
**OPERATING AGREEMENT
OF
NFTRADE LLC**

Dated:

February 10, 2022

TABLE OF CONTENTS

	<u>Page</u>
• ORGANIZATION	OF
COMPANY	1
• <i>Formation.</i>1
• <i>Office.</i>1
• <i>Duration.</i>1

•	<i>Registered</i>	<i>Office</i>	<i>and</i>	<i>Resident</i>	
	<i>Agent.</i>				1
•	<i>Articles</i>	<i>of</i>	<i>Organization,</i>	<i>Authorized</i>	
	<i>Agent.</i>				1
•	APPENDICES			AND	
	EXHIBITS.				1
•	<i>Definitions.</i>				
	...1				
•	<i>Tax</i>			<i>Regulatory</i>	
	<i>Provisions.</i>				1
•	<i>Members,</i>	<i>Capital</i>	<i>Contributions,</i>	<i>Membership</i>	
	<i>Percentages.</i>				2
•	PURPOSES.				2
•	CAPITALIZATION.				2
•	<i>Initial</i>	<i>Capital</i>	<i>Contributions</i>	<i>of</i>	
	<i>Members.</i>				2
•	<i>Additional</i>			<i>Capital</i>	
	<i>Contributions.</i>				2
•	<i>Withdrawals.</i>				
	..2				
•	<i>Loans.</i>				
	...2				
•	CAPITAL	ACCOUNTS;	PROFITS	AND	LOSSES;
	DISTRIBUTIONS.				2
•	<i>Capital</i>				
	<i>Accounts.</i>				2
•	<i>Allocation</i>	<i>of</i>	<i>Profits</i>	<i>and</i>	
	<i>Losses.</i>				2
•	<i>Tax</i>				
	<i>Distributions.</i>				2
•	<i>Other</i>				
	<i>Distributions.</i>				3
•	<i>Advances.</i>				
	..3				
•	MANAGEMENT.				3
•	<i>Number</i>	<i>and</i>	<i>Identification</i>	<i>of</i>	
	<i>Manager.</i>				3

• <i>Powers</i>	<i>and</i>	<i>Duties</i>	<i>of</i>	<i>the</i>
<i>Manager.</i>			3	<i>Self</i>
<i>Dealing.</i>			3	
• <i>Standard</i>		<i>of</i>		<i>Care;</i>
<i>Liability.</i>			3	
• <i>Compensation</i>	<i>and</i>	<i>Reimbursement</i>		<i>of</i>
<i>Manager.</i>			4	
• <i>Other</i>		<i>Interests</i>		<i>of</i>
<i>Manager.</i>			4	
• <i>Resignation.</i>				
..4				
• <i>Removal.</i>				
...4				
• <i>Vacancies.</i>				
..4				
• <i>Appointment</i>				<i>of</i>
<i>Officers.</i>			4	
• <i>Duties</i>				<i>of</i>
<i>Officers.</i>			4	
• <i>Limitations</i>		<i>on</i>		<i>Officers'</i>
<i>Powers.</i>			5	
• <i>Resignation</i>				<i>of</i>
<i>Officers.</i>			6	
• <i>Removal</i>				<i>of</i>
<i>Officers.</i>			6	
• <i>Vacancies</i>				<i>of</i>
<i>Offices.</i>			6	
• <i>Other</i>				<i>Manager</i>
<i>Duties.</i>			6	6.18 <i>Liability</i>
<i>Insurance.</i>			7	

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6.19	<i>Partnership Representative.</i>	7
•	MEMBERS.	7
•	<i>Voting.</i>	7
•	<i>Meetings.</i>	7

• <i>Consent.</i>	8	
...7		
• <i>Applicable</i>	8	<i>Licensure</i>
<i>Requirements.</i>	8	
• <i>Additional</i>	8	
<i>Members</i>	8	
• <i>Other Interests of Members.</i>	8	Error! Bookmark not defined.
• <i>Removal</i>	8	<i>of</i>
<i>Members.</i>	8	
• <i>Life</i>	9	
<i>Insurance.</i>	9	
• TRANSFER OF MEMBERSHIP INTERESTS.	10	
• <i>General</i>	10	<i>Prohibition</i> <i>on</i>
<i>Transfers.</i>	10	
• <i>Permitted</i>	10	
<i>Assignments.</i>	10	<i>Admission of</i>
<i>Assignees as Members.</i>	10	
• <i>Additional</i>	11	<i>Restrictions</i> <i>on</i>
<i>Transfers.</i>	11	
• <i>Optional</i>	11	<i>Liquidation</i> <i>Upon</i> <i>Member's</i>
<i>Death.</i>	11	
• <i>Section</i>	12	<i>754</i>
<i>Election.</i>	12	
• DISSOLUTION AND WINDING UP.	12	
• <i>Dissolution.</i>	12	
• <i>Winding</i>	13	
<i>Up.</i>	13	
• LIMITATION OF LIABILITY; INDEMNIFICATION.	14	
• <i>Limitation</i>	14	<i>of</i>
<i>Liability.</i>	14	
• <i>Liability</i>	14	<i>of</i> <i>Member</i> <i>to</i> <i>the</i>
<i>Company.</i>	14	
• MISCELLANEOUS PROVISIONS.	16	
• <i>Amendments.</i>	16	
• <i>Investment</i>	16	
<i>Representation.</i>	16	

• <i>Merger</i>	<i>and</i>
<i>Reliance.</i>	16
• <i>Notice.</i>	
17	
• <i>Further</i>	
<i>Execution.</i>	17
• <i>Binding</i>	
<i>Effect.</i>	17
• <i>Counterparts.</i>	
18	
• <i>Legal</i>	
<i>Representation.</i>	18
• <i>Interpretation</i>	<i>and</i>
<i>Construction.</i>	18

APPENDIX A	APP A-
1	
APPENDIX B	APP B-
1	
APPENDIX C	APP C-
1	

OPERATING AGREEMENT

OF

VASSAR TECH PROCESSING LLC

THIS OPERATING AGREEMENT of NFTrade LLC, a Michigan limited liability company (“Company”), is made effective as of February 11, 2022, by and among the Company and the persons, whose names and addresses are listed in Appendix C, as Members, executing this Agreement.

