
Glenn Plantone, individually

MEMBER: ERIN QUATRALE, an individual

By: _____
Erin Quatrale, individually

MEMBER: MARILYN WILEY, an individual

By: _____
Marilyn Wiley, individually

MEMBER: DENNIS WILEY, an individual

By: _____
Dennis Wiley, individually

MEMBER: ALAN AND THERESA LAHRS, jointly and individually

By: _____
Alan Lahrs Theresa Lahrs

MEMBER: IZZY ZALCBERG, an individual

By: _____
Izzy Zalcberg, individually

MEMBER: JEAN KEMPNER, an individual

By: _____
Jean Kempner, individually

MEMBER: AMY AND ARMAND FARR, jointly and individually

By: _____
Amy Farr Armand Farr

MEMBER: KENT ADAMSON, an individual

By: _____
Kent Adamson, individually

MEMBER: BASIS INVESTMENTS, LLC a Texas Limited Liability Company

By: _____
Phil Bourassa, Member

MEMBER: GREG AND LAURIE DARROCH, jointly and individually

By: _____
Greg Darroch Laurie Darroch

MEMBER: CATHERYN COPE, an individual

By: _____
Catheryn Cope, individually

MEMBER: JOEL JUST, an individual

By: _____
Joel Just, individually

MEMBER: KREGG HALE, an individual

By: _____
Kregg Hale, individually

MEMBER: CHRIS WOOD, an individual

By: _____
Chris Wood, individually

MEMBER: TGC/FARKAS FUNDING, LLC, a Limited Liability Company

By: _____
Matthew Farkas, as Manager

MEMBER: GREENDOT INVESTMENTS, a Limited Liability Company

By: _____
Brian Greenspun, as Manager

MEMBER: PAT AND SANDY O'LAUGHLIN, individually

By: _____
Pat O'Laughlin, individually Sandy O'Laughlin, individually

MEMBER: JWL MANAGEMENT, INC., a corporation

By: _____
Johnathan Lee, President

MEMBER: VAN HOLLAND, an individual

By: _____
Van Holland, individually

MEMBER: DR. NATCHEZ MAURICE, an individual

By: _____
Dr. Natchez Maurice, individually

SCHEDULE A:
LIST OF MEMBERS

Total Investment		Total Cap Contr	Class A Membership Interest	PIC
$ 30.00	Bart Rendel	3 yr Vesting	3.000%	$ 30.00
$ 30.00	Joel Just	3 yr Vesting	3.000%	$ 30.00
$ 30.00	Kregg Hale	3 yr Vesting	3.000%	$ 30.00
$ 20.00	Chris Wood	3 yr Vesting	2.000%	$ 20.00
$ 20.00	Wendell Brown	3 yr Vesting	2.000%	$ 20.00
$ 15.00	TGC/Farkas Funding, LLC	3 yr Vesting	1.500%	$ 15.00
$ 10.00	Scott Olifant, Esq	3 yr Vesting	1.000%	$ 10.00
$ 1.25	Hannah Harvey	3 yr Vesting	0.125%	$ 1.25
$ 1.25	Jethro Gordon	3 yr Vesting	0.125%	$ 1.25
$ 100.73	SJC, LLC	$ 100.73	23.709%	$ 100.73
$ 50.82	SJC 2, LLC	$ 50.82	12.208%	$ 50.82
$ 33.46	SJC 1, LLC	$ 33.46	6.708%	$ 33.46
$ 185.00	Paladin Ventures, LLC	$ 185.00	7.500%	$ 185.00
$ 185.00	CBWE, LLC	$ 185.00	6.000%	$ 185.00
$ 185.00	Mamber Ventures, LLC	$ 185.00	7.500%	$ 185.00
$ 500,000.00	Basis Investments, LLC	$ 500,000.00	5.000%	$ 50.00
$ 20.00	Greendot Investments, LLC	$ 20.00	2.000%	$ 20.00
$ 100,007.50	Marylin Wiley	$ 100,007.50	1.750%	$ 17.50
$ 15.00	Dennis Wiley	$ 15.00	1.500%	$ 15.00
$ 1,000,005.00	TGC/Farkas Funding, LLC	$ 1,000,005.00	1.500%	$ 1,000,005.00
$ 125,001.88	Scott Olifant	$ 125,000.00	1.188%	$ 10.63
$ 75,005.63	Glenn Plantone	$ 75,001.88	1.063%	$ 10.63
$ 100,000.00	Alan & Theresa Lahrs	$ 100,000.00	1.000%	$ 10.00
$ 100,000.00	Kent Adamson	$ 100,000.00	1.000%	$ 10.00
$ 10.00	Pat and Sandy O'Laughlin	$ 10.00	1.000%	$ 10.00
$ 100,002.50	Greg and Laurie Darroch	$ 100,002.50	0.750%	$ 7.50
$ 50,000.00	Amy and Armond Farr	$ 50,000.00	0.500%	$ 5.00
$ 5.00	Erin Quatrale	$ 5.00	0.500%	$ 5.00
$ 50,000.00	Jean Kempner	$ 50,000.00	0.500%	$ 5.00
$ 50,001.25	JWL Management	$ 50,001.25	0.375%	$ 3.75
$ 50,000.00	Catheryn Cope	$ 50,000.00	0.250%	$ 2.50
$ 50,000.00	Laurie Darroch	$ 50,000.00	0.250%	$ 2.50
$ 2.50	Van Holland	$ 2.50	0.250%	$ 2.50
$ 25,000.00	Dr. Natchez Maurice	$ 25,000.00	0.125%	$ 1.25
$ 25,000.00	Izzy Zalcberg	$ 25,000.00	0.125%	$ 1.25
$ 2,400,973.76	Total	$ 2,400,810.63	100.000%	$ 1,001,092.51

EXHIBIT "D"

MAIER GUTIERREZ & ASSOCIATES

ATTORNEYS AT LAW

June 6, 2017

Via U.S. Mail and Electronic Mail

Erika Pike Turner, Esq.
GARMAN TURNER GORDON
650 White Drive, Suite 100
Las Vegas, Nevada 89119
eturner@gtg.legal

Re: *1st One Hundred Holdings, LLC and First 100, LLC*

Dear Ms. Turner:

We are in receipt of your correspondence of May 2, 2017 and June 5, 2017 and are concerned as it contains numerous significant material misconceptions and misstatements of fact, as well as a number of specious claims and allegations.

First, Charity Johnson is my firm's office manager and she is not an attorney. I take great issue with your blatantly false claim that Ms. Johnson informed your clients that she is an attorney with my firm. You and your clients should have known that I am the attorney for 1st One Hundred Holdings, LLC and First 100, LLC, especially given the fact that I am the attorney who obtained the judgment against Ngan and his entities and I have previously spoken to Adam Flatto's counsel in New York about this matter. From now on, directly all correspondence to me directly.

Next, your clients Adam Flatto and Marshall Rose, as we understand it, are investors in TCG/Farkas Funding, LLC and not in 1st One Hundred Holdings, LLC nor in First 100, LLC. It is TCG/Farkas Funding, LLC that holds a membership interest in 1st One Hundred Holdings, LLC.

As such, while your clients, Flatto and Rose, purportedly hold an interest in TCG/Farkas, they do not hold an interest in 1st One Hundred Holdings, LLC (or First 100, LLC).

Next, you reference "their investment vehicle, TCG/Farkas Funding, LLC", it is our further understanding that TCG/Farkas Funding, LLC has three members, which includes Matthew Farkas who we understand to be the Manager of the LLC.

Further to that point, it is Matthew Farkas who:

> On December 4, 2013, solely signed on behalf of TCG/Farkas Funding, LLC, in his capacity as Manager, the 1st One Hundred Holdings Subscription Agreement;
>
> on December 4, 2013 solely signed on behalf of TCG/Farkas Funding, LLC, again in his capacity as Manager, the 1st One Hundred Holdings Operating Agreement, and then most recently; and

on April 14, 2017, solely signed on behalf of TCG/Farkas Funding, LLC, again in his capacity as Manager, the 1st One Hundred Holdings Membership Interest Redemption Agreement.

Curiously, you did not mention Matthew Farkas in your correspondence. So our client contacted Mr. Farkas and was informed that Mr. Farkas had no knowledge that your firm was contacted, he did not authorize your retention on behalf of TCG/Farkas Funding, LLC and does not now consent to your representation of what we believe to be our client's Member, TCG/Farkas Funding, LLC.

Given our understanding, Mr. Farkas would have to authorize your firm's retention in order to represent our client's Member, TCG/Farkas.

Even under your clients' theory proffered in attempting to invalidate the TCG/Farkas valid signed Membership Interest Redemption Agreement, all signatures, inclusive of Farkas', would be required, which again, Farkas represents that he has not provided. Accordingly, we question the appropriateness and validity of your representation of TCG/Farkas, and your accompanying requests.

You then continue in erroneously referencing the TCG/Farkas Investment as one million dollars for a related 3% interest in First 100, LLC and 1st One Hundred Holdings, LLC. In fact, the one million dollars subscribed by TCG/Farkas was consideration for a 1% Membership Interest. The additional 2% differential to which you refer was compensation to TCG/Farkas member, Matthew Farkas, on a three year vesting schedule as employee compensation, which the company agreed to allow for the transfer to TCG/Farkas, LLC.

You then continue in misstating that our client made "demand for redemption" which "is not permitted by the Operating Agreement, any other Agreement of the Company Members, or otherwise under application Nevada law." In fact, you are mischaracterizing what is effectively a buy back offer instead as a "demand made." Every member had an option to participate or not to participate. Further, please clarify why you believe that the Operating Agreement does not provide for a Membership Interest Redemption offer. Simply, in a meeting of the Managers, which represents the majority of the Membership Interest, the decision was made to make the offering, and subsequently, the offering was accepted by EVERY MEMBER OF THE COMPANY, including TCG/Farkas Funding, LLC.

You conclude that 1st One Hundred Holding's "demand" is designed to "bully" your purported clients into "accepting the company's unnegotiated, unilaterally set and illusory buy-out terms, so as not to suffer the subordination of the Investors Interest." A Disclosure Document is not reasonably construed to be a tool for "bullying," and you are not familiar with the negotiations of the majority in determining the anticipated recovery and the resultant setting of the buyback pricing. Further, nor are you familiar with the discussions relating to the tax advantages of a Membership Interest Redemption as opposed to the ordinary income taxes that would accrue in the event of a distribution, if any were realized, or even made.

Your assertion that the decision of the majority of the membership is actionable is certainly addressable by way of arbitration, as provided for by the Dispute Resolution Provision of the Operating Agreement, if that is what you choose to do.

This is assuming that you acknowledge that Farkas' signature is sufficient in and of itself to have signed on behalf of TCG/Farkas in obtaining the Membership Interest in the first instance.

If instead, your position is that multiple signatures are currently, and always have been, required, then TCG/Farkas Funding, LLC, under your theory, never signed the documents mentioned above, and instead of owning a membership interest, is simply due a refund of an "unconsummated" subscription.

If however, Mr. Farkas was authorized to sign initially as Manager for TCG/Farkas, and there has been a subsequent change, please provide any such amendment to the TCG/Farkas Operating Agreement evidencing any such change in Manager.

You then continue to assert that the "demand for redemption" misleads membership regarding the status of the company and its business. Notwithstanding the provision of a detailed Disclosure Document having been provided, you cite:

1. The lack of finality of the Ngan judgement. In fact, this is one of the disclosures made in the Disclosure Document that was provided to each Member in the redemption offering.

2. You also cite that the Charters are revoked. In fact, while they may have been in arrears, they are current now and both entities enjoy active status.

You address the "first come/first serve" nature of the redemption in your describing the nature of a best efforts redemption, again attempting to create the misperception that a disclosure is somehow "bullying".

With respect to your demand for the extremely burdensome production of numerous documents, setting aside the issue of entitlement of members to certain of those documents, we are not satisfied that you are properly authorized to represent TCG/Farkas Funding, LLC. As your remaining clients are not members of the entities, there is no standing to make demand of the company for any such production. Instead it would appear as though this was an internal TCG/Farkas matter among its membership.

To that end, please provide the retention agreement, indicating that your firm was retained by Matthew Farkas either as Manager for TCG/Farkas Funding, LLC, or under your clients' theory, as a necessary signature for your firm's retention. Also, please provide the TCG/Farkas Funding, LLC Operating Agreement, and any amendments or modifications thereto, in order that we may determine who the manager is and what authorities Mr. Farkas has, as well as any limitations thereto.

Once we evaluate these documents, and make a determination as to TCG/Farkas Funding, LLC's investors standing to demand production of documents of 1st One Hundred, LLC or First 100, LLC, we can address your request.

You then draw baseless conclusions stating that it is your belief that there is mismanagement and lack of reasonable diligence related to verifying the Ngan assets. We completely disagree. In fact, all of the Members have signed affirmations and ratifications of the action of the Managers and

Members, inclusive of TCG/Farkas. As to your misguided reference to lack of diligence, our client took every reasonable effort to verify funds, from reviewing bank statements and documents to third party verifications from business associates. With respect to your "suggestion" that we provide any such information that will quell concerns, we will address that once we have established that it is in fact, TCG/Farkas is making the request.

While you may be "authorized to turn over every rock and pursue any and all rights and remedies under law and equity, criminal and civil" by Mr. Flatto and Mr. Rose, they are not Members in our client entities. And it remains unclear that you in fact actually or lawfully represent TCG/Farkas Funding, LLC.

I would also ask you to address the email communication of January 24, 2017, provided to us by Mr. Farkas, in which Adam Flatto, in response to a deposition transcript from the Ngan Litigation, represents in writing to Mr. Farkas, that he renounces his interest in TCG/Farkas Funding, LLC, stating to Farkas, "We simply want our investment returned. We do not want, and cannot be part of some action involving some person who purportedly is involved with the Mafia, drug lords, etc. and will cede to you excess proceeds, if any from this." *See* enclosed email.

I would direct you to Nevada Rules of Professional Conduct, Rule 3.1, Rule 3.3, Rule 4.1, and Rule 8.4, and strongly recommend that you conduct yourself accordingly.

That said, our clients have no desire to be adverse to Mr. Flatto and Mr. Rose. Your correspondence however is not furthering your clients cause in discussions as to resolution of their concerns.

If you would like to discuss this further, we can do that. My clients are also willing to discuss any concerns and realistic resolution with your clients directly.

Or you can bring the instant matter to Arbitration pursuant to the Operating Agreement, should you feel that is in your clients' best interest.

I look forward to continued discussion and a more productive dialogue in future communications.

Sincerely,

MAIER GUTIERREZ & ASSOCIATES

Joseph A. Gutierrez, Esq.

Encl: 1st One Hundred Holdings, LLC Operating Agreement (signed by Farkas only as Manager)
1st One Hundred Membership Interest Redemption Agreement (signed by Farkas only as Manager)
E-mail from Adam renouncing his interest in TCG/Farkas Funding, LLC
cc: Client

OPERATING AGREEMENT
of
1ST ONE HUNDRED HOLDINGS, LLC

This operating agreement of 1ST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Adopted December 4, 2013 and having an effective date of December 4, 2013, is: (i) adopted by the Manager (as defined below); and (ii) executed and agreed to, for good and valuable consideration, by the Members (as defined below).

ARTICLE I: DEFINITIONS

As used in this Operating Agreement, unless the context clearly indicates otherwise, the following terms have the following meanings:

1.1 "Act" means Chapter 86 of the Nevada Revised Statutes and any successor statute, as amended from time to time.

1.2 "Articles" means the Articles of Organization filed with the Nevada Secretary of State by which the Company was organized as a Nevada limited liability company under and pursuant to the Act.

1.3 "Bankrupt Member" means any Member: (a) that (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for the Member a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in a proceeding of the type described in sub-clauses (i) through (iv) of this Clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member's or of all or any substantial part of the Member's properties; or (b) against which, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without the Member's consent or acquiescence, a trustee, receiver, or liquidator of the Member or of all or any substantial part of the Member's properties has been appointed and 90 days have expired without the appointment's having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

1.4 "Business Day" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Nevada are closed.

1.5 "Capital Contribution" means any contribution by a Member to the capital of the Company.

1.6 "Class A Member" means a Member identified on SCHEDULE A hereto.

1.7 "Class A Membership Interest" means, with respect to any Class A Member, the percentage interest set forth opposite such Class A Member's name on SCHEDULE A, as may be amended from time to time.

1.8 "Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

1.9 "Company" means 1st One Hundred HOLDINGS, LLC, a Nevada limited liability company

1.10 "Default Interest Rate" means a rate per annum equal to the lesser of (a) one percent (1.0%) plus a varying rate per annum that is equal to the Wall Street Journal prime rate as quoted in the money rates section of

the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

1.11 "Delinquent Member" means a Member who does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement.

1.12 "Dispose," "Disposing," or "Disposition" means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

1.13 "General Interest Rate" means a rate per annum equal to the lesser of (a) the Wall Street Journal prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

1.14 "Lending Member" means those Members, whether one or more, who advance the portion of the Delinquent Member's Capital Contribution that is in default.

1.15 "Manager" means SJC Ventures Holding Company, LLC, a Delaware limited liability company. There is only one Manager of the Company.

1.16 "Member" means any Person executing this Operating Agreement as of the date of this Operating Agreement as a Member, or hereafter admitted to the Company as a Member as provided in this Operating Agreement, but does not include any Person who has ceased to be a Member in the Company.

1.17 "Membership Interest" means the interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

1.18 "NRS" means Nevada Revised Statutes.

1.19 "NRS Chapter 86" means the Nevada statutes contained in Chapter 86 of the Nevada Revised Statutes concerning limited-liability companies, and any successor statute, as amended from time to time.

1.20 "Operating Agreement" means this Operating Agreement, as approved or amended by the Members, as herein provided.

1.21 "Permitted Transferee" means any member of such Member's immediate family, or a trust, including a charitable remainder trust, corporation, limited liability company, or partnership controlled by such Member or members of such Member's immediate family, or another Person controlling, controlled by, or under common control with such Member.

1.22 "Person" includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

1.23 "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

ARTICLE II: ORGANIZATION

2.1 FORMATION. The Company has been organized as a Nevada limited liability company by the filing of Articles under and pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of Nevada.

2.2 NAME. The name of the Company is IST ONE HUNDRED HOLDINGS, LLC and all Company business must be conducted in that name, or such other registered names that comply with applicable law as the Manager may select from time to time.

2.3 REGISTERED OFFICE; REGISTERED AGENT; PRINCIPAL OFFICE IN THE UNITED STATES; OTHER OFFICES. The registered office of the Company required by the Act to be maintained in the State of Nevada shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Nevada shall be the initial registered agent named in the Articles or such other Person or Persons as the Manager may designate from time to time in the manner provided by law. The principal office of the Company in the United States shall be at such place as the Manager may designate from time to time, which need not be in the State of Nevada, and the Company shall maintain records there as required by NRS §86.241 and shall keep the street address of such principal office at the registered office of the Company in the State of Nevada. The Company may have such other offices as the Manager may designate from time to time.

2.4 PURPOSES. The purpose of the Company is everything allowable by law.

2.5 FOREIGN QUALIFICATION. Prior to the Company's conducting business in any jurisdiction other than Nevada, the Manager shall cause the Company to comply, to the extent procedures are available and those matters are reasonably within the control of the Manager or Members, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager or Members, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.6 TERM. The Company commenced on the date the Nevada Secretary of State issued a certificate of organization for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.7 MERGERS AND EXCHANGES. The Company may be a party to: (a) a merger; or (b) an exchange or acquisition permitted by the Act, subject to the requirements of this Operating Agreement.

2.8 NO STATE-LAW PARTNERSHIP. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

ARTICLE III; MEMBERS

3.1 ONE CLASS OF MEMBERSHIP INTEREST. The Company shall have one class of Membership Interests: Class A Voting Membership Interests.

