

and accounting and tax reporting with respect to the Company, its members and their respective Membership Interests shall be handled accordingly.

SECTION IV **ALLOCATIONS AND DISTRIBUTIONS**

A. Allocations. For purposes of maintaining each Member's Capital Account, all of the Company's net profits, net losses, expenses and other items of income, gain, loss, and credit shall be allocated to the Member in proportion to the percentage Membership Interest of such Member. All items of Company taxable income, gain, loss, deduction, and credit recognized or allowable for Federal income tax purposes shall be similarly allocated and credited or charged to each Member in proportion to the percentage Membership Interest held by such Member.

B. Distributions. Net cash flow shall be distributed at such times and in such amounts as may be determined from time to time and at any time by the Sole Member of the Company in the following priority:

1. First, to the Members in repayment of any advance of funds to the Company as a lender, to the extent of and in proportion to such advances, including interest thereon, if any;
2. Additional distributions, if any will be made to the Members in proportion to the percentage Membership Interests held by them, respectively, in such amounts and at such times as may be determined by the Sole Member of the Company.

C. Distribution upon Liquidation of the Company.

1. At the termination of the Company and after the Company has satisfied or provided for the satisfaction of all the Company's debts and other obligations, the Company's assets will be distributed in cash to the Members first, in discharge of their respective capital interests; and then, in proportion to the percentage Membership Interests held by them, respectively.

2. If the Company lacks sufficient assets to make the distributions described in the foregoing paragraph, the Company will make distributions in proportion to the respective Membership Interests of the Members.

SECTION V **MANAGEMENT OF BUSINESS**

A. In General. The Company shall be member-managed. The Members of the Company shall manage the business and affairs of the Company and shall have full and complete authority, power and discretion to do all things necessary or convenient to manage, control and carry out the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. All decisions and actions of the Company in connection