• ORGANIZATION OF COMPANY

- **Formation.** The Company is a Michigan limited liability company under the provisions of the Act, the Articles, and this Agreement.

- **Office.** The Company’s office is located at such place as the Managers determine from time to time.

- **Duration.** The Company will continue in existence until it dissolves, and its affairs are wound up in accordance with the Act, the Articles, or this Agreement.

- **Registered Office and Resident Agent.** The Company's registered office and resident agent are as designated in the Articles and any amendments to them. The Company may change the registered office and resident agent, or either, in accordance with the Act. If the resident agent resigns, the Managers promptly will appoint a successor.

- **Articles of Organization, Authorized Agent.** The person who has executed, delivered and filed the Articles with the Department is hereby designated as an "organizer" within the meaning of the Act. Upon the filing of the Articles such person's powers as an "organizer" and any obligations to the Company as an organizer under Section 104 of the Act ceased. The Managers or Members shall execute, deliver and file any other certificates, documents, instruments and any amendments or restatements thereof necessary for the Company to conduct its business in Michigan or in any other jurisdiction in which the Company may wish to conduct business. The Company shall indemnify and hold such organizer harmless from any actions arising solely from acting in such capacity.

- **APPENDICES AND EXHIBITS.**

- **Definitions.** Capitalized terms used in this Agreement and defined in this Agreement shall have the meaning given to such terms where so defined. Certain definitions of general application are in Appendix A, which is attached to and is part of this Agreement.

- **Tax Regulatory Provisions.** Certain provisions relating to compliance with the Code and Regulations and related definitions are in Appendix B, which is attached to and is part of this Agreement.

- **Members, Capital Contributions, Membership Percentages.** The names, addresses and Membership Percentages of all Members are in Appendix C, which is attached to and is part of this Agreement.

- **PURPOSES.**

Except as limited by the Articles, the Company may engage in any lawful business permitted by the Act or the laws of any jurisdiction in which the Company may do business. The Company shall have the authority to do all things necessary or convenient to accomplishment of its purposes and to operate its business, including all powers granted by the Act.

- **CAPITALIZATION.**

- **Initial Capital Contributions of Members.** The Members have contributed to the Company their Capital Contributions set forth on the books and records

of the Company. No interest shall accrue on any Capital Contribution made to the Company unless otherwise provided in this Agreement.

- ***Additional Capital Contributions.*** No Member shall be required to contribute any additional capital to the Company.

- ***Withdrawals.*** Except, as provided in this Agreement, the Company does not have an obligation to repay any Capital Contributions, and Members may not withdraw from the Company. A Member who withdraws in violation of this Agreement will not be entitled to receive the fair value of his interest after the withdrawal.

- ***Loans.*** The Company may borrow money for Company purposes from any source, including any Member, under terms and conditions the Managers approve, but only if no law or regulation prohibits such loan and the Members or Managers approve the loan under Article 6 of this Agreement. Any money that the Company borrows from a Member is not a Capital Contribution, but is debt of the Company. Any loan from a Member to the Company will bear interest at a rate per annum that will not exceed the prime rate as in effect from time to time as published in The Wall Street Journal (or, if more than one rate is published, the highest of such rates) plus 2.5% percentage points.

- **CAPITAL ACCOUNTS; PROFITS AND LOSSES; DISTRIBUTIONS.**

- ***Capital Accounts.*** A Capital Account shall be maintained for each Member, in accordance with Section 102 of Appendix B.

- ***Allocation of Profits and Losses.*** Except as provided in Appendix B, the Company will allocate all Profits and Losses to the Members pro rata, in the proportion that such Member's Membership Percentage bears to the Membership Percentages of all Members.

- ***Tax Distributions.*** Subject to compliance with Applicable Law and agreements with third parties, the Company may, at the Manager's sole discretion, advance to each Member, quarterly, an amount equal to the product of the Assumed Tax Rate multiplied by the estimated federal taxable income allocable to the Member for such quarter as determined in good faith by the Managers. The Company shall use commercially reasonable efforts to do so not less than five days before the due date of each estimated tax payment by an individual taxpayer. No tax distribution shall be made under this Section 5.3 in connection with the sale or liquidation of the Company, unless otherwise determined by the Manager.

- ***Other Distributions.*** The Company will distribute to the Members from time to time, as determined by the Manager, Distributable Cash of the Company to the Members, pro rata, in proportion to their Membership Percentages.

- ***Advances.*** Distributions that the Company makes to a Member with respect to any fiscal period are only advances on account of such Member's share of

distributions as finally determined for the fiscal year in respect of which the Company made such advance. If the member receives an advance in respect of a fiscal year in excess of the distribution to which he or she is entitled, at the Company's election the Member will either repay to the Company the portion of the advance that exceeds the Member's share of distribution (the "excess advance"), or, treat such excess advance as a loan. If the Company treats the excess advance as a loan, then it will bear interest at the applicable federal rate and both interest and principal will be payable not later than six months after the end of the fiscal year.

- **MANAGEMENT.**

- ***Number and Identification of Manager.*** The Company will be managed by one
(1) or more Managers. The initial Manager is Adam Long.