3.2 MEMBERSHIP INTERESTS. The Member names and Class A Membership Interests of the Class A Members are set forth on SCHEDULE A.

3.3 CLASSES AND VOTING. The Company may issue voting Membership Interests and non-voting Membership Interests. The Membership certificates shall clearly designate so as to distinguish between voting and non-voting classes. Upon adoption of this Operating Agreement:

i. Class A Members shall have voting rights. All references in this Operating Agreement to discretionary actions subject to a vote of Members shall solely refer to Class A Members.

3.4 VOTING; PROXIES. Each outstanding Class A Membership Interest shall be entitled to one vote per one full percent of Class A Membership Interest owned by the Member on each matter submitted to a vote at a meeting of Members. A Member may vote either in person or by proxy executed in writing by the Member or by his

duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.5 QUORUM. Unless otherwise provided in the Articles, the holders of a simple majority of the Membership Interest entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Class A Members.

3.6 MAJORITY VOTE. With respect to any matter when a quorum is present at any meeting, the vote of the holders of a simple majority of the Membership Interest, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Articles or this Operating Agreement, or by an express provision of the Act which is applicable to such vote unless overridden by the Articles, a different vote is required, in which case such express provision shall govern and control the decision of such matter.

3.7 PLACE AND MANNER OF MEETING. All meetings of the Members shall be held at such time and place, within or without the State of Nevada, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.8 CONDUCT OF MEETINGS. All meetings of the Members shall be presided over by the chairman of the meeting, who shall be a Person designated by the Manager. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.9 ANNUAL MEETING. An annual meeting of the Members shall be held each year. Failure to hold the annual meeting at the designated time shall not work as a dissolution of the Company.

3.10 SPECIAL MEETINGS. Special meetings of the Members may be called at any time by: (i) the Manager of the Company; (ii) the President of the Company if such office exists; or (iii) the holders of at least ten percent (10%) of the Class A Membership interests. Unless waived, notice of such special meeting must be made in writing at least ten days prior to the meeting date, and such notice shall state the purpose of such special meeting and the matters proposed to be acted on thereat. A quorum must be present for such meeting to be recognized and effective.

3.11 NOTICE. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting either personally or by mail, to each Member, provided that such notice may be waived as provided in this Operating Agreement. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Company, with postage thereon prepaid.

3.12 CLOSING RECORD BOOKS AND FIXING RECORD DATE. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or entitled to distribution or in order to make a determination of Members for any other proper purpose, the Manager may provide that the record books shall be closed for a stated period not exceeding sixty (60) days. If the record books shall be closed for the purpose of determining Members entitled to notice of or to vote at a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the record books, the Manager may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days and in the case of a meeting of Members, not less than ten (10) days prior to the date of which the particular action requiring such determination of Members is to be taken. If the record books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, or Members entitled to receive distribution, the date on which notice of the meeting is mailed or the

date on which the resolution of the Manager, declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of record books and the stated period of closing has expired.

3.13 ACTION WITHOUT MEETING. Any meeting, or any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members (including any action requiring less than the vote of a simple majority of the members), may be taken without a formal meeting, and without prior notice, but only if consent in writing, setting forth the action so taken, shall have been signed by the holders of all the Membership Interest for each class entitled to vote and such consent shall have the same force and effect as vote by formal meeting of the Members. Written consents made pursuant to this Section shall be signed and dated.

3.14 CONFIDENTIAL INFORMATION. The Members acknowledge that from time to time, they may receive information from the Manager or other Persons regarding the Company or Persons with which it does business. Each Member shall hold in strict confidence any information it receives regarding the Company that is identified as being confidential (and if that information is provided in writing, that is so marked) and may not disclose it to any person other than to another Member or a Manager, except for disclosures: (i) compelled by law (but the Member must notify the Manager promptly of any request for that information, before disclosing it, if practicable); (ii) to advisers or representatives of the Member or Persons to which that Member's Membership Interest may be Disposed as permitted by this Operating Agreement, but only if the recipients have agreed to be bound by the provisions of this Section; or (iii) of information that Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Members acknowledge that breach of the provisions of this Section may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this Section may be enforced by specific performance. The Members acknowledge that the Manager from time to time may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business, affairs, properties, and financial condition of the Company should be kept confidential and not provided to some or all other Members, and that it is not just or reasonable for those Members to examine or copy that information.

3.15 LIABILITIES TO THIRD PARTIES. Except as otherwise expressly agreed in writing, no Member or the Manager shall be liable for the debts, obligations or liabilities of the Company.

3.16 WITHDRAWAL / SURRENDER. A Member may unilaterally withdraw from the Company as a Member, but only by ways of a written surrender of membership interest tendered to the Company and all Members then in existence.

3.17 LACK OF AUTHORITY TO BIND OR OBLIGATE. The Company is Manager-managed. No Member (other than a Manager or a duly appointed officer) has the authority or power to act for or on behalf of the Company, to do any act that would be obligating or binding on the Company, or to incur any expenditures on behalf of the Company.

3.18 REPRESENTATIONS AND WARRANTIES. Each Member hereby represents and warrants to the Company and each other Member that (a) if that Member is a corporation, it is duly organized, validly existing and in good standing under the law of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein); (b) if that Member is a limited liability company, it is duly organized, validly existing, and (if applicable) in good standing under the law of the state of its organization and is duly qualified and (if applicable) in good standing as a foreign limited liability company in the jurisdiction of its principal place of business (if not organized therein); (c) if that Member is a partnership, trust, or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the law of the state of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), and the representations and warranties in Clause (a), (b), or (c), as applicable, are true and correct with respect to each partner (other than limited partners), trustee, or other Member thereof, (d) that Member has full corporate, limited liability company,

partnership, trust, or other applicable power and authority to execute and agree to this Operating Agreement and to perform its obligations hereunder and all necessary actions by the board of directors, shareholders, Manager, Member(s), partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Operating Agreement by that Member have been duly taken; (e) that Member has duly executed and delivered this Operating Agreement; and (f) that Member's authorization, execution, delivery, and performance of this Operating Agreement do not conflict with any other agreement or arrangement to which that Member is a party or by which it is bound.

3.19 ADMISSION OF ADDITIONAL MEMBERS. Following adoption of this Operating Agreement, the Company may admit one or more additional Members from time to time, but only upon the simple majority vote of Class A Members then in existence. The terms of admission or issuance must specify the Capital Contributions applicable thereto, and may also provide for the creation of additional classes of Members and having different rights, powers, and duties, but is so then this Operating Agreement shall be amended to reflect such added classes. Upon the admission to the Company of any additional members, the Membership Interests of the other Members shall be reduced accordingly on a pro rata basis. SCHEDULE A shall be amended from time to time as of the effective date of the admission of an additional member to the Company. As a condition to being admitted to the Company, each additional member shall execute an agreement to be bound by the terms and conditions of this Agreement.

3.20 RESTRICTIONS ON TRANSFERENCE OF MEMBERSHIP INTEREST. Notwithstanding anything herein to the contrary, the Membership Interest and transferability of Membership Interest in the Company are substantially restricted. Neither record title nor beneficial ownership of a Membership Interest may be transferred or encumbered without the consent of all Members. This Company is formed by a closely-held group, who will have surrendered certain management rights (in exchange for limited liability) based upon their relationship and trust. Capital is also material to the business and investment objectives of the Company and its federal tax status. An unauthorized transfer of a Membership Interest could create a substantial hardship to the Company, jeopardize its capital base, and adversely affect its tax structure. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the Company's capital and its financial ability to continue. Notwithstanding the foregoing restrictions upon transfer and ownership, the following transfers are permitted:

A. Death of a Member Who Is A Natural Person. The personal representative of a deceased Member's estate, or his or her contract beneficiary, may exercise all of the decedent's rights and powers as a Member, and the decedent's Membership Interest in the Company will continue and pass to those entitled thereto upon the Member's death. It is specifically provided that a Member may prepare a written and acknowledged document in which he or she designates one or more beneficiaries of that Person's Membership Interest, and his or her written designation will be binding upon the Company if delivered to the Company before or within at least sixty 60 days after the death of the Member.

B. Estate Planning Transfers. A Member will also have the right to make estate planning transfers of all or any part of his or her Membership Interest in the Company. The term "estate planning transfer" will mean any transfer made during the life of a Member without value, or for less than full consideration, by way of a marital partition agreement and/or a transfer of all or any part of a Membership Interest to a trust whose beneficiary or beneficiaries are the Member and/or the spouse of a Member, and/or the descendants of a Member, and/or one or more beneficiaries qualified to receive a charitable gift under § 170(c) of the Code. The Articles and this Operating Agreement will bind the transferee of any estate planning transfer to the exact terms and conditions of the Articles and this Operating Agreement.

C. Transfers for Convenience. A Member who is a company may freely transfer its Membership to another company whose ownership is identical to the ownership of the assignor Member, provided, however, that such Member may not cause or permit an interest, direct or indirect, in itself to be disposed of such that, after the disposition, (a) the Company would be considered to have terminated within the meaning of §708 of the Code or (b) that Member shall cease to be controlled by substantially the same Persons who control it as of the date of its admission to the Company. On any breach of the provisions of clause (b) of the immediately preceding sentence, the Company shall have the option to buy, and on exercise of that option the breaching Member shall sell, the breaching Member's Membership Interest all in accordance with Article XI as if the breaching Member were a Bankrupt

Member.

D. Approved Sale or Transfers. A Member may transfer its Membership to another Person upon the written approval of a simple majority of the Class A Members.

3.21 DISPUTED TRANSFERS. The Company will not be required to recognize the interest of any transferee who has obtained a purported interest as the result of a transfer of ownership which is not an authorized transfer. If the Membership Interest is in doubt, or if there is reasonable doubt as to who is entitled to a distribution of the income realized from a Membership Interest, the Company may accumulate the income until this issue is finally determined and resolved. Accumulated income will be credited to the capital account of the Member whose interest is in question.

3.22 RIGHT OF FIRST REFUSAL. If any Person or agency should acquire the interest of a Member as the result of an order of a court of competent jurisdiction which the Company is required to recognize, or if a Member makes an unauthorized transfer of a Membership Interest which the Company is required to recognize, the interest of the transferee may then be acquired by the Company upon the following terms and conditions:

(a) The Company will have the unilateral option to re-acquire the Membership Interest by giving written notice to the transferee of its intent to purchase within 90 days from the date it is finally determined that the Company is required to recognize the transfer.

(b) The Company will have 180 days from the first day of the month following the month in which it delivers notice exercising its option to purchase the Membership Interest. The valuation date for the Membership Interest will be the first day of the month following the month in which notice is delivered.

(c) Unless the Company and the transferee agree otherwise, the fair market value of a Member's Membership Interest is to be determined by the written appraisal of a Person or firm qualified to value this type of business. The appraiser selected by the Company must be a member of and qualified by the American Society of Appraisers, Business Valuations Division, [P. O. Box 17265, Washington, DC 20041] to perform appraisals.

(d) Closing of the sale will occur at the registered office of the Company at 10 o'clock A.M. on the first Tuesday of the month following the month in which the valuation report is accepted by the transferee (called the "closing date"). The transferee must accept or reject the valuation report within 30 days from the date it is delivered. If not rejected in writing within the required period, the report will be accepted as written. If rejected, closing of the sale will be postponed until the first Tuesday of the month following the month in which the valuation of the Membership Interest is resolved. The transferee will be considered a non-voting owner of the Membership Interest, and entitled to all items of income, deduction, gain or loss from the Membership Interest, plus any additions or subtractions therefrom until closing.

(e) In order to reduce the burden upon the resources of the Company, the Company will have the option, to be exercised in writing delivered at closing, to pay its purchase money obligation in 10 equal annual installments (or the remaining terms of the Company if less than 10 years) with interest thereon at market rates, adjusted annually as of the first day of each calendar year at the option of the Manager. The term "market rates" will mean the rate of interest prescribed as the "prime rate" as quoted in the money rates section of the Wall Street Journal, which is also the base rate on corporate loans at large United States money center commercial banks, as of the first day of the calendar year. If §§483 and 1274A of the Code apply to this transaction, the rate of interest of the purchase money obligation will be fixed at the rate of interest then required by law. The first installment of principal, with interest due thereon, will be due and payable on the first day of the calendar year following closing, and subsequent annual installments, with interest due thereon, will be due and payable, in order, on the first day of each calendar year which follows until the entire amount of the obligation, principal and interest, is fully paid. The Company will have the right to prepay all or any part of the purchase

money obligation at any time without premium or penalty.

(f) The Manager may assign the Company's option to purchase to one or more of the Members (this with the affirmative consent of no less than 50% of the remaining Members, excluding the interest of the Member or transferee whose interest is to be acquired), and when done, any rights or obligations imposed upon the Company will instead become, by substitution, the rights and obligations of the Members who are assignees.

(g) Neither the transferee of an unauthorized transfer or the Member causing the transfer will have the right to vote during the prescribed option period, or if the option to purchase is timely exercised, until the sale is actually closed.

3.23 **TAX TREATMENT OF TRANSFERRED MEMBERSHIP INTERESTS.** With respect to any transferred Membership Interest that may occur, all items of income, gain, loss, deduction, and credit allocable to any transferred Membership Interest shall for tax purposes be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Membership Interest without regard to the results of Company operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under §706 of the Code and the regulations thereunder.

ARTICLE IV: CAPITAL CONTRIBUTIONS

4.1 **INITIAL CONTRIBUTIONS.** Contemporaneously with the execution by such Member of this Operating Agreement, each Member shall make the Capital Contributions described for that Member in SCHEDULES A and B. No interest shall be earned or paid on Capital Contributions or a member's capital account.

4.2 **SUBSEQUENT CONTRIBUTIONS.** If necessary and appropriate to enable the Company to meet its costs, expenses, obligations, and liabilities, and if no lending source is available, then the Manager shall notify each Class A Member ("Capital Call") of the need for any additional capital contributions, and such capital demand shall be made on each Class A Member in proportion to its Class A Membership Interest. Any such Capital Call notice must include a statement in reasonable detail of the proposed uses of the required additional capital contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the additional capital contributions must be made.

4.3 **FAILURE TO CONTRIBUTE.** If a Member does not contribute all of its share of a Capital Call by the time required, then either:

1) One or more Class A Members may provide the additional capital, with such added capital to be reflected in that Class A Member's Capital Contribution, however, such additional capital to be entitled to priority return superior to those set forth in Article V.

or

2) Any other Members, individually or in concert (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Call that is in default, with the following results:

   (a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement;

   (b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefore by the Lending Member to the Delinquent Member;

(c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member;

(d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal);

(e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership Interest, and the Lending Member may file a financing statement evidencing and perfecting such security interest; and

(f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including, without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member.

4.4 **RETURN OF CONTRIBUTIONS.** Class A Members are not entitled to the return of any part of their Capital Contributions. An un-repaid Capital Contribution is not a liability of the Company or of any Member.

4.5 **ADVANCES BY MEMBERS.** If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so with the Manager's consent may advance all or part of the needed funds to or on behalf of the Company. An advance described in this Section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the date of payment, and is not a Capital Contribution.

4.6 **CAPITAL ACCOUNTS.** A capital account shall be established and maintained for each Member, by Class. The Members' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.704-1 (b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. § 1.704-1 (b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. §1.704-l(b)(2)(iv)(g). On the transfer of all or part of a Membership Interest, the capital account of the transferor that is attributable to the transferred Membership Interest or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. §1.704-l(b)(2)(iv)(l).

ARTICLE V: ALLOCATIONS AND DISTRIBUTIONS

5.1 **DISTRIBUTIONS.** From time to time (but at least once each calendar quarter) the Manager shall determine in its reasonable judgment to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. If such an excess exists, the Manager shall cause the Company to distribute to the Members an amount in cash (or property other than cash) equal to that excess. Distributions by the Manager shall be mandatory upon the affirmative vote of a simple majority of the Class A Members, subject to Section 5.5.

5.2 **ALLOCATION OF PROFIT DISTRIBUTIONS OF THE COMPANY.** Profit distributions of the Company in each fiscal quarter shall be allocated to the Members as follows:

1. To the Class A Members in accordance with their respective Class A Membership Interests.

5.3 **RIGHT TO RECEIVE DISTRIBUTIONS.** Except as otherwise provided in NRS §86.391 and §86.521, at the time a Member becomes entitled to receive a distribution, the Member has the status of and is entitled

to all remedies available to a creditor of the Company with respect to the distribution.

5.4 LIMITATION ON DISTRIBUTION. Notwithstanding any other provision in this Article, the Manager may not make a distribution to the Company's Members to the extent that, immediately after giving effect to the distribution, all liabilities of this Company, other than liabilities to Members with respect to their interests and liabilities for which the recourse of creditors is limited to specified property of this Company, exceed the fair value of this Company assets, except that the fair value of property that is subject to a liability for which recourse of creditors is limited shall be included in this Company's assets only to the extent that the fair value of that property exceeds that liability. However, a Member who receives such a distribution has no liability under the Act to return the distribution unless the Member knew that the distribution violated any provision of the Act.

ARTICLE VI: MANAGER

6.1 MANAGEMENT BY MANAGER.

A. Except for situations in which the approval of the Members is required by this Operating Agreement or by non-waivable provisions of applicable law, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of the Manager. No member shall take part in the management of the Company's business, transact any business in the Company's name or have the power to sign documents or otherwise bind the Company. The Manager may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

(1) hiring, managing, and terminating officers, employees, and independent contractors

(2) entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company;

(3) opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

(4) maintaining the assets of the Company in good order;

(5) collecting sums due the Company;

(6) to the extent that funds of the Company are available therefore, paying debts and obligations of the Company;

(7) acquiring, utilizing for Company purposes, and Disposing of any asset of the Company;

(8) borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;

(9) selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;

(10) obtaining insurance for the Company;

(11) determining distributions of Company cash and other property as provided in Article V; and

(12) the institution, prosecution and defense of any proceeding in the Company's name.

B. Notwithstanding the provisions of Section 6.1 A., the Manager may not cause the Company to do any of the following without complying with the applicable requirements set forth below:

(1) sell, lease, exchange or otherwise dispose of (other than by way of a pledge, mortgage, deed of trust or trust indenture) all or substantially all the Company's property and assets (with or without good will), other than in the usual and regular course of the Company's business, without complying with the applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by a simple majority of the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(2) be a party to (i) a merger, or (ii) an exchange or acquisition, without complying with the

applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by a simple majority of the Members (unless such provision is rendered inapplicable by another provision of applicable law);

(3) amend or restate the Articles, without complying with the applicable procedures set forth in the Act, including, without limitation, the requirements set forth in this Operating Agreement regarding approval by a simple majority of the Members, unless such provision is rendered inapplicable by another provision of applicable law.

6.2 ACTIONS BY MANAGER; DELEGATION OF AUTHORITY AND DUTIES.

A. In managing the business and affairs of the Company and exercising its powers, the Manager shall act: (i) collectively through meetings and written consents consistent as may be provided or limited in other provisions of this Operating Agreement; (ii) through officers to whom management authority and duties have been delegated, pursuant to subsection (C) below; and (iii) through committees comprised of Members and management, if any so may be appointed.

B. The Manager may, from time to time, designate one or more advisory boards to provide guidance and insight to the Company's strategic direction and operations, provided, however, that any such advisory board shall have no managerial authority or any other authority to act on behalf of or bind the Company.