6.2 *Powers and Duties of the Manager.* The Managers will manage and have complete control over the conduct of the affairs of the Company. The Managers shall have the authority to take any and all actions on behalf of the Company to the fullest extent permitted by the Act. The Managers may appoint, employ, or otherwise contract with any persons for the transaction of the business of the Company or the performance of services for or on behalf of the Company, and the Managers may delegate to any such person such authority to act on behalf of the Company as the Managers may from time to time deem appropriate. If there is more than one Manager, all decisions of the Managers shall be made by majority vote (based on number) of the Managers; provided, however, if there is a deadlock, then the decision shall be made by a Majority Interest of the Members

6.3 *Self Dealing.* Any Manager, or its Affiliates may deal with the Company, directly or indirectly, as vendor, purchaser, employee, agent or otherwise. No contract or other act of the Company shall be voidable or affected in any manner solely by the fact that a Manager, or its Affiliate, is directly or indirectly interested in such contract or other act. No Manager or its Affiliate shall be accountable to the Company or the Members in respect of any profits directly or indirectly realized by it by reason of such contract or other act. Such interested Manager shall be eligible to vote or take any other action as a Manager or, if such Manager is also a Member, in such Manager's capacity as a Member in respect of such contract or other act as it would be entitled were it or its Affiliate not interested therein.

6.4 *Standard of Care; Liability.* Each Manager shall discharge his management duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he reasonably believes to be in the best interests of the Company as required by the Act. A Manager shall not be liable for monetary damages to the Company or its Members for any breach of any such management duties except for (i) actions constituting fraud, willful misconduct, gross negligence which causes a material adverse financial effect on the Company, (ii) the receipt of a financial benefit to which the Manager is not entitled, (iii) voting for or assenting to a distribution to Members in violation of this Agreement or the Act, or (iv) a knowing violation of the law.

6.5 **Compensation and Reimbursement of Managers.** The Managers shall receive no compensation for managing the affairs of the Company unless approved by the Majority Interest. The Company shall reimburse the Managers for all expenses reasonably incurred and paid for by such Manager on behalf of the Company.

6.6 **Other Interests of Managers.** The Managers shall not be required to manage the Company and any Affiliates of the Company as his sole and exclusive function.

6.7 **Resignation.** A Manager who intends to resign will so notify the other Managers, if applicable, and the Members of the Company in writing. The Manager who intends to resign will deliver the notice not less than 30 days before the effective date of the resignation. If a Manager, who is also a Member, resigns, nonetheless he will continue to be a Member.

6.8 **Removal.** The Members may remove a Manager only for Cause, by the unanimous vote of the Members. The procedures for removal will comply with Section 403(3) of the Act. If the Members remove a Manager who is also a Member, the Manager's rights as a Member will continue and neither the Company nor the other Members will treat the removed Manager as having withdrawn from the Company.

6.9 **Vacancies.** If a Manager resigns or is removed, a Majority Interest will appoint a new Manager.

6.10 **Appointment of Officers.**

- **Election.** The Managers will elect Officers of the Company and determine their compensation. An Officer will hold office for such terms and exercise such powers and perform such duties as determined from time to time by the Managers.

- **Offices Created.** The Officers of the Company will be a President, a Treasurer and a Secretary. The Managers also may elect one or more Vice Presidents, with or without additional titles.

- **Other Officers and Agents.** The Managers may appoint one or more Assistant Secretaries and Assistant Treasurers and such other Officers and agents as the Managers shall deem necessary.

6.11 **Duties of Officers.**

- **President.** The President will be the chief executive officer of the Company. The President shall see that all orders and resolutions of the Managers are carried into effect. The President shall have the general powers of supervision and management usually vested in the chief executive officer of a corporation, subject, however, to the general supervision and control of the Managers and the limitations set forth in this Agreement, the Articles and the Act.

- **Vice Presidents.** The Vice Presidents, if any, in order of their seniority, in

the absence or disability of the President, will perform the duties and exercise the powers of the President and shall perform such other duties as the Managers or the President may from time to time prescribe.

- *Secretary.* The Secretary, if any, will attend all Manager meetings and shall

record all votes and minutes of all proceedings in a book to be kept for that purpose, shall give or cause to be given notice of all Manager meetings. The Secretary may delegate any of the duties, powers and authorities of the Secretary to one or more Assistant Secretaries, unless such delegation is disapproved by the Managers.

- *Treasurer.* The Treasurer, if any, will have the custody of the Company funds and securities; shall keep full and accurate accounts of receipts and disbursements in books of the corporation; and will deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Managers. The Treasurer will render to the President and Members, whenever they may require it, an account of his or her transactions as Treasurer and of the financial condition of the Company. The Treasurer may delegate any of his or her duties, powers and authorities to one or more Assistant Treasurers unless such delegation is disapproved by the Managers.

- *Assistant Secretaries and Treasurers.* The Assistant Secretaries, if any, in order of their seniority, will perform the duties and exercise the powers and authorities of the Secretary in case of the Secretary's absence or disability. The Assistant Treasurers, if any, in the order of their seniority, will perform the duties and exercise the powers and authorities of the Treasurer in case of the Treasurer's absence or disability. The Assistant Secretaries and Assistant Treasurers will also perform such duties as delegated to them by the Secretary and Treasurer, respectively, and also such duties as the Managers may prescribe.

6.12 *Limitations on Officers' Powers.*

- Notwithstanding any other provision contained in this Agreement to the contrary, no act shall be taken, sum expended, decision made, obligation incurred or power exercised by the President or any other Officer on behalf of the Company except by the consent of the Managers with respect to: (1) any of the matters reserved for the approval of the Managers or the Members by Section 6.3; (2) any change in the character of the business and affairs of the Company; (3) the commission of any act which would impede the Company's ability to carry on its ordinary business and affairs; or (4) any act that would contravene any provision of the Articles, this Agreement or the Act.

- Notwithstanding any other provision contained in this Agreement to the contrary, no act shall be taken, sum expended, decision made, obligation incurred or power exercised by the President or other officers on behalf of the Company except by the consent of the Managers (or Members where appropriate) with respect to any of the matters reserved for the approval of the Managers or the Members or any act that would contravene any provision of the or this Agreement or the Act.

6.13 **Resignation of Officers.** Any Officer of the Company may resign from such office at any time by giving written notice to the Managers. The resignation of any Officer shall take effect upon receipt of notice or at such later time as shall be specified in such notice; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

6.14 **Removal of Officers.** Subject to subsection (b) and any employment agreement between an Officer and the Company, at any Manager meeting, any Officer may be removed by the affirmative vote of a majority of the Managers, with or without Cause.

6.15 **Vacancies of Offices.** If any vacancy shall occur in any office, the Managers shall elect a new Officer to fill the vacancy.

6.16 **Other Manager Duties.**

- **Books of Account.** The Managers shall keep true and complete books of account and records of all Company's business and affairs as required by the Act. The books of account and records shall be kept at the principal office of the Company. The Managers shall maintain at such office (i) a list of names and addresses of all Members and reflect revise Appendix C to reflect changes to the member and other information as necessary; (ii) a copy of the Articles together with executed copies of all powers of attorney pursuant to which the Articles have been executed; (iii) copies of the Company's Federal, state and local income tax returns and reports for the three most recent years; (iv) copies of the Company's current Agreement and (v) copies of the financial statements of the Company for the three most recent years. Such Company records shall be available to any Member or his designated representative during ordinary business hours at the reasonable request and expense of such Member.

- **Reports.** Each Manager will use his best efforts to furnish, or cause to be furnished, the following items on the dates indicated:

- an annual report consisting of an income statement for the prior year and a balance sheet as of the year ended to be furnished annually.

- Member information tax returns (Schedule K-1) to be furnished on or before March 15.

- **Bank Accounts and Investment of Funds.** All funds of the Company shall be deposited in its name in such checking accounts, savings accounts, time deposits, or certificates of deposit or shall be invested in such other manner, as shall be designated by the Managers from time to time. Withdrawals shall be made upon such signature or signatures as the Managers may designate.

- **Accounting Decisions.** All decisions as to accounting matters, except as

specifically provided to the contrary in this Agreement, shall be made by the Managers in accordance with generally accepted accounting principles consistently applied. Such decisions shall be acceptable to the accountants retained by the Company. The Managers may rely upon the advice of the accountants as to whether such decisions are in accordance with generally accepted accounting principles.

- *Federal Income Tax Elections.* The Manager, to the extent permitted by Applicable Law and regulations and upon obtaining any necessary approval of the Commissioner of Internal Revenue, shall elect to use such methods of depreciation, and make all other Federal income tax elections in such manner, as the Managers determine to be most favorable to the Members. The Managers may rely upon the advice of the accountants retained by the Company as to the availability and effect of all such elections.

6.17 ***Liability Insurance.*** The Company will obtain and maintain in effect liability insurance insuring against all insurable risks related to and arising out of the conduct of the business of the Company including, without limitation, comprehensive general liability insurance. The Company also may obtain insurance covering the Members, Managers and the Officers arising from the actions on behalf of the Company. The limits of coverage and deductibles provided by each such policy shall be approved by the Managers.

6.18 ***Partnership Representative.*** Adam Long is designated as the Partnership Representative (as defined in Code Section 6223) of the Company, to serve in that capacity until resignation, death, adjudication of incapability of managing his/her person or estate, liquidation or dissolution, or revocation of the designation. The Managers have the sole power and authority to revoke the designation of the Partnership Representative and to designate a successor Partnership Representative. The Partnership Representative has the authority to represent the Company in all dealings with the Internal Revenue Service and to make any elections or decisions that the Partnership Representative deems to be in the best interest of the Company.

7. MEMBERS.

7.1 ***Voting.*** All Members shall be entitled to vote on any matter reserved to the Members under the Act, the Articles or this Agreement or presented to the Members by the Managers for a vote. Unless a greater vote is required by the Act, the Articles, or this Agreement, the vote of a Majority Interest shall be required.

7.2 ***Meetings.*** Meetings of Members for any proper purpose or purposes may be called at any time by the holders of at least twenty-five percent (25%) of the Membership Percentages of all Members. The Managers shall deliver, email or mail written notice stating the date, time, place and purposes of any meeting to each Member entitled to vote at the meeting. Such notice, or other notice as prescribed in Section 11.4, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting. Meetings may be conducted in person or by telephone conference of the Members upon the consent of the Majority Interest.

7.3 Consent. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote on the action were present and voted. Every written consent shall bear the date and signature of each Member who signs the consent. Prompt notice of the taking of action without a meeting by less than unanimous written consent shall be given to all Members who have not consented in writing to such action. In addition, the Company may give all the Members written notice of the action, event or agreement and state in the notice that any Member who does not indicate his disapproval by written notice to the Company within a specified period of time (not less than 30 days after mailing of the notice) shall be deemed to have given his consent or approval to the action or event or to have made the agreement referred to in the notice. In such event, any Member who does not indicate his disapproval by written notice to the Company within the time specified shall be deemed to have given his written consent, approval or agreement.

7.4 Applicable Licensure Requirements. To the extent the Company's businesses require the Company, the Managers and/or its Members to obtain Applicable Licensure Requirements, the Managers and Members, and their respective spouses (if any), and any requisite Affiliates or owners of the Managers and Members, will be required to fully cooperate with the Company in filing such application, notices and documents, and providing such information, as may be required by Governmental Agencies having jurisdiction to obtain all Applicable Licensure Requirements (each, an "Application"). The Company shall determine the timing for obtaining the Application. The Managers and Members represent to the Company that he, she or it shall use his, her or its best efforts to promptly and in good faith provide such documentation and information to the Governmental Agency to obtain all Applicable Licensure Requirements. The Managers and Members further agree, that except with the Company's prior written consent, the Managers and Members shall not be permitted to withdraw their respective Applications.