C. The Manager may, from time to time, designate one or more natural persons to be officers of the Company. No officer need be a resident of the State of Nevada or a Member. Any officers so designated shall have such authority and perform such duties as the Manager may, from time to time, delegate to them. The Manager may assign titles to particular officers. Unless the Manager decide otherwise, if the title is one commonly used for officers of a business corporation formed under the NRS Chapter 78, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office but may also include other such specific delegation of authority and duties made to such officer by the Manager. Each officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been terminated by Manager or the President of the Company, if any. Any number of offices may be held by the same person. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Manager or the President of the Company (if such position has been appointed). Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Manager. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Manager whenever in their judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Manager.

D. Any Person dealing with the Company, other than a Member, may rely on the authority of the Manager or officer in taking any action in the name of the Company without inquiry into the provisions of this Operating Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

6.3 AGENCY. The Manager and any appointed officers are agents of this Company for the purpose of any act carrying out the business of the Company, including the execution in the name of the Company of any instrument for apparently carrying on in the usual way the business of this Company.

6.4 COMPENSATION. The Manager shall be paid reasonable compensation and reimbursed for all expenses incurred on behalf of the Company.

6.5 REMOVAL AND RESIGNATION. The Manager may not be removed or terminated by the Members except by unanimous vote. The Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein.

6.6 VACANCIES. Any vacancy occurring in the position of Manager may only be filled by the affirmative vote of a simple majority of Class A Members by election at a special meeting of Members called for that purpose.

6.7 APPROVAL OR RATIFICATION OF ACTS OR CONTRACTS BY MEMBERS. The Manager in its discretion may submit any act or contract for approval or ratification at any annual meeting of the Members, or at any special meeting of the Members called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by a simple majority of the Class A Members shall be as valid and as binding upon the Company and upon all the Members as if it shall have been approved or ratified by every Member of the Company.

6.8 INTERESTED MANAGER, OFFICERS AND MEMBERS.

A. No contract or transaction shall be voidable between this Company and any other Person in which the Company's Manager, any Member, or any officer is (i) that Person or (ii) holds a financial interest in that Person, if:

(1) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to all of the Members, and the Manager or committee in good faith authorizes the contract or transaction; or

(2) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to all Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or

(3) The contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Manager or the Members.

B. A Member who is a Manager may be counted in determining the presence of a quorum at a meeting of the Members which authorizes the contract or transaction.

ARTICLE VII; INDEMNIFICATION

7.1. DEFINITIONS. For purposes of this Article VII:

A. "Limited Liability Company" includes any domestic or foreign predecessor entity of the Company in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Company by operation of law and in any other transaction in which the Company assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article.

B. "Manager" means any Person who is or was a Manager of the Company and any Person who, while a Manager of the Company, is or was serving at the request of the Company as a Manager, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

C. "Expenses" include court costs and attorneys' fees.

D. "Official capacity" means: (1) when used with respect to a Manager, the office of Manager in the Company; and (2) when used with respect to a Person other than a Manager, the elective or appointive office in the Company held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Company; provided, however, that "official capacity" does not include service for any other foreign or domestic limited liability company, corporation, or any partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

E. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether

civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, or proceeding.

7.2 STANDARD FOR INDEMNIFICATION. The Company shall indemnify a Person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the Person is or was a Manager or Officer of the Company, or for any action, related to Company or for non-Company matters, if it is determined either by the Manager for any reason, or in accordance with this Article, that the Person:

A. conducted himself in good faith;

B. reasonably believed (i) in the case of conduct in his official capacity as a Manager of the Company, that his conduct was in the Company's best interests, and (ii) in all other cases, that his conduct was at least not opposed to the Company's best interests;

C. in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful; or

D. for any other reason as may be determined solely in the discretion of the Manager.

7.3 PROHIBITED INDEMNIFICATION. Except to the extent permitted by this Article, a Manager or Member may not be indemnified under any Section of this Article in respect of a proceeding:

A. in which the Person is found liable on the basis that personal benefit from company assets was improperly received by him; or

B. in which the Person is found liable to the Company.

Either the Manager or simple majority of the membership may elect to provide for such indemnification of the Manager or any party under any circumstance.

7.4 EFFECT OF TERMINATION OF PROCEEDING. The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent is not of itself determinative that the Person did not meet the requirements set forth in any Section of this Article. A Person shall be deemed to have been found liable in respect of any claim, issue or matter only after the Person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Until such time as to a final disposition, the Company shall provide the indemnification and defenses contemplated herein.

7.5 EXTENT OF INDEMNIFICATION. A Person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the Person in connection with the proceeding; but if the Person is found liable to the Company or is found liable on the basis that Personal benefit was improperly received by the Person, the indemnification shall (a) be limited to reasonable expenses actually incurred, and (b) not be made in respect of any proceeding in which the Person shall have been found liable for willful or intentional misconduct in the performance of such Person's duty to the Company.

7.6 DETERMINATION OF INDEMNIFICATION. A determination of indemnification under any Section of this Article may be made by (i) the Manager, (ii) legal counsel to the company, or (iii) by a simple majority of the Members in a vote.

7.7 AUTHORIZATION OF INDEMNIFICATION. Authorization of indemnification and determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that: (i) if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses must be made in the manner specified by the foregoing Section for the selection of special legal counsel; and (ii) the provision of this Article making indemnification mandatory in certain cases specified herein shall be deemed to constitute authorization in the manner specified by this Section of indemnification in such cases. A Manager or its

employees or officers shall automatically be afforded indemnification should the Manager no longer be serving in such capacity for the Company.

7.8 SUCCESSFUL DEFENSE OF PROCEEDINGS. Except as provided otherwise by law or by this Operating Agreement, the Company shall indemnify a Manager against reasonable expenses incurred by him in connection with a proceeding in which he is a named defendant or respondent if he has been wholly successful, on the merits or otherwise, in the defense of the proceeding.

7.9 COURT ORDER IN SUIT FOR INDEMNIFICATION. Indemnification required by the foregoing Section shall be subject to Order upon request by an indemnified party in a court of competent jurisdiction upon claim by the Manager as to entitlement to indemnification under that Section, the court shall order indemnification and shall award to the Manager the expenses incurred in securing the indemnification.

7.10 COURT DETERMINATION OF INDEMNIFICATION. Upon application of a Manager, a court of competent jurisdiction shall determine, after giving any notice the court considers necessary, that the Manager is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in any Section of this Article or has been found liable in the circumstances described in any Section of this Article. The court shall order the indemnification that the court determines is proper and equitable; but, if the Person is found liable to the Company or is found liable on the basis that personal benefit was improperly received by the Person, the indemnification shall be limited to reasonable expenses actually incurred by the Person in connection with the proceeding.

7.11 ADVANCEMENT OF EXPENSES. Reasonable expenses incurred by a Manager who was, is, or is threatened to be made a named defendant or respondent in a proceeding shall be paid or reimbursed by the Company in advance of the final disposition of the proceeding, without the authorization or determination specified in this Article, after the Company receives a written affirmation by the Manager of his good faith belief that he has met the standard of conduct necessary for indemnification under this Article and a written undertaking, which must be an unlimited general obligation of the Manager (and can be accepted without reference to financial ability to make repayment) but need not be secured, made by or on behalf of the Manager to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard or if it is ultimately determined that indemnification of the Manager against expenses incurred by him in connection with that proceeding is prohibited by this Article. A provision contained in the Articles, this Operating Agreement, a resolution of Members or Manager, or an agreement that makes mandatory the payment or reimbursement permitted under this Section shall be deemed to constitute authorization of that payment or reimbursement.

7.12 EXPENSES OF WITNESS. Notwithstanding any other provision of this Article, the Company may pay or reimburse expenses incurred by a Manager in connection with his appearance as a witness or other participation in a proceeding at a time when he is not a named defendant or respondent in the proceeding, given that such appearance or participation occurs by reason of his being or having been a Manager of the Company.

7.13 INDEMNIFICATION OF OFFICERS. The Company may, at the discretion of the Manager, indemnify and advance or reimburse expenses to a Person who is or was an officer of the Company to the same extent that it shall indemnify and advance or reimburse expenses to Manager under this Article.

7.14 INDEMNIFICATION OF OTHER PERSONS. The Company may, at the discretion of the Manager, indemnify and advance expenses to any Person who is not or was not an officer, employee, or agent of the Company but who is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise to the same extent that it shall indemnify and advance expenses to Manager under this Article.

7.15 ADVANCEMENT OF EXPENSES TO OFFICERS AND OTHERS. The Company shall indemnify and advance expenses to an officer, and may indemnify and advance expenses to an employee or agent of the Company, or other Person who is identified in the foregoing Section and who is not a Manager, to such further extent as such Person may be entitled by law, agreement, vote of Members or otherwise.

7.16 CONTINUATION OF INDEMNIFICATION. The indemnification and advance payments provided by this Article shall continue as to a Person who has ceased to hold his position as a Manager, officer, employee or agent, or other Person described in any Section of this Article, and shall inure to his heirs, executors and administrators.

7.17 LIABILITY INSURANCE. The Company may purchase and maintain insurance or another arrangement on behalf of any Person who is or was a Manager, officer, employee, or agent of the Company or who is or was serving at the request of the Company as a Manager, director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a Person, whether or not the Company would have the power to indemnify him against that liability under this Article. If the insurance or other arrangement is with a Person or entity that is not regularly engaged in the business of providing insurance coverage, the insurance or arrangement may provide for payment of a liability with respect to which the Company would not have the power to indemnify the Person only if including coverage for the additional liability has been approved by the Members of the Company. Without limiting the power of the Company to procure or maintain any kind of insurance or other arrangement, the Company may, for the benefit of Persons indemnified by the Company, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Company; or (4) establish a letter of credit, guaranty, or surety arrangement. The insurance or other arrangement may be procured, maintained, or established within the Company or with any insurer or other Person deemed appropriate by the Manager regardless of whether all or part of the stock or other securities of the insurer or other Person are owned in whole or part by the Company. In the absence of fraud, the judgment of the Manager as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other Person participating in an arrangement shall be conclusive and the insurance or arrangement shall not be avoidable and shall not subject the Manager approving the insurance or arrangement to liability, on any ground, regardless of whether Manager participating in the approval are beneficiaries of the insurance or arrangement.

ARTICLE VIII: CERTIFICATES

8.1 CERTIFICATES. Certificates in the form determined by the Manager may be executed representing all Membership Interests then outstanding, as may change from time to time. Such certificates shall be consecutively numbered, and shall be entered in the books of the Company as they are issued. Each certificate shall state on the face thereof the holder's name, the class of membership, the Membership Interest, and such other matters as may be required by the laws of the State of Nevada. They shall be signed by a Manager or officer of the Company, and may be sealed with the seal of the Company if adopted. A Member has the right to possess the original certificate, provided, however, that the Manager may keep a copy of such certificate in the records of the Company.

8.2 REPLACEMENT OF LOST OR DESTROYED CERTIFICATE. The Manager may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the holder of record thereof, or his duly authorized attorney or legal representative who is claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Manager in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate or certificates or his legal representative to advertise the same in such manner as it shall require or to give the Company a bond with surety and in form satisfactory to the Company (which bond shall also name the Company's transfer agents and registrars, if any, as obligees) in such sum as it may direct as indemnity against any claim that may be made against the Company or other obligees with respect to the certificate alleged to have been lost or destroyed, or to both advertise and also give such bond.

8.3 TRANSFER OF MEMBERSHIP INTEREST. Upon surrender to the Company or the transfer agent of the Company of a certificate for Membership Interest duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Company to issue a new certificate to the Person entitled thereto, cancel the old certificate, and record the transaction upon its books.

8.4 REGISTERED MEMBERS. The Company shall be entitled to treat the holder of record of any certificate or certificate of Membership Interest of the Company as the owner thereof for all purposes and, accordingly shall not be bound to recognize any equitable or other claim to or interest in such Membership Interest or any rights deriving from such Membership Interest on the part of any other Person, including (but without limitation) a purchaser, assignee or transferee, unless and until such other Person becomes a Member, whether or not the Company shall have either actual or constructive notice of the interest of such Person, except as otherwise provided by law.

ARTICLE IX: TAXES

9.1 TAX RETURNS. The tax matters partner, as defined in Section 9.3, shall cause to be prepared and filed any necessary federal and state income tax returns for the Company, including making the elections described in Section 9.2. Each Member shall furnish to the tax matters partner all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

9.2 TAX ELECTIONS. The Company may make the following elections on the appropriate tax returns:

A. to adopt the calendar year as the Company's fiscal year;

B. to adopt the cash method of accounting and to keep the Company's books and records on the income-tax method;

C. if a distribution of Company property as described in §734 of the Code occurs or if a transfer of a Membership Interest as described in §743 of the Code occurs, on written request of any Member, to elect, pursuant to §754 of the Code, to adjust the basis of Company properties;

D. to elect to amortize the organizational expenses of the Company and the start-up expenditures of the Company under §195 of the Code as permitted by §709(b) of the Code; and

E. any other election the Manager may deem appropriate and in the best interests of the Members.

9.3 TAX MATTERS PARTNER. The Manager shall designate itself to be the "tax matters partner" of the Company pursuant to §6231(a)(7) of the Code. The tax matters partner shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of §6223 of the Code. Any Member who is designated tax matters partner shall inform each other Member of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice thereof on or before the fifth Business Day after becoming aware thereof and, within that time, shall forward to each other Member copies of all significant written communications it may receive in that capacity. The tax matters partner may not take any action contemplated by §§6222 through 6232 of the Code without the consent of a simple majority of Members but this sentence does not authorize any action left to the determination of an individual Member under §§6222 through 6232 of the Code.

ARTICLE X: NOTICE

10.1 METHOD. Whenever by statute or the Articles or this Operating Agreement, notice is required to be given to any Member or the Manager, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, postage prepaid, addressed to the Manager or Member at the address appearing on the books of the Company, or in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when the same is thus deposited in the United States mail.

10.2 WAIVER. Whenever, by statute or the Articles or this Operating Agreement, notice is required to

be given to any Member or Manager, a waiver thereof in writing signed by the Person or Persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of the Manager or a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Manager or Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

ARTICLE XI: BANKRUPTCY OF A MEMBER

11.1 **BANKRUPTCY.** If any Member becomes a Bankrupt Member, the Company shall have the option, exercisable by notice from the Manager to the Bankrupt Member (or its representative) at any time prior to the 180th day after receipt of notice of the occurrence of the event causing it to become a Bankrupt Member, to buy, and on the exercise of this option the Bankrupt Member's bankruptcy estate (or the trustee thereof) shall sell, its Membership Interest to the Company. The purchase price shall be a dollar amount equal to the Class A Capital Contribution of the Bankrupt Member. The payment to be made to the Bankrupt Member or its estate pursuant to this Section is in complete liquidation and satisfaction of all the rights and interest of the Bankrupt Member and its estate (and of all Persons claiming through the Bankrupt Member and its estate) in and in respect to the Company, including, without limitation, any Membership Interest, any rights in specific Company property, and any rights against the Company and (insofar as the affairs of the Company are concerned) against the Members.

ARTICLE XII: DISSOLUTION, LIQUIDATION, AND TERMINATION

12.1 **DISSOLUTION.** The Company shall dissolve and its affairs shall be wound up on the written consent of all Members.

12.2 **LIQUIDATION AND TERMINATION.** On dissolution of the Company, the Manager shall act as liquidator or may appoint one or more Members as liquidator. If there is no Manager then the Members by simple majority vote will appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Manager. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

B. the liquidator shall provide written notice to be mailed to each known creditor of and claimant against the Company;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to the Members as follows:

(1) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(2) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in

property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(3) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the partnership occurs (other than those made by reason of this Clause (3)); and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation). All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 12.2. The distribution of cash and/or property to a Member in accordance with the provisions of this Section 12.2 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

12.3 **DEFICIT CAPITAL ACCOUNTS.** Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation), or distributions of money pursuant to this Operating Agreement to all Members in proportion to their respective Capital Contributions, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

12.4 **ARTICLES OF DISSOLUTION.** On completion of the distribution of Company assets as provided herein, the Company is terminated, and the Manager or a Member shall file Articles of Dissolution with the Secretary of State of Nevada and take such other actions as may be necessary to terminate the Company.

ARTICLE XIII: GENERAL PROVISIONS

13.1 **BOOKS AND RECORDS.**

A. The Company shall maintain those books and records as provided by statute and as it may deem necessary or desirable. All books and records provided for by statute shall be open to inspection of the Members from time to time and to the extent expressly provided by statute. The Manager may examine all such books and records at all reasonable times. The Company shall keep and maintain the following records in its principal office in the United States or make them available in that office within five days after the date of receipt of a written request as may be specified in the Act:

(1) a current list that states:

(a) the name and mailing address of each Member;
(b) the percentage or other interest in the Company owned by each Member; and
(c) if one or more classes or groups are established in or under the Articles or this Operating Agreement, the names of the Members who are Members of each specified class or group;

(2) copies of the federal, state, and local information or income tax returns for the Company's six most recent tax years.

(3) a copy of the Articles and this Operating Agreement, all amendments or restatements, executed copies of any powers of attorney, and copies of any document that creates, in the manner provided by the Articles or this Operating Agreement, classes or groups of Members;

(4) unless contained in the Articles or this Operating Agreement, a written statement of:

(a) the amount of the cash contribution and a description and statement of the agreed value of any other contribution made by each Member, and the amount of the cash contribution and a description and statement of the agreed value of any other contribution that the Member has agreed to make in the future as an additional contribution;
(b) the times at which additional contributions are to be made or events requiring additional contributions to be made;
(c) events requiring the Company to be dissolved and its affairs wound up; and
(d) the date on which each Member in the Company became a Member; and

(5) correct and complete books and records of accounts of the Company.

B. The Company shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

C. The Company shall keep in its registered office in Nevada and make available to Members on reasonable request the street address of its principal United States office in which the records required by this Section are maintained or will be available.

D. A Member, on written request stating the purpose, may examine and copy, in person or by the Member's representative, at any reasonable time, for any proper purpose, and at the Member's expense, records required to be kept under this Section and other information regarding the business, affairs, and financial condition of the Company as is just and reasonable for the Person to examine and copy.

E. On the written request by any Member, the Manager shall provide to the requesting Member or assignee, without charge, true copies of:

(1) the Articles and this Operating Agreement and all amendments or restatements; and
(2) any of the tax returns described in the Act.

13.2 **AMENDMENT OR MODIFICATION.** This Operating Agreement may be amended or modified from time to time only by a written instrument adopted by the affirmative vote of 98% or more of the Class A Members.

13.3 **CHECKS, NOTES, DRAFTS, ETC.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Company shall be signed or endorsed by one or more designated Persons appointed by the Manager or Chief Financial Officer of the Company, if such officer position exists.

13.4 **HEADINGS.** The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

13.5 **CONSTRUCTION.** Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits or Schedules, if any, are to Exhibits or Schedules attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and
B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

13.6 ENTIRE AGREEMENT; SUPERSEDURE. This Operating Agreement constitutes the entire agreement of the Members of the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

13.7 EFFECT OF WAIVER OR CONSENT. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.8 BINDING EFFECT. Subject to the restrictions on Dispositions set forth in this Operating Agreement, this Operating Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

13.9 DISPUTE RESOLUTION - BINDING ARBITRATION ELECTION. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall solely be settled by arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The parties specifically waive any rights to litigation as a dispute resolution methodology and further divest any Court of jurisdiction to determine disputes between the parties to this Agreement. Notwithstanding, judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. The arbitration shall be held in the City of Las Vegas and State of Nevada, in the English language, and shall be conducted before three arbitrators, wherein the party calling for arbitration selects one arbiter, the party defending selects one arbiter and the arbiters select a third, agreeable to the parties or, if no agreement can be reached, then selected by the AAA. All costs related to the arbitration shall initially be borne by the aggrieved party. The arbitrators shall make findings of fact and law in writing in support of his decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate. The provisions hereof shall not preclude any party from seeking post arbitration injunctive relief to protect or enforce its rights hereunder, or prohibit any court from making findings of fact in connection with granting or denying such injunctive relief after and in accordance with the decision of the arbitrator. No decision of the arbitrator shall be subject to judicial review or appeal; the parties waive any and all rights of judicial appeal or review, on any ground, of any decision of the arbitrator.