7.5 Additional Members. No additional Members shall be admitted to the Company without the consent of the Managers (each an "Additional Member"). Each Person desiring to become an Additional Member shall execute and deliver to the Managers a subscription agreement, and such other documents as shall be deemed reasonably appropriate by the Managers. Under such subscription agreement and other documents, such subscriber shall, subject to acceptance of its subscription by the Manager, execute a counterpart of, and agree to be bound by, this Agreement. No Person shall be admitted as an Additional Member if the Managers conclude that immediately after giving effect to and as a result of the admission of such Additional Member that the Company does not meet Applicable Licensure Requirements. If the Company directly or indirectly has an interest in a license issued under the Applicable Laws, in addition to the foregoing, the Additional Member, his or her spouse (if any), and any requisite Affiliates or owners of the Additional Member, will be required to fully cooperate with the Company in filing any Application. The Company shall determine the timing for obtaining the Application. The Additional Member must represent to the Company that he, she or it shall use his, her or its best efforts to promptly and in good faith provide such documentation and

information to the Governmental Agency to obtain all Applicable Licensure Requirements. The Additional Member shall further agree, that except with the Company's prior written consent, the Additional Member shall not be permitted to withdraw his, her or its Application.

7.6 Removal of Members. To the extent that the Managers determine, in the Managers' sole and absolute discretion, that a Member does not meet Applicable Licensure Requirements or a Member's continued ownership of his Membership Interest would cause the Company to fail to meet Applicable Licensure Requirements, such Member shall be treated as a Deceased Member and subject to the provisions of Section 8.6. The Managers will retain absolute discretion in declaring a Member ineligible to meet Applicable Licensure Requirements and removing such Member who fails to qualify under any jurisdictional licensing authority required in connection with any Company investment. To the extent a Member is removed, such Member shall be redeemed or, in the sole discretion of the Manager, permitted to transfer all, but not less than all, of such deemed Deceased Member's Membership Interest to a substitute Member pursuant to Article 8 of this Agreement.

7.7 Life Insurance.

- *In General.* The Company may insure the life of a Member under one or more policies of life insurance selected by the Managers in such amounts as the Managers deem advisable. The policies and any proceeds from such policies shall be held by the Company in trust for the purposes of this Agreement. The Company will be the sole owner of, will retain all rights under, and will be named beneficiary of and pay premiums with respect to the policies.

- *Purchase on Termination.* If a Member ceases to be a Member of the Company, he or she may purchase from the Company the insurance policies on his or her life, if any, that are described in subsection (a), but if such Member does not elect to do so, the Company may continue to own the policy or cancel it. The purchase price for such policies is the excess of (1) the sum of the cash surrender value of the policies as of the date the Member is no longer a Member of the Company and any prepaid premiums over (2) any indebtedness outstanding against the policies. A Member who ceases to be a Member who wants to acquire the policy must do so within thirty days after the Member ceases to be a Member of the Company. Upon receipt of the purchase price for the policies, the Company will deliver them to the Member and will execute any necessary instruments of transfer. If policies of insurance on the life of a Member who the Company no longer employs are not purchased, such policies will be released from the terms of this Agreement.

- *Failure to Pay Premiums.* If the Company fails to pay any premium on any insurance policy described in subsection (a) thirty (30) days prior to the expiration of any grace period granted for late payment by the insurance company issuing such policy, the Managers will notify the Member whose life is insured that such premium has not been paid. Thereafter, such

Member will have the right to purchase the policy on his or her life from the Company for the price that would be otherwise determined in subsection (b).

7.8 *Investment Opportunities and Conflicts of Interest.* Each of the Members and Managers are permitted to: (i) have and develop, and may presently or in the future have and develop, investments, transactions, business ventures, contractual, strategic or other business relationships, prospective economic advantages or other opportunities (“Business Opportunities”) whether in the industry in which the Company operates or otherwise in businesses that are and may be competitive or complementary with the Company or any of its subsidiaries; and (ii) direct to any Person or pursue on its own account any Business Opportunity presented to them regardless of whether such Business Opportunity is also presented to them in his, her or its capacity as a Member, Manager, or officer of the Company or any of its subsidiaries or otherwise. None of the Members or Managers will be prohibited by virtue of their investments in the Company or any of its subsidiaries or their service as a Manager or as an officer of the Company or any of its subsidiaries or otherwise from pursuing and engaging in any such activities. None of the Members or Managers will be obligated to inform or present the Company or any of its subsidiaries or the Managers or any other Member of or with any such Business Opportunity. None of the Members or Managers will have or acquire or be entitled to any interest or expectancy or participation (such right to any interest, expectancy or participation, if any, being hereby renounced and waived) in any Business Opportunity as a result of the involvement therein of any Member or Manager. The involvement of any Member or Manager in any Business Opportunity will not constitute a conflict of interest or breach of fiduciary duty by such Person with respect to the Company or any of its subsidiaries or the other Members.

8. TRANSFER OF MEMBERSHIP INTERESTS.

8.1 *General Prohibition on Transfers.* No Member may Transfer his, her or its Membership Interest except as permitted by this Article.

8.2 *Permitted Assignments.*

- An assignment to a Permitted Transferee will automatically substitute the Permitted Transferee as a Member.
- An assignee who does not become a Substitute Member is only entitled to receive, to the extent assigned, the allocations of Profits and Losses and any distributions to which the assigning Member would otherwise be entitled. Unless otherwise provided in this Agreement, the assignor will remain liable for payment of any remaining installments of Capital Contributions due with respect to the interest assigned.
- An assignment of a Membership Interest is not effective against the Company until the assignor and assignee deliver a copy of the written assignment to the Managers.