13.10 LIQUIDATED DAMAGES PROVISION. Should any party initiate a civil proceeding against any other, notwithstanding the binding arbitration provision above, such party initiating civil litigation shall recognize that it has caused material damage and harm to the other by way of their breach of this agreement, and agrees to provide to the named defendant party, liquidated damages in the amount of any costs of defense incurred by the aggrieved party plus ten thousand dollars ($10,000.00).

13.11 GOVERNING LAW; SEVERABILITY. THIS OPERATING AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEVADA, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS OPERATING AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Operating Agreement and (a) any provision of the Articles, or (b) any mandatory provision of the Act, the applicable provision of the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

13.12 FURTHER ASSURANCES. In connection with this Operating Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating

Agreement and those transactions.

13.13 NOTICE TO MEMBERS OF PROVISIONS OF THIS AGREEMENT. By executing this Operating Agreement, each Member acknowledges that it has actual notice of: (a) all of the provisions of this Operating Agreement, including, without limitation, the restrictions on the transfer of Membership Interests set forth in Article III; and (b) all of the provisions of the Articles. Each Member hereby agrees that this Operating Agreement constitutes adequate notice of all such provisions, including, without limitation, any notice requirement under the Chapter 86 of the Nevada Revised Statutes and under the Nevada Uniform Commercial Code, and each Member hereby waives any requirement that any further notice thereunder be given.

13.14 COUNTERPARTS. This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

13.15 CONFLICTING PROVISIONS. To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then the Manager shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to the Manager in interpreting the provisions of this Operating Agreement to accomplish the purposes and objectives of the Company, and the Manager may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in their sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to one or more Members or the Manager.

# # # # #

IN WITNESS WHEREOF, the undersigned hereby certify that the foregoing Operating Agreement was unanimously adopted by the Members and Manager, effective as of the first date written in the preamble above, and we have hereunto affixed our signatures.

MANAGER:

MANAGER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company

By: _____
Jay Bloom, Manager

MEMBERS:

MEMBER: SJC VENTURES HOLDING COMPANY LLC, a Delaware limited liability company

By: _____
Jay Bloom, Manager

MEMBER: SJC 1, LLC, a Nevada limited liability company

By: _____
Jay Bloom, Manager

MEMBER: SJC 2, LLC, a Nevada limited liability company

By: _____
Jay Bloom, Manager

MEMBER: CBWE, LLC, a Nevada limited liability company

By: _____
Carlos Cardenas, Manager

MEMBER: MAMBER VENTURES LLC, a Nevada limited liability company

By: _____
Manuel A. Ramirez Pleitez, Manager

MEMBER: PALADIN VENTURES, LLC, a Nevada limited liability company

By: LS MARLO TRUST

By: _____
Chris Morgando, Trustee

MEMBER: BART RENDEL, an individual

By: _____
Bart Rendel, individually

MEMBER: SCOTT OLIFANT, an individual

By: _____
Scott Olifant, Esq., individually

MEMBER: HANNAH HARVEY, an individual

By: _____
Hannah Harvey, individually

MEMBER: JETHRO WAYNE GORDON, an individual

By: _____
Jethro Wayne Gordon., individually

MEMBER: WENDELL BROWN, an individual

By: _____
Wendell Brown, individually

MEMBER: GLENN PLANTONE, an individual

By: _____
Glenn Plantone, individually

MEMBER: ERIN QUATRALE, an individual

By: _____
Erin Quatrale, individually

MEMBER: MARILYN WILEY, an individual

By: _____
Marilyn Wiley, individually

MEMBER: DENNIS WILEY, an individual

By: _____
Dennis Wiley, individually

MEMBER: ALAN AND THERESA LAHRS, jointly and individually

By: _____
Alan Lahrs Theresa Lahrs

MEMBER: IZZY ZALCBERG, an individual

By: _____
Izzy Zalcberg, individually

MEMBER: JEAN KEMPNER, an individual

By: _____
Jean Kempner, individually

MEMBER: AMY AND ARMAND FARR, jointly and individually

By: _____
Amy Farr Armand Farr

MEMBER: KENT ADAMSON, an individual

By: _____
Kent Adamson, individually

MEMBER: BASIS INVESTMENTS, LLC a Texas Limited Liability Company

By: _____
Phil Bourassa, Member

MEMBER: GREG AND LAURIE DARROCH, jointly and individually

By: _____
Greg Darroch Laurie Darroch

MEMBER: CATHERYN COPE, an individual

By: _____
Catheryn Cope, individually

MEMBER: JOEL JUST, an individual

By: _____
Joel Just, individually

MEMBER: KREGG HALE, an individual

By: _____
Kregg Hale, individually

MEMBER: CHRIS WOOD, an individual

By: _____
Chris Wood, individually

MEMBER: TGC/FARKAS FUNDING, LLC, a Limited Liability Company

By: _____
Matthew Farkas, as Manager

MEMBER: GREENDOT INVESTMENTS, a Limited Liability Company

By: _____
Brian Greenspun, as Manager

MEMBER: PAT AND SANDY O'LAUGHLIN, individually

By: _____
Pat O'Laughlin, individually Sandy O'Laughlin, individually

MEMBER: JWL MANAGEMENT, INC., a corporation

By: _____
Johnathan Lee, President

MEMBER: VAN HOLLAND, an individual

By: _____
Van Holland, individually

MEMBER: DR. NATCHEZ MAURICE, an individual

By: _____
Dr. Natchez Maurice, individually

SCHEDULE A:
LIST OF MEMBERS

Total Investment		Total Cap Contr	Class A Membership Interest	PIC
$ 30.00	Bart Rendel	3 yr Vesting	3.000%	$ 30.00
$ 30.00	Joel Just	3 yr Vesting	3.000%	$ 30.00
$ 30.00	Kregg Hale	3 yr Vesting	3.000%	$ 30.00
$ 20.00	Chris Wood	3 yr Vesting	2.000%	$ 20.00
$ 20.00	Wendell Brown	3 yr Vesting	2.000%	$ 20.00
$ 15.00	TGC/Farkas Funding, LLC	3 yr Vesting	1.500%	$ 15.00
$ 10.00	Scott Olifant, Esq	3 yr Vesting	1.000%	$ 10.00
$ 1.25	Hannah Harvey	3 yr Vesting	0.125%	$ 1.25
$ 1.25	Jethro Gordon	3 yr Vesting	0.125%	$ 1.25
$ 100.73	SJC, LLC	$ 100.73	23.709%	$ 100.73
$ 50.82	SJC 2, LLC	$ 50.82	12.208%	$ 50.82
$ 33.46	SJC 1, LLC	$ 33.46	6.708%	$ 33.46
$ 185.00	Paladin Ventures, LLC	$ 185.00	7.500%	$ 185.00
$ 185.00	CBWE, LLC	$ 185.00	6.000%	$ 185.00
$ 185.00	Mamber Ventures, LLC	$ 185.00	7.500%	$ 185.00
$ 500,000.00	Basis Investments, LLC	$ 500,000.00	5.000%	$ 50.00
$ 20.00	Greendot Investments, LLC	$ 20.00	2.000%	$ 20.00
$ 100,007.50	Marylin Wiley	$ 100,007.50	1.750%	$ 17.50
$ 15.00	Dennis Wiley	$ 15.00	1.500%	$ 15.00
$ 1,000,005.00	TGC/Farkas Funding, LLC	$ 1,000,005.00	1.500%	$ 1,000,005.00
$ 125,001.88	Scott Olifant	$ 125,000.00	1.188%	$ 10.63
$ 75,005.63	Glenn Plantone	$ 75,001.88	1.063%	$ 10.63
$ 100,000.00	Alan & Theresa Lahrs	$ 100,000.00	1.000%	$ 10.00
$ 100,000.00	Kent Adamson	$ 100,000.00	1.000%	$ 10.00
$ 10.00	Pat and Sandy O'Laughlin	$ 10.00	1.000%	$ 10.00
$ 100,002.50	Greg and Laurie Darroch	$ 100,002.50	0.750%	$ 7.50
$ 50,000.00	Amy and Armond Farr	$ 50,000.00	0.500%	$ 5.00
$ 5.00	Erin Quatrale	$ 5.00	0.500%	$ 5.00
$ 50,000.00	Jean Kempner	$ 50,000.00	0.500%	$ 5.00
$ 50,001.25	JWL Management	$ 50,001.25	0.375%	$ 3.75
$ 50,000.00	Catheryn Cope	$ 50,000.00	0.250%	$ 2.50
$ 50,000.00	Laurie Darroch	$ 50,000.00	0.250%	$ 2.50
$ 2.50	Van Holland	$ 2.50	0.250%	$ 2.50
$ 25,000.00	Dr. Natchez Maurice	$ 25,000.00	0.125%	$ 1.25
$ 25,000.00	Izzy Zalcberg	$ 25,000.00	0.125%	$ 1.25
$ 2,400,973.76	Total	$ 2,400,810.63	100.000%	$ 1,001,092.51

1st ONE HUNDRED HOLDINGS, LLC
EMPLOYEE ADDENDUM TO MEMBERSHIP INTEREST REDEMPTION AGREEMENT
Modification of Amount of Company Payment

Pursuant to the "Membership Interest Redemption Agreement" between the parties, the redemption amount set forth in the recitals shall be modified by adding an additional sentence at the end of this section which provides as follows:

In consideration of service as an employee of First 100, LLC and/or 1st One Hundred Holdings, LLC., the amount calculated as payable to the Redeemer for that equity received in consideration of service to the company shall be multiplied by 1.833 times the amount calculated above.

IN WITNESS WHEREOF, the undersigned have caused this Redemption Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

REDEEMER

By: _____

Its: VP FINANCE

REDEEMER

By: _____

Its:

1st ONE HUNDRED HOLDINGS, LLC

By: _____
Jay Bloom

Its: Director

(j) Confidentiality. This Agreement and all information that each of the Company or Redeemer (as applicable, the "Discloser") has disclosed or provided to the other party (as applicable, the "Recipient"), whether written or otherwise, in connection with the transactions contemplated hereby and the negotiations and discussions that have occurred between Redeemer and the Company in connection therewith (collectively, the "Information"), shall be treated as confidential by the Recipient and the Recipient shall use commercially reasonable efforts not to disclose the Information to any other Person. For purposes hereof, a Recipient shall be deemed to use commercially reasonable efforts not to disclose Information if it uses the same standard of care with respect to such Information as the Recipient uses with its own confidential information of similar kind and character, but not less than reasonable care. Notwithstanding the foregoing, (A) Information does not include information which: (i) is or becomes generally available to the public other than as a result of an unauthorized disclosure by the Recipient, (ii) is or becomes available to the Recipient on a non-confidential basis from a source other than the Discloser, (iii) was possessed or known by the Recipient prior to the disclosure thereof to the Recipient by the Discloser, or (iv) was or is developed by the Recipient without reference to the Information, (B) Information may be disclosed by Recipient to its, and its Affiliates', Representatives, and the Recipient shall use commercially reasonable efforts to cause its, and its Affiliates', Representatives to abide by the terms of this Section 6(j), and (C) nothing in this Section 6(j) shall prohibit disclosure of Information by any party to the extent that such disclosure is (i) required by applicable law (including the rules or regulations of any applicable governmental authority or other regulatory or self-regulatory body, (ii) made pursuant to subpoena or other court or governmental authority proceedings, (iii) made in any litigation regarding this Agreement or the transactions contemplated hereby, or (iv) made with the prior written consent of the other party. To the extent disclosure is required by applicable law, the disclosing party will, to the extent permitted by applicable law, provide as much advance notice to the other party of such proposed disclosure (including timing and content) as is reasonably practicable.

(k) The parties agree that they will not make any negative or disparaging statements (orally or in writing) about the other party hereto or any of their respective owners, managers, officers, attorneys, partners, shareholders, employees, products, services, or business practices.

(l) Any and all prior acts of 1st One Hundred Holdings, LLC (and its related entities, management, Members, Officers, Directors, employees), including, but not limited to: investments, divestures, expenditures, advances, disbursements or other transactions, financial or otherwise, are hereby ratified, approved adopted and confirmed by the undersigned.

IN WITNESS WHEREOF, the undersigned have caused this Redemption Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

REDEEMER

By: _____

Its: VP FINANCE

REDEEMER

By: _____

Its:

1st ONE HUNDRED HOLDINGS, LLC

By: _____
Jay Bloom

Its: Director

On Jan 23, 2017 4:07 PM, Adam Flatto <aflatto@georgetownco.com> wrote:
Matthew-
Tony Coles and I have read this deposition. I am skeptical, to say the least, about this person named Raymond Ngan and whether he has any assets at all. Stories of drug lords and Chinese mafia? "Bank statements" showing billions on deposit? Letters from Kravis and Carlyle which are obviously fakes? And no evidence of the $12 million in US banks which we were told? It is all just a fiction and a bad one at that. To say that Marshall has lost his patience with this would be an understatement. For me, I am just exhausted by the wild stories. We simply want our investment returned. We do not want and cannot be any part of some action involving some person who purportedly is involved with mafia, drug lords, etc. and will cede to you the excess proceeds if any from this. Marshall is pressuring me to take action and I am at the end of my rope. Discuss with Jay how you will return our investment and take us out of this. The time has come to an end. Adam

From: Matthew Farkas
Sent: Thursday, April 27, 2017 10:00 AM
To: Jay Bloom <Jbloom@f100llc.com>
Subject: Fwd: First 100, LLC, et al. v. Raymond K. Ngan, et al. - Deposition of Terrence John Buchanan Attached

Enclosed is the email where Adam is willing to cede his holdings.

Matthew Farkas
Vice President of Finance
1st One Hundred
m 646.226.0674 | o 702.823.3600 | f 702.724.9781
Mfarkas@f100llc.com | www.f100llc.com

Corporate Headquarters
Tivoli Village at Queens Ridge
410 S. Rampart Blvd., Suite 450 Las Vegas, NV 89145

Please consider the environment

EXHIBIT “E”

MAIER GUTIERREZ & ASSOCIATES

ATTORNEYS AT LAW

September 24, 2019

Via Electronic Mail and U.S. Mail

Erika Pike Turner, Esq.
Garman Turner Gordon
650 White Drive Suite 100
Las Vegas, NV 89119
ETurner@GTG.legal

Re: Investors of TGC/Farkas Funding, LLC

Dear Ms. Pike Turner:

This correspondence is in response to your letter dated September 13, 2019, which indicates that Adam Flatto, Marshall Rose, "and by extension, their investment vehicle, TGC/Farkas Funding, LLC" are demanding an inspection and copying of the books and records First 100, LLC and 1st One Hundred Holdings, LLC (collectively, "First 100").

As an initial matter, we are seeking clarification as to whether you represent TGC/Farkas Funding, LLC. It is our understanding that Matthew Farkas' consent would need to be obtained to act on behalf of TGC/Farkas Funding, LLC, and as such, we are requesting confirmation in writing that Mr. Farkas has provided authority for you to represent and submit a request on behalf of TGC/Farkas Funding, LLC for inspection and copying of First 100's books and records. We also need verification as to whether Mr. Flotto and Mr. Rose are in fact members or managers of TGC/Farkas Funding, LLC.

Assuming that matter can be sufficiently clarified, First 100 objects to the scope of your clients' request as overbroad. NRS 86.241 governs the maintenance of records and the right of members and managers to obtain or examine records. The request set forth in your letter extends far beyond the reach of that statute. For example (and without waiving the right to relay further objections), First 100 has no legal obligation to provide your clients with "company insurance policies"; documents regarding the status of any First 100 lawsuits; documents relating to the location of First 100's assets; or documents showing the specific use of your clients' investment funds with First 100.

///

///

Until the status of TGC/Farkas Funding, LLC's legal representation is resolved, along with the scope of any potential inspection of First 100 books and records, First 100 cannot make its books and records available for inspection and copying. Accordingly, no records will be available on September 26, 2019 per the request set forth in your letter.

Thank you for attention to this matter.

Sincerely,

MAIER GUTIERREZ & ASSOCIATES

#13822 for

Joseph A. Gutierrez, Esq.

JAG/djb

cc: Client

DECL

GARMAN TURNER GORDON LLP
ERIKA PIKE TURNER
Nevada Bar No. 6454
Email: eturner@gtg.legal
DYLAN T. CICILIANO
Nevada Bar. No. 12348
Email: dciciliano@gtg.legal
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada Limited Liability Company; FIRST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company aka 1st ONE HUNDRED HOLDINGS LLC, a Nevada Limited Liability Company, Defendants.	CASE NO. A-20-822273-C DEPT. 13 **DECLARATION OF MATTHEW FARKAS**

I, MATTHEW FARKAS, declare as follows:

1. Plaintiff/Judgment Creditor TGC/Farkas Funding, LLC ("Plaintiff") was formed by Adam Flatto and me. I am a 50% member of Plaintiff and hold my interest individually. Mr. Flatto holds his interest through his entity TGC 100 Investor, LLC. I have no interest in TGC 100 Investor, LLC. In such capacity, I have developed personal knowledge regarding the facts set forth below.

2. I am also a former employee of Defendants/Judgment Debtors First 100, LLC and 1st One Hundred Holdings, LLC (collectively, "Defendants"). I have not worked in any capacity on behalf of Defendants since 2016 MF., I have no documents for Defendants or any other information regarding Defendants other than what I have learned from Jay Bloom, my brother-in-law and manager of Defendants.

///

3. As a result of my involvement with Defendants, I have lost nearly everything, including two jobs. I do not have the means or ability to retain or pay for personal counsel.

4. Initially I agreed that Plaintiff could retain Garman Turner Gordon, LLP ("GTG") with a limitation on the nature of their representation. However, I voluntarily participated in and agreed that Plaintiff should pursue its rights to obtain documents in an arbitration when the documents were not produced in response to a demand. My understanding is that Plaintiff only pursued the right to documents and reimbursement of expenses incurred to enforce that right.

5. During the parties' arbitration, I felt conflicted as a result of my familial relationship with Mr. Bloom. I gave Mr. Bloom a privileged draft of my declaration I had received from counsel for Plaintiff. Mr. Bloom and his counsel then introduced those documents in the arbitration.

6. To avoid further conflict, the members came to a solution where TGC 100 Investor, LLC would have "full, exclusive, and complete discretion, power and authority" . . . "to manage, control, administer and operate the business and affairs of the Company," and I would retain equity as a member, but have no further responsibilities.

7. On September 17, 2020, I signed an amended operating agreement for Plaintiff, whereby TGC 100 Investor, LLC gained "full, exclusive, and complete discretion, power and authority" . . . "to manage, control, administer and operate the business and affairs of the Company." My September 17, 2020 Email attaching my signature to the Amendment to Limited Liability Company Agreement of TGC/Farkas Funding, LLC is attached hereto as **Exhibit 1-A**.

8. After signing the Amendment to Limited Liability Company Agreement of TGC/Farkas Funding, LLC, I informed Mr. Bloom that I no longer had any role in the management of Plaintiff.

9. Thereafter, Mr. Bloom told me that Joseph Gutierrez, counsel for Defendants, wanted to sue me. I did not understand how Mr. Gutierrez could sue me. I called Mr. Gutierrez and he told me that he was not going to personally sue me and that he represented the Defendants. I then came to understand that it was actually Mr. Bloom who was threatening to sue me or have me sued, not Mr. Gutierrez.

Garman Turner Gordon LLP
Attorneys At Law
251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
(725) 777-3000

10. Mr. Bloom then told me that Mr. Raffi Nahabedian, Esq. was being hired to defend me in the event that Adam Flatto, the manager of TGC Investor, LLC, the manager of Plaintiff, ever sued me. I understood that Mr. Nahabedian was a friend of Mr. Gutierrez, and based on my communication with Mr. Bloom, I believed that Mr. Nahabedian would only represent me.

11. On or about January 6, 2021, Mr. Bloom sent a number of documents to a UPS store by my house. He demanded that I immediately sign the documents and have the UPS store scan the documents back to Mr. Bloom. He said if I signed the documents it would absolve me from everything so I would not be sued. I did not have the opportunity to review any of the documents he sent.

12. In the documents he provided on January 6, 2021, Bloom provided me with an engagement letter for Mr. Nahabedian. A true and correct copy of the engagement letter is attached hereto as **Exhibit 1-B**. I believed that if I signed the document I would have legal counsel in the case that Mr. Flatto sued me. I signed the last page of the engagement letter, which did not indicate that I was retaining Mr. Nahabedian on behalf of Plaintiff. Furthermore, I did not initial the bottom of the pages of the engagement letter. I also did not read the engagement letter before I signed it and did not speak with Mr. Nahabedian regarding the intended scope of the engagement before signing it.

13. I did not ever intend to retain Mr. Nahabedian to represent Plaintiff, nor could I have because I do not have the authority to hire counsel for Plaintiff.

14. The engagement letter calls for a $2,500 retainer. I did not pay the retainer.

15. I did not speak to Mr. Nahabedian until the week of January 11, 2021. At no time did I tell Mr. Nahabedian that he was being retained to represent Plaintiff, that he was directed to fire Garman Turner Gordon or that I had the authority to hire counsel for Plaintiff to replace Garman Turner Gordon.

16. On January 19, 2021, Dylan Ciciliano, Esq. of Garman Turner Gordon sent me the "settlement agreement," attached hereto as **Exhibit 1-C**. I did not recognize the settlement agreement, but it does bear my signature and I looked through the stack of hard documents that Mr. Bloom sent me on January 6, 2021 and I located the settlement agreement. While I do not

Garman Turner Gordon LLP
Attorneys At Law
251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
(725) 777-3000

dispute that it is my signature, I did not negotiate the settlement agreement with Mr. Bloom and did not read the document. I did not know or understand that I was signing a settlement agreement on behalf of Plaintiff. The only reason I signed the settlement agreement was a result of the representation from Mr. Bloom that I would not be sued if I signed the documents he sent.

17. At no point did I tell Mr. Bloom that I had the authority to sign a settlement agreement on behalf of Plaintiff or to act on Plaintiff's behalf. In fact, Mr. Bloom knew that I in fact had no ability to act on Plaintiff's behalf as a result of voluntarily recusing myself from Plaintiff's management in September 2020.

18. I did not receive the January 14, 2021 letter from Mr. Nahabedian to Garman Turner Gordon, or review it before it was sent by Mr. Nahabedian.

19. Attached to Mr. Nahabedian's letter was a January 6, 2021 letter from me addressed to Erika Pike Turner. The letter is attached hereto as **Exhibit 1-D**. I did not draft or participate in the drafting of the letter and I did not send it to Ms. Turner. It was included it in the stack of documents that Mr. Bloom directed me to sign on January 6, 2021. In fact, the content of the letter is false as I did not dispute the action by Plaintiff to pursue production of information in arbitration.

20. On January 15, 2021, I received the letter from Garman Turner Gordon addressed to Mr. Nahabedian stating that I did not have the authority to retain or terminate counsel or to settle this action. I called Ms. Turner's office on January 15, 2021 and informed her assistant that I agreed with the contents of the letter.

I declare under penalty of perjury under the law of the State of Nevada that the foregoing is true and correct.

Executed this 23rd day of January, 2021.

/s/
Matthew Farkas, Declarant

4828-3679-3816, v. 1

Garman Turner Gordon LLP
Attorneys At Law
251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
(725) 777-3000

AMERICAN ARBITRATION ASSOCIATION® | INTERNATIONAL CENTRE FOR DISPUTE RESOLUTION®

AMERICAN ARBITRATION ASSOCIATION

COMMERCIAL ARBITRATION TRIBUNAL

In the Matter of the Arbitration between:

Claimant TGC/Farkas Funding, LLC, hereinafter referred to as "Claimant"

-and-

Respondents First 100, LLC, and First One Hundred Holdings, LLC, hereinafter collectively referred to as "Respondents"

AAA Case No: 01-20-0000-0613

Decision and AWARD of Arbitration Panel (1) Compelling Production of Company Records; and (2) Ordering Reimbursement of Claimant's Attorneys' Fees and Costs

The undersigned Arbitrators, having been designated in accordance with the arbitration agreement entered into between the above-named parties[1], and having been duly sworn, and having duly heard the proofs and allegations of the Parties, hereby AWARD as follows:

This matter came before the Panel for a hearing to determine whether Claimant is entitled to production and examination of company records of Respondents. The Parties requested that the Panel not hold an evidentiary hearing but instead render a reasoned decision based on the briefings and documents presented. The Parties presented their briefs; the Panel convened and considered the briefs and evidence; the Panel then requested further evidence regarding the alleged Redemption Agreement. Upon receipt of the additional evidence, the Panel declared the hearing closed and further deliberated. This decision is the product of that deliberation.

[1] During the Preliminary Hearing, the Parties confirmed that party-appointed arbitrators Baker and DiRaimondo were serving as neutral, non-partisan arbitrators for purposes of these proceedings.

Respondents appear to be in the business of purchasing unpaid receivables of HOAs on discounted terms and profiting from those purchases in various ways. Exhibit 1 to Claimant's Appendix to Claimant's Arbitration Brief ("Appendix" or "Appx"). Claimant is an entity owned by Matthew Farkas and Adam Flatto. Exhibit 1 to Claimant's Response to Order Regarding Additional Evidence Request. Matthew Farkas was an officer/employee of Respondents. Exhibits 1 and5 to Claimant's Appx. Claimant invested $1 million into the business of Respondents in exchange for a one percent (1%) membership interest. That was parlayed into a three percent (3%) total interest in First 100, LLC, after Respondents granted a two percent (2%) ownership interest to Mr. Farkas for his "services rendered in the VP of Finance position…" Exhibits 4 and 5 to Claimant's Appx. It is not clear exactly when Claimant became a member of Respondents, due to a lack of dates on many of the exhibits, but it appears from Exhibit 1 to Claimant's Appendix that Respondents were marketing membership interests in 2013. Claimants' interest is acknowledged by Exhibit 5 to Claimant's Appendix, an undated letter from Respondent 1st One Hundred, LLC. Exhibit 4 appears to conclusively establish that Claimant held 3% of Respondent First 100, LLC's membership interests.

Likely in 2017, possibly on or about April 13, 2017, Respondents sent a memo to members describing litigation against a funding source, financial issues facing the companies, and recommending that members execute a redemption agreement due to the financial condition of Respondents. The memo included a draft of the "Membership Interest Redemption Agreement" (the "Redemption Agreement"), which was to be entered into by and between Claimant and Respondent 1st One Hundred Holdings, LLC. Exhibit 6 to Appx. The Redemption Agreement states, among other things, that Respondent 1st One Hundred Holdings, LLC "desires to redeem all of [Claimant's] membership interests in [Respondent 1st One Hundred Holdings, LLC], as well as any interest claimed in any and all subsidiaries…." *Id.* The memo also apparently accompanied the IRS Schedule K-1 to Claimant TCG/Farkas Funding, LLC, as a member of "First 100 Holdings, LLC", dated April 13, 2017. Exhibit 6 to Appx. This Schedule K-1 appears to be conclusive evidence that Respondents considered Claimant to be a Member of "First 100 Holdings, LLC".

By letter dated May 2, 2017, to the law firm representing Respondents, Claimant's counsel set forth objections to the proposed Redemption Agreement, concerns about the financial condition of Respondents, and requests for production of the company records of Respondents. Exhibit 9 to Appx. This appears to be the initial request for company records that is the subject of the arbitration demand filed by Claimant.

Exhibit 11 to Claimant's Appendix is the first response from counsel for the Respondents to the request to inspect the company records of the Respondents. It is dated June 6, 2017. Significantly, Respondents' counsel concedes in this letter that Claimant "holds a membership interest in 1st One Hundred Holdings, LLC." Nevertheless, it is the first in a long and bad faith effort by Respondents to avoid their statutory and contractual duties to a member to produce requested records.

On September 13, 2019, counsel for Claimant made another request for company records to counsel for Respondents. Exhibit 13 to Appx.. On September 24, 2017, counsel for Respondents refused to honor the request to inspect based on a claim that counsel for Claimant might not represent Claimant, and based on the argument that the request was overbroad. Exhibit 14 to Appx. Nothing in this letter contends that the execution of the Redemption Agreement by Mr. Farkas for Claimant constituted a legitimate basis to refuse to make the records available for inspection. Thereafter, Claimant initiated this arbitration proceeding.

In the arbitration proceeding, Respondents make three arguments why they are not required to produce the records requested by Claimant. First, they argue that Claimant may not be a Member, and as such is only entitled to a refund of the investment money paid to the Respondents and no records. Second, they argue that the signing of a Redemption Agreement by Mathew Farkas releases the Respondents from any responsibility to make company records available to Claimant. Third, they argue that the request is overbroad and must be pared down. None of these arguments has merit, as discussed below.

The contention that Claimant is not a member of Respondents is belied by the records of the Respondents, as discussed above. The fact that Respondents believe that the Claimant signed a Redemption Agreement as a member of Respondents is an additional admission on the part of the Respondents that the Claimant is a Member of the Respondents with standing to inspect records of the Company.

It was not clear from the initial briefs and exhibits whether Mathew Farkas signed a Redemption Agreement for Claimant. However, the additional evidence clarified that he actually did sign such an Agreement. However, the evidence also shows two additional points that render the Redemption Agreement irrelevant for the purpose of this proceeding. First, the evidence shows that Mr. Farkas did not have authority to bind Claimant to the Redemption Agreement, as he did not seek and obtain the consent of Mr. Flatto. Exhibit 1 to Supplemental Declaration of Flatto attached to Claimant's Response to Order Regarding Additional Evidence Request; Supplemental Declarations of Flatto and Farkas attached to Claimant's Response to Order Regarding Additional Evidence Request. And, Claimant notified Respondents via email on April 18, 2017, that Mr. Farkas did not have the authority to bind Claimant under the Redemption Agreement "unless and until approved by Adam Flatto." Exhibit 12 to Claimant's Appx. at Ex. 3.

Secondly, the Respondents have yet to perform under the terms of the Redemption Agreement. Specifically, Section 2(a) requires payment by the Company to Redeemer. Exhibit A to Supplemental Declaration of Jay Bloom in support of Respondents' Arbitration Brief. Respondents concede that payment has **not** been made and that Respondents only "intend[]" to "fully perform" at a later point in time, when sufficient funds are available. Supplemental Declaration of Jay Bloom in support of Respondents' Arbitration Brief ¶ 16. The Redemption

Agreement, therefore, does not constitute a basis for Respondents to refuse to make company records available to Claimant as a Member of Respondents.

Finally, Respondents contend the records inspection request is overbroad. NRS 86.241(2) applies to the fact of this case:

> 2.* * Each member of a limited-liability company is entitled to obtain from the company, from time to time upon reasonable demand, for any purpose reasonably related to the interest of the member as a member of the company:
>
> (a)* The records required to be maintained pursuant to subsection 1;
>
> (b)* True and, in light of the member's stated purpose, complete records regarding the activities and the status of the business and financial condition of the company;
>
> (c)* Promptly after becoming available, a copy of the company's federal, state and local income tax returns for each year;
>
> (d)* True and complete records regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member; and
>
> (e)* Other records regarding the affairs of the company as is just and reasonable under the circumstances and in light of the member's stated purpose for demanding such records.
>
> The right to obtain records under this subsection includes, if reasonable, the right to make copies or abstracts by photographic, xerographic, electronic or other means.

The language of subsection (e) applies here and justifies Claimant requesting the records requested, even if not specifically listed in the previous sections. These include litigation information and insurance policies. Given the circumstances of the request – pending litigation by Respondents, representations by Respondents suggesting the viability of the companies is in jeopardy, and the proposal that members sign a Redemption Agreement that substantially compromises their rights as members – all justify the categories of information requested by Claimant. The fact that Respondents have spent more than three years resisting the requested inspection further supports the justification to examine all these categories of documents.

Therefore, the Panel awards in favor of Claimant and against Respondents in all respects on the primary claim, and orders Respondents to forthwith, but no later than ten (10) calendar days from the date of this AWARD, make all the requested documents and information available from both companies to Claimant for inspection and copying.

Claimant has requested an award of attorneys' fees and costs. Section 13.9 of the Operating Agreement at Exhibit 3 to the Appendix sets forth the following pertinent language: "The arbitrators shall make findings of fact and law in writing in support of his (sic) decision, and shall award reimbursement of attorney fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate."

In this case, the Panel deems it appropriate to award all of the attorneys' fees requested by Claimant against Respondents, in the amount of $17,011.50. The Panel also deems it appropriate to award to Claimant and against Respondent all of the arbitration filing fee(s) paid by the Claimant, and all of the fees for the arbitration Panel paid by Claimant. The total sum of $23,975.00 shall be paid by Respondents to Claimant within ten (10) calendar days of the date of this AWARD.

The administrative fees of the American Arbitration Association totaling $4,400.00 and the compensation of the arbitrators totaling $19,575.00 shall be borne Respondent. Therefore, Respondent shall reimburse Claimant the sum of $23,975.00, representing that portion of said fees and expenses in excess of the apportioned costs previously incurred by Claimant.

This Award is in full settlement of all claims submitted to this arbitration. All claims not expressly granted herein are hereby denied.

This Award may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute together one and the same instrument.

Philip J. Dabney, Esq.,
Arbitrator and Panel Chair

Date: 9-15-20

Nikki L. Baker

Date: 9-15-2020
Arbitrator

Nikki L. Baker, Esq.,

Date: 9-15-2020
Arbitrator

Anthony J. DiRaimondo, Esq.,

DECL

GARMAN TURNER GORDON LLP
ERIKA PIKE TURNER
Nevada Bar No. 6454
Email: eturner@gtg.legal
DYLAN T. CICILIANO
Nevada Bar. No. 12348
Email: dciciliano@gtg.legal
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada Limited Liability Company; FIRST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company aka 1st ONE HUNDRED HOLDINGS LLC, a Nevada Limited Liability Company, Defendants.	CASE NO. A-20-822273-C DEPT. 13 **DECLARATION OF ADAM FLATTO IN SUPPORT OF SUPPLEMENT TO PLAINTIFF'S EX PARTE APPLICATION FOR ORDER TO SHOW CAUSE WHY DEFENDANTS AND JAY BLOOM SHOULD NOT BE HELD IN CONTEMPT OF COURT**

I, Adam Flatto ("Declarant"), declare as follows:

1. I am the manager of TGC Investor 100, LLC, 50% member of TGC/Farkas Funding, LLC ("Plaintiff"). I am competent to testify to the matters asserted herein, of which I have personal knowledge, except as to those matters stated upon information and belief. As to those matters stated upon information and belief, I believe them to be true.

2. This declaration is made in support of the Supplement to Plaintiff's Ex Parte Application for Order to Show Cause Why Defendants and Jay Bloom Should Not Be Held in Contempt of Court (the "Supplement").

3. Plaintiff has two members, TGC Investor 100, LLC and Matthew Farkas.

4. On September 17, 2020, Plaintiff's members adopted the Amendment to Limited Liability Company Agreement of TGC/Farkas Funding, LLC. Matthew Farkas signed the

Amendment to Limited Liability Company Agreement of TGC/Farkas Funding, LLC. A true and correct copy of his email transmitting his signature is attached hereto as Exhibit 2-A. A true and correct copy of the executed Amendment to Limited Liability Company Agreement of TGC/Farkas Funding, LLC is attached hereto as Exhibit 2-B.

5. Indisputably, Matthew Farkas does not have the ability to control Plaintiff.

6. TGC 100 Investor, LLC did not authorize the retention of Raffi Nahabedian by or on behalf of Plaintiff.

7. Additionally, neither Plaintiff nor TGC 100 Investor, LLC terminated Garman Turner Gordon's representation.

8. Plaintiff has not engaged in settlement discussions with Defendants or settled this matter.

I declare under penalty of perjury under the law of the State of Nevada that the foregoing is true and correct.

Executed this 20th day of January, 2021.

ADAM FLATTO, Declarant

Garman Turner Gordon LLP
Attorneys At Law
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
(725) 777-3000

Exhibit 2-A

Dylan Ciciliano

From: Erika Turner
Sent: Thursday, January 14, 2021 5:11 PM
To: Dylan Ciciliano
Subject: FW: CamScanner 09-17-2020 11.58.12
Attachments: CamScanner 09-17-2020 11.58.12.pdf

Erika Pike Turner
Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573
E eturner@gtg.legal

From: Matthew Farkas <farkm1@aol.com>
Sent: Thursday, September 17, 2020 11:59 AM
To: Michael Busch <mbusch@georgetownco.com>
Subject: CamScanner 09-17-2020 11.58.12

Scanned with CamScanner
https://cc.co/16YRyq

IN WITNESS WHEREOF, each of the undersigned have caused this Amendment to be executed as of the Effective Date.

COMPANY:

TGC/FARKAS FUNDING LLC, a Delaware limited liability company

By:_____
Its:_____
Print Name: MATTHEW FARKAS

MEMBERS:

TGC 100 INVESTOR, LLC

By: _____
Adam Flatto, Manager

_____
MATTHEW FARKAS, individually

Exhibit 2-B

AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT

OF TGC/FARKAS FUNDING, LLC

THIS AMENDMENT TO LIMITED LIABILITY COMPANY AGREEMENT OF TGC/FARKAS FUNDING, LLC (this "Amendment"), dated as of this __ day of August, 2020 (the "Effective Date"), is made by and among TGC/FARKAS FUNDING LLC, a Delaware limited liability company (the "Company"), TGC 100 INVESTOR, LLC, a Delaware limited liability company ("TGC Investor"), and MATTHEW FARKAS, an individual ("Farkas", and together with TGC Investor, the "Members").

RECITALS

WHEREAS, the Members entered into that certain Limited Liability Company Agreement of TGC/Farkas Funding, LLC, dated as of October 21, 2013 (the "Operating Agreement"), with respect to the Company; and

WHEREAS, in accordance with Section 4.1(b) and Section 10.1 of the Operating Agreement, the Members now desire to amend the Operating Agreement on the terms and conditions set forth herein, as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINED TERMS

1.1 **Capitalized Terms**. Capitalized terms used herein without definition shall have the same meanings as ascribed to such terms in the Operating Agreement.

SECTION 2. AMENDMENTS TO OPERATING AGREEMENT

2.1 **Section 3.4(a) of the Operating Agreement**. Section 3.4(a) of the Operating Agreement is hereby deleted in its entirety and replaced with the following:

> "(a) Except as otherwise expressly provided for herein, the Members, unless they are the Administrative Member, shall not have any right or power to take part in the management or control of the Company or to act for or to bind the Company in any way."

2.2 **Section 3.4(b) of the Operating Agreement**. The following shall be added to the end of Section 3.4(b) of the Operating Agreement:

> "The Members may take any action provided for herein to be taken by the Members without a meeting, by the unanimous written consent of the Members."

2.3 **Section 4.1(a) of the Operating Agreement**. Section 4.1(a) of the Operating Agreement is hereby amended to provide that, by unanimous written consent of the Members pursuant to this Amendment, as of the Effective Date, TGC Investor shall be the Administrative Member of the Company. As of the Effective Date, TGC Investor shall hold office as Administrative Member until it resigns as Administrative Member in a writing delivered to all Members and its successor shall have been appointed by the unanimous vote of the Members. From and after the Effective Date, any reference to the Administrative Member shall hereinafter mean TGC Investor, who shall act solely through its manager, Adam Flatto, or such other designee appointed by TGC Investor from time to time.