- No Person shall be admitted as a Permitted Transferee under this Section if

the Managers conclude that immediately after giving effect to and as a result of the admission of such Permitted Transferee that the Company does not meet Applicable Licensure Requirements. If the Company directly or indirectly has an interest in a license issued under any Applicable Laws the Permitted Transferee, his or her spouse (if any), and any requisite Affiliates or owners of the assignee, will be required to fully cooperate with the Company in filing an Application, for approval of the conveyance of a Membership Interest in the Company to the Permitted Transferee. The Company shall determine the timing for filing the Application. The Permitted Transferee must represent to the Company that he, she or it shall use his, her or its best efforts to promptly and in good faith provide such documentation and information to the Governmental Agency as may be reasonably required to obtain approval of its Application. The Permitted Transferee shall further agree, that except with the Company's prior written consent, the Permitted Transferee shall not be permitted to withdraw his, her or its Application.

8.3 Admission of Assignees as Members. Except as provided in this Section, the Company will admit an assignee who is not automatically substituted as Member as a Member only upon the written consent of the Managers. As a condition of such consent, the Managers may require the assignor to comply with the following requirements: (i) the assignment instrument will be satisfactory to the Manager; (ii) the assignor and assignee will have executed and acknowledged such other instruments as the Managers may deem necessary or desirable to effectuate such admission; (iii) the assignee will have accepted and adopted by executing this Agreement or a joinder thereto all of the terms and provisions of this Agreement, as amended, as if the assignee were a party who joined in the execution of this Agreement; and (iv) such assignee will pay all reasonable expenses (including attorneys' fees) connected with such admission. If admitted, the substitute Member has, to the extent assigned, all of the rights and powers, and is subject to all the restrictions and liabilities of a Member. No Person shall be admitted as a substitute Member under this Section 8.4 if the Managers concludes that immediately after giving effect to and as a result of the admission of such substitute Member that the Company does not meet Applicable Licensure Requirements. If the Company directly or indirectly has an interest in a license issued under any Applicable Law, in addition to the foregoing, the assignee, his or her spouse (if any), and any requisite Affiliates or owners of the assignee, will be required to fully cooperate with the Company in filing an Application, for approval of the conveyance of an Membership Interest in the Company to the assignee. The Company shall determine the timing for filing the Application. The assignee must represent to the Company that he, she or it shall use his, her or its best efforts to promptly and in good faith provide such documentation and information to the Governmental Agency as may be reasonably required to obtain approval of the Application. The assignee shall further agree, that except with the Company's prior written consent, the assignee shall not be permitted to withdraw his, her or its Application.

8.4 Additional Restrictions on Transfers. Notwithstanding the other provisions of this Article 8, no Member may Transfer his Membership Interest in the Company without an opinion of counsel in form and substance satisfactory to counsel for the Company that registration is not required under the Securities Act of 1933 and applicable state law. In any event, a Member may

not Transfer his Membership Interest if such Transfer would violate any applicable state or Federal securities law. The Members acknowledge that the Company has not registered their interests under the Michigan Uniform Securities Act and agree that they will not Transfer such interests without registration under such act or exemption therefrom. A Member's attempt to Transfer his Membership Interest in violation of this Section will be invalid ab initio.

8.5 *Optional Liquidation Upon Member's Death.*

- *Exercise of Option.* If a Member (or for this purpose if the Member is a Revocable Trust, then the grantor of the Revocable Trust) dies (the "Deceased Member"), the Company will have an option to acquire not less than all of the Deceased Member's Membership Interest. The Manager, on behalf of the Company, may exercise the option by notifying the Deceased Member's Legal Representative within sixty (60) days after the Manager receives notice of the death of the Deceased Member or the appointment of a Legal Representative, whichever is later ("Notice to Liquidate") in writing, that the Company is exercising the option. If the Company exercises its option, it will liquidate the Deceased Member's Membership Interest for (i) an amount agreed upon by the parties within 30 days after the date of the Notice to Liquidate, or if they cannot agree, then (ii) the fair market value of the Deceased Member's Membership Interest as determined in good faith by a nationally or regionally recognized investment banking, accounting or valuation firm (engaged and paid for by the Company). The valuation shall be made on a going-concern basis without any minority shareholder discount or discount for lack of marketability of the Deceased Member's Membership Interest.

- *Closing; Payment of Liquidation Price.* The closing for the liquidation of the Deceased Member's Membership Interest shall take place within 30 days after the parties agree to the liquidation price or the valuation firm determines the fair market value of the Deceased Member's Membership Interest. At the closing, the Legal Representative of the Deceased Member will execute and deliver such instruments that the Company reasonably requires to vest in the Company the interest of the Legal Representative of the Deceased Member and other successors of the Deceased Member in and to the Deceased Member's Membership Interest. Upon delivery of such instruments, the Company, at its election, shall pay to the Legal Representative of the Deceased Member and other successors of the Deceased Member the liquidation price (i) in immediately available federal funds, in one lump sum, (ii) in thirty-six (36) equal monthly installments or (iii) a combination thereof. The Company will pay the lump sum or the first installment at the closing and deliver a promissory note for any remaining payments. The promissory note will bear interest at 150% of the applicable federal rate as determined under Section 1274(d) of the Code, adjusted annually. To secure the promissory note, the company will grant a security interest in its assets (subordinate to any existing or future bank debt) and record the security agreement. The note will permit prepayment at any time without penalty and will provide for immediate payment of the balance due on default in payment of principal or interest after 10 days written notice of default.

- *Nonexercise of Option.* If the Company does not liquidate the Deceased Member's Membership Interest, the Deceased Member's successors in interest shall succeed to the Deceased Member's Membership Interest, which shall remain subject to all of the provisions of this Agreement. The Company will treat such successors as assignees and will not admit them as substitute Members in place of the Deceased Member unless the Managers approve the substitution under this Section. Notwithstanding the foregoing, if the Company directly or indirectly has an interest in a license issued under any Applicable Law, the assignee, his or her spouse (if any), and any requisite Affiliates or owners of the assignee, will be required to fully cooperate with the Company in filing such documents, and providing such information, as may be required by Governmental Agencies having jurisdiction, , including an Application for approval of the conveyance of an Membership Interest in the Company to the assignee. The Company shall determine the timing for filing the Application. The assignee must represent to the Company that he, she or it shall use his, her or its best efforts to promptly and in good faith provide such documentation and information to the Governmental Agency having jurisdiction as may be reasonably required to obtain approval of its Application. The assignee shall further agree, that except with the Company's prior written consent, the assignee shall not be permitted to withdraw his, her or its Application.

8.6 **Section 754 Election.** Upon the sale or exchange of a Member's Membership Interest, or upon a Member's death, if the person acquiring the Membership Interest so requests and the Managers consent, then the Company, unless it has already done so, will make the election under Code Section 754. Each Member will provide the Company with all information necessary to give effect to such election. The transferee will reimburse the Company for any reasonable costs incurred because of such election, as determined by the Managers.

9. DISSOLUTION AND WINDING UP.

9.1 **Dissolution.** The Company will dissolve:

- at any time by the Member's unanimous consent;
- upon the sale or other disposition by the Company of all or substantially all of the Company's assets;
- upon the entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating the Company to be bankrupt, and the expiration of the period, if any, allowed by Applicable Law in which to appeal therefrom; or (d) as otherwise provided in the Articles.

9.2 **Winding Up.**

(a) Upon dissolution, the Managers will proceed to liquidate with reasonable promptness the Company's business. The Managers will make a full accounting of Company assets and liabilities and will, or cause others to, liquidate Company in an orderly fashion. The Company will apply proceeds from the liquidation (or distribute assets in kind) in the following order of priority:

- First, the Company will pay the expenses of liquidation.
- Next, the company will pay, or establish a reserve for, all taxes, debts and other Company obligations and liabilities ("Company Obligations") for which any Member has personal liability;
- Next, the Company will pay, or establish a reserve for, all other Company Obligations and will establish a reserve for any contingent obligation ("Contingent Company Obligations"); and
- Finally, the Company will distribute the remaining proceeds of the liquidation (or assets in kind) to the Members in proportion to and to the extent of their positive Capital Accounts (after taking into account the allocation of income or loss under Section 5.2 and Appendix B).

The Company will distribute money or other property held in a reserve for Contingent Company Obligations upon the termination of the relevant contingency.

- If the Company distributes assets in kind, the assets so distributed will be valued at their current fair market values. The Company will allocate the unrealized appreciation or depreciation in value of the assets to the Members' Capital Accounts in the manner described in Section 5.2 and Appendix B as if such assets had been sold. The Company will then distribute such assets to the Members in accordance with their respective positive Capital Accounts as so adjusted.

- To the extent that Company assets cannot either be sold without undue loss or readily divided for distribution in kind to the Members, then the Company, as determined by the Manager, may convey those assets to a trust or other suitable holding entity established for the benefit of the Members in order to permit the assets to be sold without undue loss. The Manager, trustee, or other person managing the holding entity, will distribute the proceeds from the sale of the assets to the Members at a future date. The Managers will determine the legal form of the holding entity, the identity of the trustee or other fiduciary, and the terms of its governing instrument.

- The Managers will use reasonable efforts to distribute the proceeds from a liquidation in the same calendar year in which the sale of Company assets occurs.

10. LIMITATION OF LIABILITY; INDEMNIFICATION.

10.1 ***Limitation of Liability.*** Unless otherwise provided by this Agreement, the Act, or expressly assumed, a person who is a Member is not liable for the acts, debts or liabilities of the Company beyond his, her or its respective required Capital Contribution as set forth in the books and records of the Company.

10.2 ***Liability of Member to the Company.*** A Member, who knowingly receives a distribution that is in violation of this Agreement or when the Company is Insolvent, is liable to the Company for the repayment of the distribution.

For purposes of this Agreement, the term “Covered Persons” means (i) each Member, (ii) each officer, director, shareholder, partner, member, manager, Affiliate, and employee of a Member and each of their respective Affiliates, and (iii) each Manager, officer, employee and expressly authorized agent of the Company or its Affiliates.

- No Covered Person, whether acting as Member, in its capacity as Manager (if applicable), or in any other capacity, shall be liable to the Company or to any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by the Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person’s actions that constitute fraud, willful misconduct or knowing violation of law.

- A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any person or entity as to matters the Covered Person reasonably believes are within the professional or expert competence of such person or entity and who or which has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to the Members might properly be paid.

10.1 ***Duties and Liabilities of Covered Persons.***

- To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Member to replace such other duties and liabilities of such Covered Person.

- Unless otherwise expressly provided herein, (a) whenever a conflict of interest exists or arises between Covered Persons, or (b) whenever this Agreement or any other agreement contemplated herein or therein provides that a Covered Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Company, the Covered Person shall resolve such conflict of interest, taking such action or providing such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Covered Person, the resolution, action or term so made, taken or provided by the Covered Person shall not constitute a breach of this Agreement or any other agreement contemplated herein or of any duty or obligation of the Covered Person at law or in equity or otherwise.

- Whenever in this Agreement a Covered Person is permitted or required to make a decision (a) in its “discretion” or under a grant of similar authority or latitude, the Covered Person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person, or (b) in its “good faith” or under another express standard, the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other Applicable Law.

- All provisions of this Section shall apply to any former member or manager of the Company for all actions or omissions taken while such person was the Member or the Manager, as applicable, of the Company to the same extent as if such person were still a Member or a manager, as applicable, of the Company.

10.2 Indemnification. To the fullest extent permitted by Applicable Law, each Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by reason of such Covered Person’s actions that constitute fraud, willful misconduct or knowing violation of law; provided, however, that any indemnity under this Section shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

10.3 Expenses. To the fullest extent permitted by Applicable Law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in Section 6.5.