2.4 **Section 4.1(c) of the Operating Agreement**. The following Section 4.1(c) shall be added to the Operating Agreement:

> "(c) The Administrative Member shall have full, exclusive and complete discretion, power and authority, subject in all cases to other provisions of this Agreement and the requirements of applicable law, to manage, control, administer and operate the business and affairs of the Company for the purposes herein stated and to make all decisions affecting such business and affairs, including, without limitation, the power to:
>
> (i) acquire land, buildings or any other interest in real estate which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;
>
> (ii) acquire by purchase, lease or otherwise, any personal property, tangible or intangible which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;
>
> (iii) sell, dispose, trade or exchange Company personal property in the ordinary course of the Company's business, including determining the terms and price upon which to sell the personal property;
>
> (iv) purchase liability and other insurance to protect the Company's properties and business;
>
> (v) borrow money, mortgage or encumber Company property for and on behalf of the Company, and, in connection therewith, execute and deliver instruments evidencing such indebtedness;
>
> (vi) sell or otherwise transfer the real and personal property of the Company or any part or parts thereof;
>
> (vii) execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance and operation of the Company's real and personal property;

(viii) execute all other instruments and documents which may be necessary or in the opinion of the Administrative Member desirable to carry out the intent and purpose of the Agreement;

(ix) contract on behalf of the Company for the employment and services of employees and/or independent contractors and delegate to such persons the duty to manage or supervise any of the assets or operations of the Company;

(x) care for and distribute funds to the Members by way of cash, income, return of capital or otherwise, all in accordance with the provisions of this Agreement, and perform all matters in furtherance of the objectives of the Company or this Agreement;

(xi) enter into contracts and make any and all expenditures in connection therewith, which the Administrative Member, in its discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the performance of its obligations and responsibilities under this Agreement, including, without limitation, expenditures for legal, accounting and other related expenses incurred in connection with the organization, financing and operation of the Company;

(xii) determine whether or not distributions should be made to the Members, expect as may specifically set forth elsewhere in this Agreement; and

(xiii) enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company."

2.5 **Section 4.1(d) of the Operating Agreement**. The following Section 4.1(d) shall be added to the Operating Agreement:

"(d) The business and affairs of the Company are to be managed and taken by the Administrative Member, as provided in this Section 4.1. Except as otherwise set forth hereinbelow, the Members shall have no rights or powers to take part in the management and control of the Company and its business affairs. Notwithstanding, the following matters shall require the unanimous vote of the Members:

(i) An amendment to the Articles, this Agreement or the purpose of this Agreement;

(ii) The removal or election of a new Administrative Member;

(iii) File a petition for bankruptcy of the Company; and

(iv) Unless otherwise provided in this Agreement, the termination and dissolution of the Company.

As provided in Section 3.4(b) of this Agreement, those matters to be voted on by the Members can be done by written consent. Such a written consent may be utilized at any meeting of the Members, or it may be utilized in obtaining approval by the Members without a meeting. Except for those matters specifically designated above or otherwise specifically provided in this Agreement, the consent or approval of the Members shall not be required to ratify any actions taken by the Administrative Member on behalf of the Company."

2.6 **Section 4.5 of the Operating Agreement**. Section 4.5 of the Operating Agreement is hereby deleted in its entirety and shall be replaced by "Section 4.5 Liability Limited; No Fiduciary Duty" set forth below. Specifically, from and after the Effective Date, there will no longer be a CEO position with the Company; it being the intention of the Members of the Company for the Administrative Member to have all such authority of the Company and be the "manager" of the Company, as set forth in Section 4.1 of the Agreement.

"Section 4.5 Liability Limited; No Fiduciary Duty. The Administrative Member shall not be liable to the Company or any Member for any act or omission performed or omitted pursuant to the authority granted by this Agreement; provided that such limitation of liability shall not apply to the extent the act or omission was attributable to the fraud, gross negligence, or willful misconduct or knowing violation of law of the Administrative Member. This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Member. Furthermore, each of the Members and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by applicable law, and in doing so, acknowledges and agrees that the duties and obligation of the Administrative Member and each Member to each other and to the Company are only as expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of the Administrative Member otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Person.

SECTION 3. MISCELLANEOUS

3.1 **Continued Effectiveness of Operating Agreement**. Except as specifically provided herein, all of the terms and conditions of the Operating Agreement shall remain in full force and effect.

3.2 **Governing Law**. This Amendment shall be governed by and construed under the laws of the State of Delaware (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

3.3 **Headings**. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

3.4 **Counterparts; Effectiveness**. This Amendment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a

single Amendment. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Delivery of an executed counterpart of a signature page of this Amendment by facsimile, electronic email or other electronic imaging means (*e.g.*, "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment, each of which when so executed and delivered shall be deemed an original.

[Signature Page to Follow.]

IN WITNESS WHEREOF, each of the undersigned have caused this Amendment to be executed as of the Effective Date.

COMPANY:

TGC/FARKAS FUNDING LLC, a Delaware limited liability company

By:_____
Its:_____
Print Name:_____

MEMBERS:

TGC 100 INVESTOR, LLC

By: _____
Adam Flatto, Manager

_____
MATTHEW FARKAS, individually

IN WITNESS WHEREOF, each of the undersigned have caused this Amendment to be executed as of the Effective Date.

COMPANY:

TGC/FARKAS FUNDING LLC, a Delaware limited liability company

By:_____
Its:_____
Print Name: MATTHEW FARKAS

MEMBERS:

TGC 100 INVESTOR, LLC

By: _____
Adam Flatto, Manager

_____
MATTHEW FARKAS, individually

IN WITNESS WHEREOF, each of the undersigned have caused this Amendment to be executed as of the Effective Date.

COMPANY:

TGC/FARKAS FUNDING LLC, a Delaware limited liability company

By: _____
Its: _____
Print Name: MATTHEW FARKAS

MEMBERS:

TGC 100 INVESTOR, LLC

By: _____
Adam Flatto, Manager

_____
MATTHEW FARKAS, individually

Dylan Ciciliano

From: Matthew Farkas <matthewfarkas70@gmail.com>
Sent: Tuesday, January 19, 2021 9:14 PM
To: Dylan Ciciliano
Subject: Re: CamScanner 01-19-2021 16.35

Again- I signed that letter that I didn't write under duress. Happy to speak tomorrow. Good night.

On Jan 19, 2021, at 7:19 PM, Dylan Ciciliano <dciciliano@gtg.legal> wrote:

Thank you! Sorry for the delay, I was feeding my children. As I stated on the phone, I represent TGC/Farkas and in that capacity I'm representing it's interest.

Also, First 100 and Raffi are claiming that you hired Raffi to represent TGC/Farkas and not that Raffi was representing you personally.

Get Outlook for iOS

From: Matthew Farkas <matthewfarkas70@gmail.com>
Sent: Tuesday, January 19, 2021 7:12:09 PM
To: Dylan Ciciliano <dciciliano@Gtg.legal>
Subject: Re: CamScanner 01-19-2021 16.35

Just wanted to add that I had never spoken to Rafi until after I signed the retainer and that he agreed to represent me because Jay told him I was his brother-in-law and needed a lawyer.

> On Jan 19, 2021, at 6:46 PM, Matthew Farkas <matthewfarkas70@gmail.com> wrote:
>
> I have spoken on the phone with Rafi a couple of times, but we have never met. The only emails we have are documents I have sent him which I am happy to forward. I didn't in fact write the email below. That email was written by Jay or his counsel which I signed under duress, because he said that he was going to sue me for breach of fiduciary responsibility to 1st One Hundred which I didn't understand, but did not have the money to pay for legal representation to explain it to me.
> In addition, Jay misled Rafi by telling him that I was looking for a counsel other than your firm (which I was not). None of what has happened here is either Rafi's fault or mine.
> I have no idea what to do going forward and do not have the means to hire counsel.
>
>
> Best Regards,
> Matthew
>
>> On Jan 19, 2021, at 5:40 PM, Dylan Ciciliano <dciciliano@gtg.legal> wrote:
>>
>> Thank You Matthew,
>>
>> Did you ever speak with Raffi A Nahabedian in person, on the phone, or through email? If so, can you provide the emails?

>>
>> Also, Raffi A Nahabedian provided the attached letter (purporting to be from you) to Garman Turner Gordon. What are the circumstances surrounding the letter?
>>
>> Dylan T. Ciciliano, Esq.
>> Attorney
>>
>> Phone: 725 777 3000 | Fax: 725 777 3112
>> GARMAN | TURNER | GORDON
>> 7251 AMIGO STREET, SUITE 210
>> LAS VEGAS, NV 89119
>> Visit us online at www.gtg.legal
>>
>> -----Original Message-----
>> From: Matthew Farkas <matthewfarkas70@gmail.com>
>> Sent: Tuesday, January 19, 2021 4:36 PM
>> To: Dylan Ciciliano <dciciliano@Gtg.legal>
>> Subject: CamScanner 01-19-2021 16.35
>>
>> A friend shared an encrypted document to you through the scanning app CamScanner:
>> Link:
https://www.camscanner.com/share/show?encrypt_id=MHg2NTU1MWQxNQ%3D%3D&sid=B99C8865C3B34AC20D8YY9V6&pid=dsi
>> Access Code:4EDA
>> Link expires on: 01-26-2021
>>
>> Try to use an efficient learning office scanning app that is used by 400 million people:
https://cc.co/16YRxd?c=sl&pid=dsi&af_sub1=IP_a9ed24047b1e04b3ac6587ad77990df4_lite&af_sub2=1700076821
>> <January 6 2021.pdf>

GARMAN
TURNER
GORDON

650 WHITE DRIVE
SUITE 100
LAS VEGAS, NV 89119
WWW.GTG.LEGAL
PHONE: 725 777 3000
FAX: 725 777 3112

September 13, 2019

Erika Pike Turner, Esq.
Email: ETurner@GTG.legal
Direct Line: (725)244-4573

VIA EMAIL AND U.S. MAIL
Joseph A. Gutierrez, Esq.
jag@mgalaw.com
MAIER GUTIERREZ AYON
8816 Spanish Ridge Ave
Las Vegas, NV 89148

Dear Mr. Gutierrez:

Please recall this firm represents the interests of Adam Flatto, Marshall Rose and by, extension, their investment vehicle, TGC/Farkas Funding, LLC (together, the "Investors"), with respect to their $1 million investment and related 3% interest in First 100, LLC and 1st One Hundred Holdings, LLC (together, the "Company"). In the last communication we had on this matter, the Company represented that they were in the process of collecting a $1 billion+ judgment and taking other action for the purpose of winding up the Company and returning the Investors their capital. There has been no update to the Investors, despite the significant passage of time.

The Investors therefore hereby make a demand in their capacity as Investors under NRS 86.241(2) and (3) as well as the Company's Operating Agreements, for the purpose of monitoring such investment for production of the books and records:

1) The Company's company books, inclusive of any and all agreements relating to the Company's governance (Company operating agreements, amendments, consents and resolutions)
2) Financial Statements, inclusive of balance sheets and profit & Loss statements
3) General ledger and back up, inclusive of invoices
4) Documents sufficient to show the Company's assets and their location
5) Documents relating to value of the Company and/or the Company's assets
6) Documents sufficient to show the Company's members and their status, inclusive of any redeemed members
7) Tax returns for the Company
8) Documents sufficient to show the accounts payable incurred by the Company, paid by the Company, and remaining due from the Company

9) Documents sufficient to show payments made to the Company managers, members and/or affiliates of any managers or members
10) Company insurance policies
11) Documents sufficient to show the status of any Company lawsuits
12) Documents sufficient to show the use of the Investors' funds (and any other members' investment) with the Company.

Please confirm that the documents will be available for inspection and copying (at the Investors' cost) at your office on September 26, 2019 at 3:00 pm. If that date/time is unavailable, please provide a reasonable alternative.

Sincerely,

GARMAN TURNER GORDON

/S/ ERIKA PIKE TURNER

ERIKA PIKE TURNER, ESQ.

cc: Michael Busch

ORDG

GARMAN TURNER GORDON LLP
ERIKA PIKE TURNER
Nevada Bar No. 6454
Email: eturner@gtg.legal
DYLAN T. CICILIANO
Nevada Bar. No. 12348
Email: dciciliano@gtg.legal
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Tel: (725) 777-3000
Fax: (725) 777-3112
Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada Limited Liability Company; FIRST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company aka 1st ONE HUNDRED HOLDINGS LLC, a Nevada Limited Liability Company, Defendants.	CASE NO. A-20-822273-C DEPT. 13 **ORDER GRANTING PLAINTIFF'S MOTION TO COMPEL and DENYING COUNTERMOTION FOR PROTECTIVE ORDER AND SANCTIONS PURSUANT TO NRS 18.010(2)(b)** **Date of Hearing:** March 1, 2021

ORDER GRANTING PLAINTIFF'S MOTION TO COMPEL and DENYING COUNTERMOTION FOR PROTECTIVE ORDER AND SANCTIONS PURSUANT TO NRS 18.010(2)(b)

On February 22, 2021, Plaintiff TGC/FARKAS FUNDING, LLC ("Plaintiff") filed its *Motion to Compel and for Sanctions; and Application for Ex- Parte Order Shortening Time* (the "Motion"). On February 26, 2021, Defendants FIRST 100, LLC and FIRST ONE HUNDRED HOLDINGS, LLC aka 1st ONE HUNDRED HOLDINGS LLC ("Defendants") filed their *Opposition to Motion to Compel and for Sanctions Against Nonparty Jay Bloom and His Counsel* and their *Countermotion for Protective Order and Sanctions Pursuant to NRS 18.010(2)(b)* (the "Countermotion"), and Non-Party RAFFI NAHABEDIAN ("Nahabedian") filed his *Opposition to Motion to Compel and for Sanctions*. The Court, having considered the Motion, the Oppositions, the Countermotion, as well as the exhibits thereto, FINDS and CONCLUDES as

follows:

During the relevant time period following entry of the *Order to Show Cause Why Defendants and Jay Bloom Should Not be Found In Contempt of Court* in this case on December 18, 2020, Nahabedian was purporting to represent Plaintiff for the purpose of effectuating a dismissal of this case. At the same time, Nahabedian represented Jay Bloom, the manager of Defendants and subject of the pending contempt proceedings, in a separate, unrelated matter (Case No. A-20-8098882-B, styled *Nevada Speedway LLC v. Jay Bloom, et al.*). As a result of Nahabedian's concurrent representation of Jay Bloom in the separate case along with Nahabedian's alleged reliance on representations made by Nevada State Bar counsel regarding the scope of the attorney-client privilege in this matter, Jay Bloom and counsel for Defendants and Jay Bloom in the above-captioned case, Maier Gutierrez & Associates ("MGA"), asserted an attorney-client privilege on behalf of Jay Bloom and, based thereon, relevant communications between or among Nahabedian, Jay Bloom and/or MGA were withheld.

The attorney-client privilege is statutory and set forth in Nevada at NRS 49.035-115, inclusive. There is no attorney-client privilege that would prevent disclosure of Nahabedian's communications with Jay Bloom and/or MGA relating to Plaintiff in this case or the purported settlement between Plaintiff and Defendants in this case.

The Motion is therefore GRANTED, and the communications between or among Nahabedian and Jay Bloom and/or MGA relating to Plaintiff in this case, the purported settlement between Plaintiff and Defendants in this case shall be produced forthwith. The issue of sanctions is reserved for resolution following the evidentiary hearing scheduled for March 3, 2021 and March 10, 2021.

The Countermotion is DENIED.

IT IS SO ORDERED this 11th day of March, 2021.

DISTRICT COURT JUDGE

Garman Turner Gordon LLP
Attorneys At Law
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
(725) 777-3000

Respectfully submitted:

GARMAN TURNER GORDON LLP

/s/ Erika Pike Turner
Erika Pike Turner, Esq., Bar No. 6454
Dylan T. Ciciliano, Esq., Bar. No. 12348
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Attorneys for Plaintiff

Reviewed and Approved:

MAIER GUTIERREZ & ASSOCIATES

/s/ Joseph A. Gutierrez
Joseph A. Gutierrez, Esq., Bar No. 9046
Danielle J. Barraza, Esq., Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for Defendants First 100, LLC and 1st One Hundred Holdings, LLC

Reviewed and Approved:

SHEA LARSEN

/s/ Bart K. Larsen
Bart K. Larsen, Esq., Bar No. 8538
1731 Village Center Circle, Suite 150
Las Vegas, Nevada 89134
Attorney for Non-Party Raffi A. Nahabedian

See previous page for Judge Denton's Signature

March 11, 2021.

From: Joseph Gutierrez <jag@mgalaw.com>
Sent: Wednesday, March 10, 2021 4:08 PM
To: Erika Turner <eturner@Gtg.legal>; Bart Larsen <blarsen@shea.law>
Cc: Dylan Ciciliano <dciciliano@Gtg.legal>
Subject: RE: Order Granting Plaintiffs Motion to Compel- TGC Farkas

Looks good to me

Joseph A. Gutierrez
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Tel: 702.629.7900 | Fax: 702.629.7925
jag@mgalaw.com | www.mgalaw.com

From: Erika Turner <eturner@Gtg.legal>
Sent: Wednesday, March 10, 2021 4:06 PM
To: Bart Larsen <blarsen@shea.law>; Joseph Gutierrez <jag@mgalaw.com>
Cc: Dylan Ciciliano <dciciliano@Gtg.legal>
Subject: Order Granting Plaintiffs Motion to Compel- TGC Farkas

Counsel,
Please review the attached and advise if you approve and I may affix your e-signatures.

Erika

Erika Pike Turner
Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573
eturner@gtg.legal

7251 AMIGO STREET, SUITE 210
LAS VEGAS, NV 89119

www.gtg.legal

From: Bart Larsen <blarsen@shea.law>
Sent: Wednesday, March 10, 2021 4:09 PM
To: Erika Turner <eturner@Gtg.legal>; Joseph Gutierrez <jag@mgalaw.com>
Cc: Dylan Ciciliano <dciciliano@Gtg.legal>
Subject: Re: Order Granting Plaintiffs Motion to Compel- TGC Farkas

Thanks. You can use my electronic signature.

From: Erika Turner <eturner@Gtg.legal>
Date: Wednesday, March 10, 2021 at 4:06 PM
To: Bart Larsen <blarsen@shea.law>, Joseph Gutierrez <jag@mgalaw.com>
Cc: Dylan Ciciliano <dciciliano@Gtg.legal>
Subject: Order Granting Plaintiffs Motion to Compel- TGC Farkas

Counsel,
Please review the attached and advise if you approve and I may affix your e-signatures.

Erika

Erika Pike Turner
Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573
eturner@gtg.legal

7251 AMIGO STREET, SUITE 210
LAS VEGAS, NV 89119

SR
JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Telephone: (702) 629-7900
Facsimile: (702) 629-7925
E-mail: jrm@mgalaw.com
jag@mgalaw.com
djb@mgalaw.com

Attorneys for Defendants First 100, LLC and 1st One Hundred Holdings, LLC and non-party Jay Bloom

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada limited liability company; 1st ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Defendants.	Case No: A-20-822273-C Dept. No.: XIII **DEFENDANTS' STATUS REPORT ON COMPLIANCE WITH THE COURT'S ORDERS** Hearing Date: July 9, 2021 Hearing Time: 9:00 a.m.

Defendants First 100, LLC and 1st One Hundred Holdings, LLC (collectively "First 100") and non-party Jay Bloom, by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES, hereby submit this status report on their compliance with the Court's orders.

At the July 8, 2021 status check on this matter, the Court granted First 100's oral motion to post bond in the amount of the sanction award ($151,535.81), and ordered that successful posting of the bond by August 9, 2021 "will stay any collection efforts and resolve the contempt issue surrounding the monetary award." *See* 7/15/2021 Order, *on file*.

/ / /

On August 3, 2021, SJC Ventures Holding Company, LLC, on behalf of First 100, LLC, posted the bond amount with the District Court Clerk. A notice thereof was subsequently filed on August 3, 2021. *See* **Exhibit A**, Bond with Official Receipt.

Also at the July 8, 2021 status check, the Court set an August 9, 2021 status check in order to determine the status of First 100's efforts to obtain additional tax records and Bank of America documents. As set forth in Jay Bloom's supplemental affidavit, efforts to obtain documentation from Bank of America were unsuccessful, and efforts to obtain additional tax returns (which included a request from CPA Mark Dicus) did not yield any response. First 100 has indicated it would not be opposed to TGC/Farkas Funding, LLC issuing a subpoena directly to Bank of America for the additional documentation it is seeking. *See* **Exhibit B**, Supplemental Affidavit of Jay Bloom. First 100 has certified that it has taken any and all actions possible to comply with the document requests. *Id.* at ¶ 48.

Based on the foregoing, First 100 and non-party Jay Bloom respectfully ask that the Court deem the contempt issue resolved in its entirety.

DATED this 6th day of August, 2021.

Respectfully submitted,

MAIER GUTIERREZ & ASSOCIATES

/s/ Joseph A. Gutierrez

JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for First 100, LLC and 1st One Hundred Holdings, LLC

CERTIFICATE OF SERVICE

Pursuant to Administrative Order 14-2, a copy of the **DEFENDANTS' STATUS REPORT ON COMPLIANCE WITH THE COURT'S ORDERS** was electronically filed on the 6th day of August, 2021, and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List as follows:

Erika P. Turner, Esq.
Dylan T. Ciciliano, Esq.
GARMAN TURNER GORDON, LLP
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Attorneys for TGC Farkas Funding LLC

/s/ Brandon Lopipero
An Employee of MAIER GUTIERREZ & ASSOCIATES

EXHIBIT “A”

BOND
JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Telephone: (702) 629-7900
Facsimile: (702) 629-7925
E-mail: jrm@mgalaw.com
jag@mgalaw.com
djb@mgalaw.com

Attorneys for Defendants First 100, LLC,
1st One Hundred Holdings, LLC and Jay Bloom

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada limited liability company; 1st ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Defendants.	Case No: A-20-822273-C Dept. No.: XIII **BOND**

Defendants, First 100, LLC and 1st One Hundred Holdings, LLC, by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES, pursuant to the July 15, 2021 order, hereby files this bond in the amount of the sanction award $151,535.81. A copy of the official

/ / /

/ / /

/ / /

/ / /

/ / /

/ / /

receipt is attached hereto.

DATED this 3rd day of August, 2021.

Respectfully submitted,

MAIER GUTIERREZ & ASSOCIATES

/s/ Joseph A. Gutierrez

JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for First 100, LLC and 1st One Hundred Holdings, LLC

CERTIFICATE OF SERVICE

Pursuant to Administrative Order 14-2, a copy of the foregoing **BOND** electronically filed on the 3rd day of August, 2021, and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List:

Erika P. Turner, Esq.
Dylan T. Ciciliano, Esq.
GARMAN TURNER GORDON, LLP
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Attorneys for TGC Farkas Funding LLC

/s/ Natalie Vazquez
An Employee of MAIER GUTIERREZ & ASSOCIATES

OFFICIAL RECEIPT

District Court Clerk of the Court 200 Lewis Ave, 3rd Floor Las Vegas, NV 89101

Payor
SJC Ventures Holding Company, LLC

Receipt No.
2021-48205-CCCLK

Transaction Date
08/3/2021

Description	Amount Paid
On Behalf Of First 100, LLC A-20-822273-C TGC/Farkas Funding, LLC, Plaintiff(s) vs. First 100, LLC, Defendant(s) Stay Bond	
Stay Bond	151,535.81
SUBTOTAL	**151,535.81**

PAYMENT TOTAL **151,535.81**

Cashier Check (Ref #1292626025) Tendered	151,535.81
Total Tendered	**151,535.81**
Change	0.00

08/03/2021 03:21 PM	Cashier Station AIKO	Audit 37905823

OFFICIAL RECEIPT

EXHIBIT “B”

CLARK COUNTY, NEVADA

AFFIDAVIT OF JAY BLOOM

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

JAY BLOOM, being duly sworn, deposes and says that:

1. I am over the age of eighteen (18) and I have personal knowledge of all the facts set forth herein. Except otherwise indicated, all facts set forth in this affidavit are based upon my own personal knowledge, my review of the relevant documents, and my opinion of the matters that are the issues of this lawsuit. If called to do so, I would competently and truthfully testify to all matters set forth herein, except for those matters stated to be based upon information and belief.

2. This affidavit is made with respect to Case Number A-20-822273-C.

3. On April 7, 2021, this Court entered an Order declining to reverse its denial of First 100's Motion to Enforce its Settlement Agreement and further ordered the production of certain books and records of the company to be produced.

4. On April 8, 2021, in an effort to timely comply with the April 7, 2021 Order of this Court, I contacted Michael Henrickson, the company's former Financial Controller, and individual in possession of the accounting computer and records for the company, and asked him to schedule a call to produce all documents responsive to the Order of this Court. (See Enclosure A)

5. On or about Friday, April 9, 2021, I spoke to Michael Henrickson, conveyed the Order for production and reviewed the documents needed to be produced pursuant to the Order.

6. During this conversation, Mr. Henrickson indicated that he had plans with his family for the weekend but he would work on compiling the documents to be produced the following week around his responsibilities for his current employer. (see Enclosure B)

7. On April 15, 2021, Mr. Henrickson texted that "The F100 accounting computer no

longer has Microsoft Office so it is extremely difficult for me review any files in that computer." (see Enclosure B)

8. Mr. Henrickson's text continues, "I was able to copy all of filed (except QB) to a thumb drive (***approximately 1,600 files***)". (see Enclosure B)

9. I responded by text, "OK, if I can get the thumb drive from you I'll go through those files. In the mean time can we generate the financials from what's in Quickbooks?" (Enclosure B)

10. Mr. Henrickson's text responded, "I brought them to work hoping to put them on my work computer here to try and separate out which files might answer each request but my financial institution blocks all plug in memory storage devices LOL so I can't view them here either. I would be happy to pass that thumb drive along to you." (see Enclosure B)

11. Mr. Henrickson's text continued, "***There are definitely financial statements included in the files that were on my computer that are now on the thumb drive***". (see Enclosure C)

12. He further texted, "Quickbooks – so I spent a couple of hours last night trying to get some reports out of Quickbooks (a/p reports, General Ledger reports and financial statements) but was having a heck of a time getting any report to save or export. I was going to try it again tonight when I get home. Not sure what else to do on that". (see Enclosure C)

13. I responded by text, "If the files were already created and they're on the flash drive, that's great. That's all we need." (see Enclosure C)

14. Mr. Henrickson's text responded, "Let me know where/when I can meet you then to hand off this thumb drive. Still at work, but wrapping up my day." (see Enclosure C)

15. Additionally, on April 11, 2021, I sent, by Certified mail, Regular mail and e-mail, a document demand to Matthew Farkas, the Company's former CFO and VP of Finance, wherein I demanded the return of any and all books and records in his possession, and further, that if it was his position that he was not in possession of any such documents, that he provide an affidavit stating so. (see Enclosure D)

16. Mr. Farkas did not provide any company books and records in his possession.

17. Mr. Farkas further refused to provide an affidavit that he was not in possession of any such company books and records required for production to TGC/Farkas as plaintiff.

18. Further, on April 11, 2021, the Company issued a capital call, as suggested by the Plaintiff in these proceedings. (See Enclosure E)

19. As all other members subject to the capital call had redeemed their membership, as had Plaintiff prior to reversing their Membership Redemption Agreement executed by Matthew Farkas and found to have been unauthorized by Plaintiff, Plaintiff is the only Member remaining liable for the capital call made.

20. Plaintiff failed to meet its Capital Call obligation under the Operating Agreements.

21. In fact, Plaintiff failed to provide a single dollar in response to the Capital Call.

22. Plaintiff did not even provide what they believed to be an accurate number for their capital call obligations.

23. Plaintiff refused to provide any funds whatsoever under their capital call obligations.

24. I met Mr. Henrickson on April 15, 2021 and obtained the thumb drive containing all of the company's books and records.

25. I then promptly delivered the books and records in their entirety to my Counsel for production to Plaintiffs in compliance with this Courts' Order in order to meet the 10 day production requirement as set by this Court.

26. I did not review the documents for privilege to remove any documents that consisted of communications with counsel for First 100.

27. I did not review the documents for relevance to the production Order.

28. I did not remove a single file and instead overproduced in provided every single file in the company's books and records.

29. All steps were taken to marshal and produce responsive documents from the First 100 accounting computer, and any documents not provided are documents that either do not exist or that First 100 does not have available in its possession or reasonable access to.

30. Plaintiff never e-mailed to Defendant nor its Counsel that there was any deficiency in its production prior to filing its motion seeking a sanction of incarceration of a responsive non party.

31. Plaintiff never called Defendant or its Counsel to indicate that there was any deficiency in its production prior to filing its motion seeking a sanction of incarceration of a responsive non party.

32. Plaintiff never texted Defendant or its Counsel to indicate that there was any deficiency in its production prior to filing its motion seeking a sanction of incarceration of a responsive non party.

33. After Plaintiff filed its "notice" and request for additional sanctions, I had my Counsel produce a PDF version of the documents contained on the flash drive, and 22,933 pages of documents were reproduced in PDF format.

34. Movant responded for the first time seeking supplemental production.

35. In response, First 100 requested any non-privileged documentation as may be in the possession of its attorneys.

36. First 100's counsel was the direct recipient of all of the Member's redemption Agreements, and as such, has supplemented First 100's production with all such Agreements.

37. Additionally, First 100 was a party to a real property transaction conducted by member SJC Ventures, in which First 100 acknowledged SJC's agreement to assign proceeds attributable to SJC to a third party in relation to SJC's pledge of such potential collection receipts to a third party.

38. First 100's counsel has been directed to supplement its production with these documents as well.

39. Bank statements were provided for First 100, LLC by Michael Henrickson.

40. However Movant has requested supplemental production of bank statements from Bank of America for parent company 1st One Hundred Holdings, LLC.

41. Respondent is not in possession of such additional bank records requested by Movant, and Respondent has not been successful in obtaining such documents from Bank of America.

42. Movant also requested supplemental production of tax returns.

43. Respondent requested the production of such records from its certified public accountant, Mark Dicus, who prepared the tax returns.

44. However, as of the time of this affidavit, Respondent has not received a response from Mark Dicus regarding the tax returns requested.

45. There are no further responsive documents in my (Jay Bloom) possession, and I do not have access to any additional responsive documents. I also do not know of anyone else who is in possession of or has access to such documents, except for possibly Mr. Farkas.

46. Therefore, Respondent is unable to supplement its production any further.

47. Respondent would not oppose Movant seeking to subpoena Bank of America for the documentation sought which is not in Respondent's possession.

48. I, non-party, Jay Bloom, both in an individual capacity and on behalf of the Defendant Company have taken any and all actions possible to timely comply with this Court's Order.

49. To the best of my knowledge and belief, no further Books and Records exist beyond the almost 1,600 documents consisting of now in excess of 22,933 pages, as have already been timely produced pursuant to this Court's Order, other than those that may be in Mr. Farkas' possession already which he refuses to provide or attest that he does not possess.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

JAY BLOOM

SUBSCRIBED and SWORN to before me this 6 day of August, 2021.

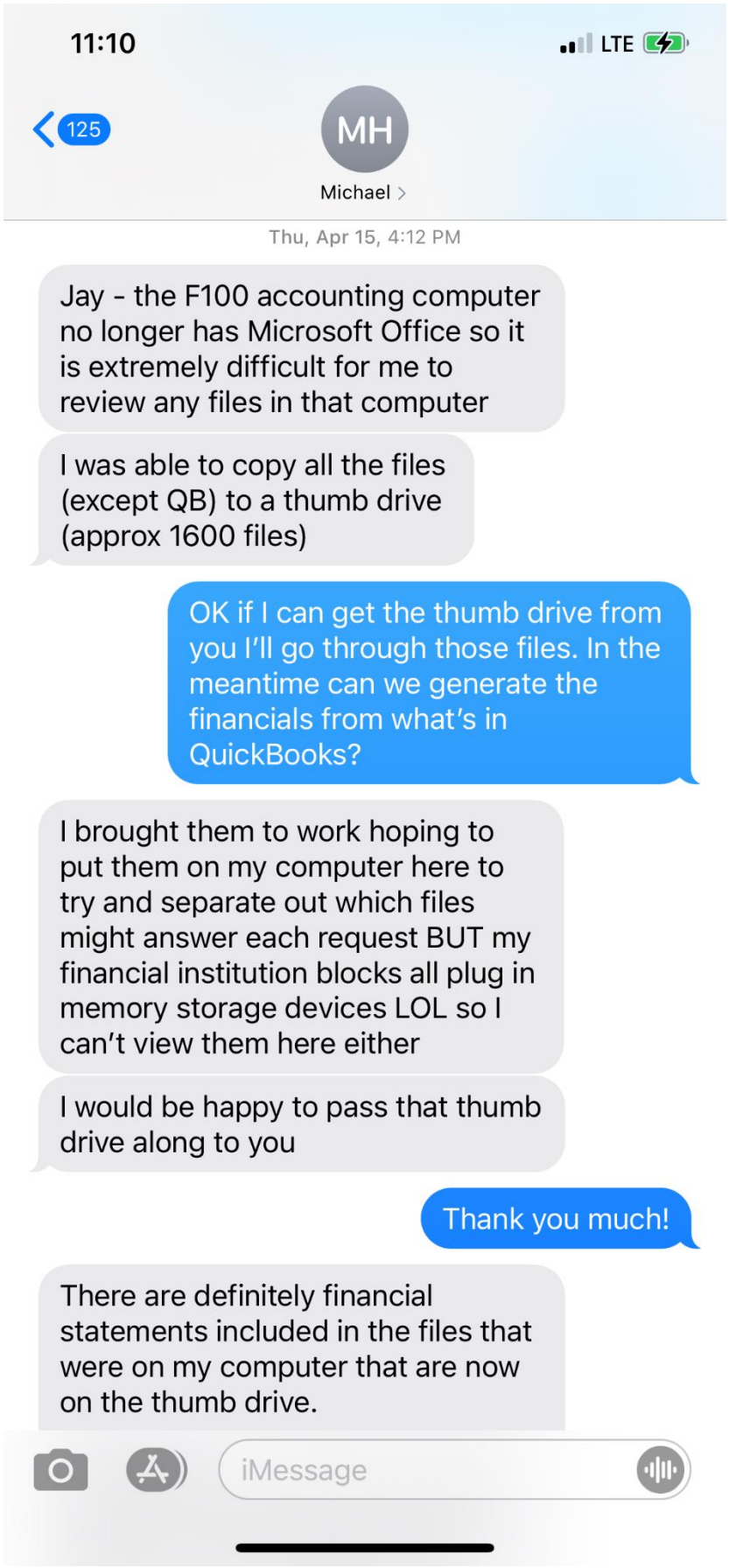
NOTARY PUBLIC

DONNA L. ZAMORA
Notary Public, State of Nevada
Appointment No. 03-80797-1
My Appt. Expires Jul 10, 2023

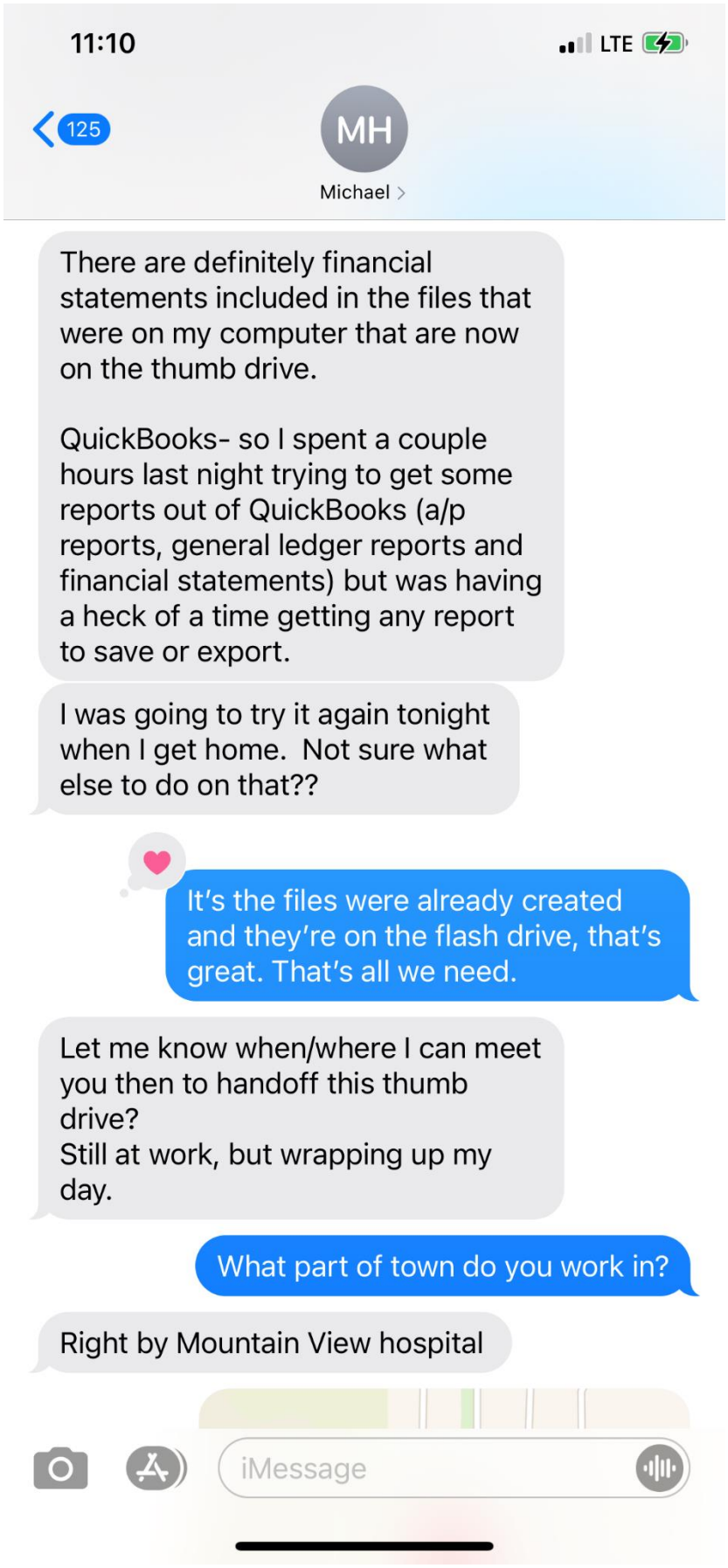
Enclosure A


11:09
LTE
125
MH
Michael
Thu, Apr 8, 8:42 PM
Hi!!
Are you around for a quick call at 2pm tomorrow?
That should work!
Excellent

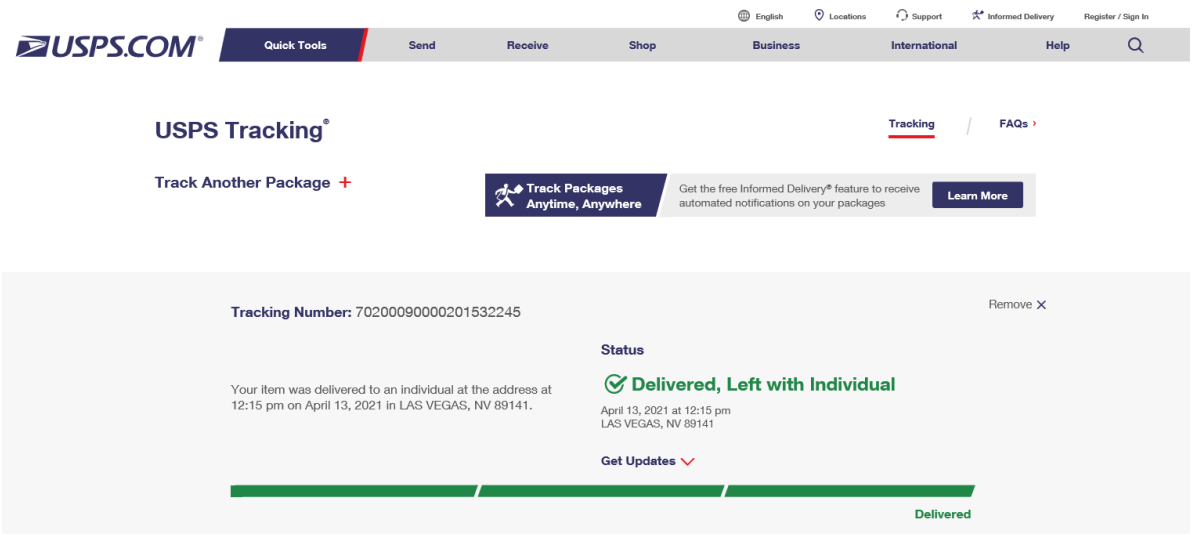
Enclosure B


11:10
LTE
125
MH
Michael
Thu, Apr 15, 4:12 PM
Jay - the F100 accounting computer no longer has Microsoft Office so it is extremely difficult for me to review any files in that computer
I was able to copy all the files (except QB) to a thumb drive (approx 1600 files)
OK if I can get the thumb drive from you I'll go through those files. In the meantime can we generate the financials from what's in QuickBooks?
I brought them to work hoping to put them on my computer here to try and separate out which files might answer each request BUT my financial institution blocks all plug in memory storage devices LOL so I can't view them here either
I would be happy to pass that thumb drive along to you
Thank you much!
There are definitely financial statements included in the files that were on my computer that are now on the thumb drive.
iMessage

Enclosure C


11:10
LTE
125
MH
Michael
There are definitely financial statements included in the files that were on my computer that are now on the thumb drive.
QuickBooks- so I spent a couple hours last night trying to get some reports out of QuickBooks (a/p reports, general ledger reports and financial statements) but was having a heck of a time getting any report to save or export.
I was going to try it again tonight when I get home. Not sure what else to do on that??
It's the files were already created and they're on the flash drive, that's great. That's all we need.
Let me know when/where I can meet you then to handoff this thumb drive?
Still at work, but wrapping up my day.
What part of town do you work in?
Right by Mountain View hospital
iMessage

Enclosure D


English
Locations
Support
Informed Delivery
Register / Sign In
USPS.COM
Quick Tools
Send
Receive
Shop
Business
International
Help
USPS Tracking®
Tracking
FAQs
Track Another Package +
Track Packages Anytime, Anywhere
Get the free Informed Delivery® feature to receive automated notifications on your packages
Learn More
Tracking Number: 70200090000201532245
Remove
Status
Your item was delivered to an individual at the address at 12:15 pm on April 13, 2021 in LAS VEGAS, NV 89141.
Delivered, Left with Individual
April 13, 2021 at 12:15 pm
LAS VEGAS, NV 89141
Get Updates
Delivered

1st One Hundred Holdings, LLC
10170 W Tropicana Ave, Ste 156-290
Las Vegas, NV 89147
p. 702.423.0500 f. 702.974.0284

Matthew Farkas
3345 Birchwood Park Circle
Las Vegas, NV 89144
farkm1@aol.com

By: USPS Certified 7020 0090 0002 0153 2245, and
Email to farkm1@aol.com

April 11, 2021

Re: 1st One Hundred Holdings, LLC
Demand for return of all Company Records

Dear Mr. Farkas,

It is the understanding of 1st One Hundred Holdings that you are in possession of company records, both physical and electronic.

Demand is hereby made for your return of any and all such document within 2 business days.

You are to immediately return any and all such documents, books and records relating to 1st One Hundred Holdings, LLC to the Company's attorney's at:

Joseph Gutierrez, Esq.
Maier Gutierrez PLLC
8816 Spanish Ridge Ave
Las Vegas, NV 89148

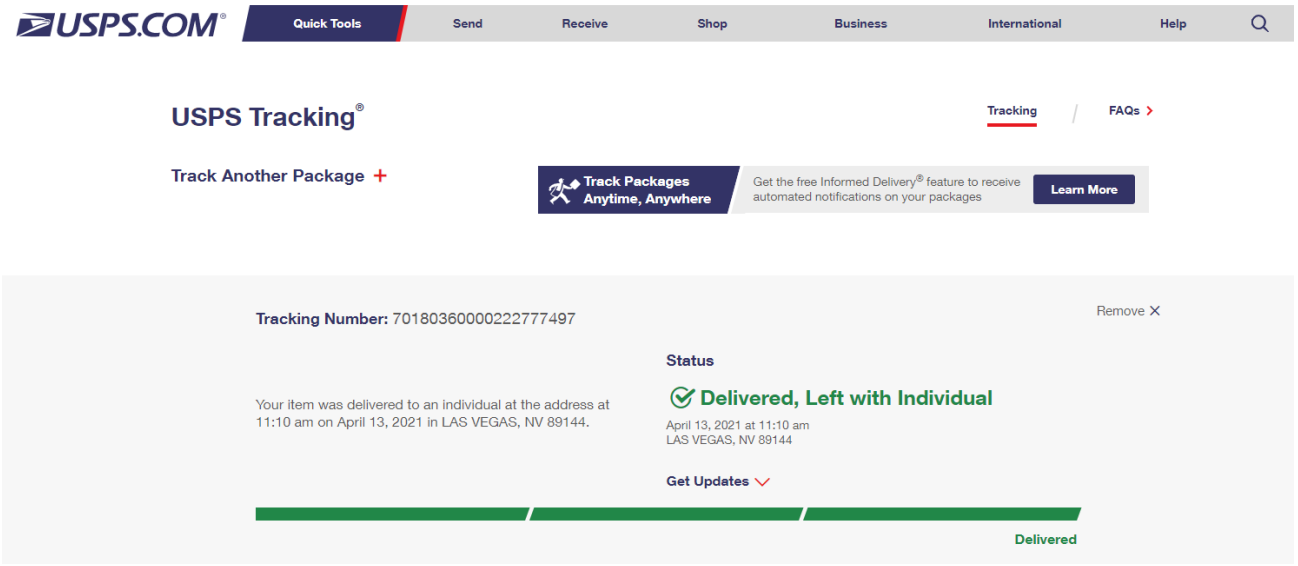
If you are asserting that you are not in possession of any documents, books and records of the Company, you are to provide an Affidavit asserting such under penalty of perjury.

Thank you for your prompt attention to this matter.

Very Truly Yours,

Jay Bloom
As Manager of
SJC Ventures, LLC,
As Manager of
1st One Hundred Holdings,
LLC

Enclosure E


USPS.COM
Quick Tools
Send
Receive
Shop
Business
International
Help
USPS Tracking®
Tracking
FAQs
Track Another Package +
Track Packages Anytime, Anywhere
Get the free Informed Delivery® feature to receive automated notifications on your packages
Learn More
Tracking Number: 70180360000222777497
Remove
Status
Your item was delivered to an individual at the address at 11:10 am on April 13, 2021 in LAS VEGAS, NV 89144.
Delivered, Left with Individual
April 13, 2021 at 11:10 am
LAS VEGAS, NV 89144
Get Updates
Delivered

RA1000

1st One Hundred Holdings, LLC
10170 W Tropicana Ave, Ste 156-290
Las Vegas, NV 89147
p. 702.423.0500 f. 702.974.0284

TGC Farkas Funding, LLC
c/o Erika Pike-Turner, Esq.
Garman, Turner Gordon
7251 Amigo Street , Suite 210
Las Vegas, NV 89199
eturner@Gtg.legal

Matthew Farkas, Individually
c/o Kenneth Hogan
1140 N. Town Center Dr.
Suite 300
Las Vegas, NV 89144
ken@h2legal.com

By: USPS Certified 7018 0360 0002 2277 7503,
7018 0360 0002 2277 7497 and
Email to <eturner@Gtg.legal, ken@h2legal.com

April 11, 2021

Re: 1st One Hundred Holdings, LLC
Additional Capital Call

Dear Member,

This correspondence is in relation to TGC/Farkas Funding, LLC ("TGC") Membership Interest in in 1st One Hundred Holdings, LLC (the "Company"), and certain of its obligations thereunder.

As you are aware, on or about April 2017, the Company made an offering of Membership Interest Redemption to its ownership. All non-executive members, including TGC, executed the Membership Redemption Agreement.

On or about September 2020, it was adjudicated in arbitration that Matthew Farkas, the Manager and 50% owner of TGC exceeded his authority in exercising the Redemption Agreement on behalf of his company, and the Redemption Agreement was deemed to be voided, which decision was confirmed by the District Court on or about October 2020.

Pursuant to the Company's Operating Agreement, and voiding of the TGC Redemption Agreement, TGC is the only remaining non-executive owner of Membership Interest, originally a 3% Membership Interest, later increased to 4.553% Membership Interest after all non-executive

Redemptions of Membership Interest (see attached Schedule of Membership Interest) in 1st One Hundred Holdings, LLC.

Further, paragraphs 7.5 and 7.13 of the Operating Agreement provides for indemnification as follows:

> 7.5 EXTENT OF INDEMNIFICATION. A Person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the Person in connection with the proceeding; but if the Person is found liable to the Company or is found liable on the basis that Personal benefit was improperly received by the Person, the indemnification shall (a) be limited to reasonable expenses actually incurred, and (b) not be made in respect of any proceeding in which the Person shall have been found liable for willful or intentional misconduct in the performance of such Person's duty to the Company.

> 7.13 INDEMNIFICATION OF OFFICERS. The Company may, at the discretion of the Manager, indemnify and advance or reimburse expenses to a Person who is or was an officer of the Company to the same extent that it shall indemnify and advance or reimburse expenses to Manager under this Article.

Accordingly, the Manager and all Executive Members are indemnified by the Company, leaving TGC as the only remaining non-indemnified Member of the Company subject to a capital call for Indemnified matters, such as the instant matters causing the Subsequent Capital Call.

As you are aware, as a result of a recent action brought by TGC, first in Arbitration and later in the Nevada State Courts, and the resultant decisions, the Company is now in need of capital contributions, and as such, does hereby put forth a capital call to its membership for the following Expenditures anticipated:

MGA bills related to the Arbitration	$ 4,776.60
MGA bills related to the State Court Action	$ 98,788.90
Arbitration award:	$ 23,975.00
Reserve for award for TGC State Court fees and costs	$161,655.81
Total Capital Call:	**$289,196.31**

The Company will require additional capital from its non-indemnified Members to meet these obligations resultant from indemnified matters.

Pursuant to the Company's Operating Agreement, Section 4.2, with respect to Subsequent Capital Contributions, the Operating Agreement sets forth the following:

> 4.2 SUBSEQUENT CONTRIBUTIONS. If necessary and appropriate to enable the Company to meet its costs, expenses, obligations, and liabilities, and if no lending source is available, then the Manager shall notify each Class A Member ("Capital Call") of the need for any additional capital contributions, and such capital demand shall be made on each Class A Member in proportion to its Class A Membership Interest. Any such Capital Call notice must include a statement in reasonable detail of the proposed uses of the required additional capital contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the additional capital contributions must be made.

Accordingly, the Company is hereby making a $289,196.32 Subsequent Capital Call.

TGC's portion is as follows:

MGA bills related to the Arbitration:	$ 217.48
MGA bills related to the State Court Action:	$ 4,497.86
Arbitration award:	$ 1,091.58
Reserve for award for TGC State Court fees and costs:	$ 4,553.00
Indemnification costs for Indemnified Parties	$278,836.40 *1
Total TGC Farkas Capital Call:	**$289,196.31**

*1 As TCG Farkas Funding is the sole non Manager, Non Officer, Non Director Member, TGC is sole member remaining subject to the capital call bearing responsible for Capital Call for the above indemnified expenses

On or about April 8, 2021, specifically for this purposes, the Company has established an account to receive your Subsequent Capital Contribution in the amount of $289,196.31.

Your Subsequent Capital Contributions shall be made by wire transfer to:

Incoming Wire Instructions:

Account Name: 1st One Hundred Holdings, LLC

Account Number: 5010 2667 7709

ABA Routing Number: 026 009 593

Bank Name: Bank of America

Bank Address: Ft Apache Branch, Las Vegas, NV 89147

Further, the actions of TGC and resultant findings have had a material adverse impact on the negotiations related to the sale of the Company's sole asset, the judgment.

Additionally, it is anticipated that additional Capital Calls will be made in the future to fund the Company's ongoing additional expenses in the event the sale of the Judgement cannot be recovered.

Capital Contributions are to be wired no later than by 5pm EST on Friday, April 16, 2021, with proof of transfer provided to the Manager on or before such deadline.

Pursuant to the Company Operating Agreement, Section 4.3, the consequences for TGC's failure to fund its obligations are as follows:

> 4.3 **FAILURE TO CONTRIBUTE.** If a Member does not contribute all of its share of a Capital Call by the time required, then either:
>
> 1) One or more Class A Members may provide the additional capital, with such added capital to be reflected in that Class A Member's Capital Contribution, however, such additional capital to be entitled to priority return superior to those set forth in Article V.
>
> or
>
> 2) Any other Members, individually or in concert (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Call that is in default, with the following results:
>
> (a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement;
>
> (b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefore by the Lending Member to the Delinquent Member;
>
> (c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member;
>
> (d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal);
>
> (e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership Interest, and the Lending Member may file a financing statement evidencing and perfecting such security interest; and
>
> (f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including, without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member.

Accordingly, TGC's failure to provide (or the short funding of) such Subsequent Capital Contribution will result in SJC Ventures advancement of the funds (in the capacity of Lending Member pursuant to 4.3(2)(a) of the Operating Agreement), as a loan to TGC (in the capacity of Borrowing Member pursuant to 4.3(2)(a) of the Operating Agreement).

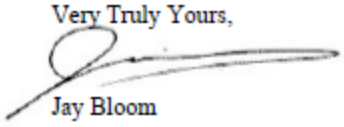
Such funds advanced by SJC on TGC's behalf, and therefore lent by SJC to TGC pursuant to this provision, will be used to bond the judgment amounts pending appeal, during which time, SJC will make demand for the repayment of the loan pursuant to 4.3(2)(b) of the Operating Agreement.

After 10 days of the issuance of the loan from SJC, as Lending Member, to TGC as Borrowing Member, should TGC fail to repay the loan to SJC, then SJC, as Lender Member, will be taking any and all such actions as necessary pursuant to 4.3(2)(f) of the Operating Agreement for its recovery of such amounts loaned by SJC as Lending Member to TGC as Borrowing Member, including actions against TGC itself, as well as any responsible party, each as defendants in their individual capacity, in Clark County's Eighth Judicial District Court.

Should you wish to discuss a more amicable resolution which avoids brand new litigation by the Lending Member against the Borrowing Member, and its principals individually, and further the potential for recovery of the sale of the Judgment which provides for TGC's initial capital contribution, please let counsel for the Company and SJC know expeditiously.

Thank you for your prompt attention to this matter.

Very Truly Yours,



Jay Bloom
As Manager of
SJC Ventures, LLC,
As Manager of
1st One Hundred Holdings,
LLC

	Class A			Revised Class A Equity Position	Manager as owner	
Paladin Ventures, LLC	6.928%	Held		10.515%	Chris Morgando Entity	Indemnified
Mamber Ventures, LLC	7.428%	Held		11.274%	Albert Ramirez Entity	Indemnified
CBWE, LLC	7.428%	Redeemed	7.428%		Carlos Cardenas Entity	
SJC 1, LLC	9.780%	Held		14.844%	Albert Ramirez Entity	Indemnified
SJC 2, LLC	13.790%	Held		20.931%	Chris Morgando Entity	Indemnified
SJC, LLC	24.958%	Held		37.881%	Jay Bloom Entity	Indemnified
Bart Rendel	1.000%	Redeemed	1.000%			
Wendell Brown	1.000%	Redeemed	1.000%			
Bob Crow	2.000%	Redeemed	2.000%			
Tammy Henriksen (Michael)	2.000%	Redeemed	2.000%			
Neil Durrant	2.000%	Redeemed	2.000%			
Hannah Harvey	0.125%	Redeemed	0.125%			
Jethro Gordon	0.125%	Redeemed	0.125%			
Greendot Investments, LLC	2.000%	Redeemed	2.000%			
Dennis Wiley	1.500%	Redeemed	1.500%			
Van Holland	0.250%	Redeemed	0.250%			
Marilyn Wiley	0.750%	Redeemed	0.750%			
Glenn Plantone	0.188%	Redeemed	0.188%			
Pat and Sandy O'Laughlin	1.000%	Redeemed	1.000%			
John P. Morgando	1.000%	Redeemed	1.000%			
Erin Quatrale	0.500%	Redeemed	0.500%			
Basis Investments, LLC	5.000%	Redeemed	5.000%			
Marylin Wiley	1.000%	Redeemed	1.000%			
Kent Adamson	1.000%	Redeemed	1.000%			
Alan & Theresa Lahrs	1.000%	Redeemed	1.000%			
Amy and Armond Farr	0.500%	Redeemed	0.500%			
Glenn Plantone	0.250%	Redeemed	0.250%			
Glenn Plantone	0.375%	Redeemed	0.375%			
JWL Management	0.125%	Redeemed	0.125%			
Greg and Laurie Darroch	0.250%	Redeemed	0.250%			
Greg and Laurie Darroch	0.500%	Redeemed	0.500%			
Laurie Darroch	0.250%	Redeemed	0.250%			
Catheryn Cope	0.250%	Redeemed	0.250%			
JWL Management	0.250%	Redeemed	0.250%			
Glenn Plantone	0.250%	Redeemed	0.250%			
Izzy Zalcberg	0.125%	Redeemed	0.125%			
Dr. Natchez Maurice	0.125%	Redeemed	0.125%			
TGC/Farkas Funding, LLC	1.000%	Held		1.518%		Liable for Capital Call
TGC/Farkas Funding, LLC	2.000%	Held		3.036%		Liable for Capital Call
			34.116%	100.000%		

DISTRICT COURT
CLARK COUNTY, NEVADA

Other Civil Matters	**COURT MINUTES**	**August 09, 2021**

A-20-822273-C TGC/Farkas Funding, LLC, Plaintiff(s)
vs.
First 100, LLC, Defendant(s)

August 09, 2021 **9:00 AM** **Status Check**

HEARD BY: Denton, Mark R. **COURTROOM:** RJC Courtroom 03D

COURT CLERK: Madalyn Kearney

RECORDER: Jennifer Gerold

PARTIES PRESENT:
Barraza, Danielle J. — Attorney for Defendants
Turner, Erika Pike — Attorney for Plaintiff

JOURNAL ENTRIES

Counsel present via BlueJeans.

Court noted a filing was submitted on Friday. Ms. Turner advised they just received certification from Mr. Bloom that no other documents exist and the bond has been paid. As such, Ms. Turner advised the matter can be taken off calendar. Ms. Barraza concurred. Court noted the case will proceed accordingly.