10.4 **Insurance.** The Company may purchase and maintain insurance, to the extent and in such amounts as the Managers shall, in their sole discretion, deem reasonable, on behalf of Covered Persons and such other persons or entities as the Managers shall determine, against any liability that may be asserted against or expenses that may be incurred by any such person or entity in connection with the activities of the Company or such indemnities, regardless of whether the Company would have the power to indemnify such person or entity against such liability under the provisions of this Agreement. The Company may enter into indemnity contracts with a Covered Person and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations and containing such other procedures regarding indemnification as are appropriate.

11. MISCELLANEOUS PROVISIONS.

11.1 **Amendments.** A Majority Interest may amend this Agreement.

11.2 **Investment Representation.** Each Member represents and warrants to each other and to the Company that he, she or it is acquiring his, her or its interest in the Company for his, her or its own personal account for investment, and without a view to transferring, reselling, or distributing such interest. In addition, no Member will sell or dispose of his, her or its interest in the Company in a manner that violates any Federal or state securities laws. Each Member will indemnify and hold the Company harmless from and against all liability, costs and expenses, including reasonable attorneys' fees, incurred by the Company or the Members, because of a breach of the representations and warranties made in this Section by such Member.

11.3 **Merger and Reliance.**

- **Entire Agreement.** This Agreement, including all documents referenced herein as constituting continuing and effective agreements between or among any party and other parties or their representatives, contains the entire agreement and understanding between the parties with respect to the subject matter herein identified. This Agreement merges and integrates any and all previous or contemporaneous implied agreements (in fact or law), negotiations, representations, covenants, promises, conditions, and understandings made by or between the parties concerning such matters, including those made by or between the representatives of one party to another party or its representatives. In this regard, the parties expressly acknowledge that, in entering into this Agreement, they are not relying, nor have they relied, upon any previous or contemporaneous implied agreements (in fact or in law), negotiations, representations, covenants, promises, conditions, or understandings, either oral or written, by another party or its representatives that is not expressly set forth in the terms of this Agreement. Moreover, the parties further acknowledge that, except for the representations expressly set forth in this Agreement, in entering into this Agreement, they are not relying, and have not relied, upon the accuracy of any other representation concerning the subject matter hereof which another party or their representatives may have made prior to, or contemporaneously with, this Agreement, and they fully assume the risk that any such representation may have been, or is, inaccurate, in part or in full.

- **Advice of Counsel.** The parties represent that they understand the contents

of this Agreement, they have had the opportunity to consult with independent counsel, and they execute this Agreement without coercion, as their own free act and deed.

- *Authority.* Each party further represents and warrants to each other party that all persons executing this Agreement on behalf of a party (i) have full authority to do so, (ii) are not bound by any agreement, or under any disability that would prevent them from doing so, and (iii) if they are individuals, are of legal age.

11.4 *Notice.*

(a) *Timing.* Any notice under this Agreement must be in the form of a record and will be deemed given:

- If by personal delivery, upon receipt thereof;
- If by fax (which, for the avoidance of doubt, is acceptable as a record), at 12:00 noon local time at the receiver's address on the next Business Day after sending, provided that the sender's fax device generated a confirmation of transmission;
- If by nationally-recognized courier or mail service, including, without limitation, the United States Postal Service, that has real-time or near-real-time tracking, when the courier or mail service's tracking system indicates that the notice was delivered to the recipient's premises;
- If by electronic mail, on the Business Day of sending, unless (i) the sender does not receive any automated message indicating that the e-mail was not transmitted to the recipient's e-mail account or (ii) the receiver demonstrates by a preponderance of evidence that the e-mail was not delivered to the receiver's e-mail inbox.

- *Address.* Each notice will be sent to the address in Appendix C or as subsequently changed by a Member by delivery or record to the Company.

- *Electronic Communications.* The Parties agree to send and receive notices and otherwise permit binding communications by electronic means. Any requirement that any item be in writing is satisfied if the item is a record, whether electronic or otherwise. Any requirement that any item be signed is satisfied by an electronic signature.

11.5 *Further Execution.* Where reasonable, the Company, Members and Managers agree to execute all additional documents that (i) aid the implementation of this Agreement, or confirm the terms of this Agreement, or (ii) that any law, regulation or rule requires the Members to execute.

11.6 *Binding Effect.* This Agreement is binding upon and inures to the benefit of the parties, and will be binding upon their heirs, executors, administrators, personal representatives, their successors and assigns. None of the provisions of this Agreement is to be construed as for

the benefit of or as enforceable by any creditor of the Company or the Members or any other person not a party to this Agreement.

11.7 **Counterparts.** The parties may execute this Agreement in two or more counterparts, each of which will be deemed an original and all of which will constitute one instrument. The Company will have custody of counterparts executed by all parties.

11.8 **Legal Representation.** It is acknowledged that each Manager and Member has been urged to consult with their respective separate legal counsel with regard to all such matters before executing this Agreement, and such Manager and Members have considered such urgings and acted knowingly, intentionally and deliberately in executing this Agreement.

11.9 **Interpretation and Construction.**

- *Consistency With Act and Regulations.* All terms (whether or not capitalized) used in this Agreement and not defined in Appendix A, Appendix B, or elsewhere in this Agreement have the meaning ascribed to such term and are to be construed in accordance with the Act and the Treasury Regulations. Except as to words or phrases specifically defined in this Agreement, the Act or Treasury Regulations the parties agree that all words and phrases selected to state the terms of this Agreement are to be interpreted in accordance with their plain and generally prevailing meaning and not with regard to any different meaning that any of the parties might otherwise attach to a particular word or phrase. The parties further acknowledge that, as a result of either drafting or negotiating specific terms, or as a result of approving language selected by others to state specific terms, they are each and all equally responsible for the wording of the terms of this Agreement. As a result, the parties agree and acknowledge that in interpreting this Agreement, the rule of contractual interpretation and construction that provides that an ambiguity in the terms of an agreement shall be construed against the party drafting such term does not apply to the interpretation or construction of the terms of this Agreement.

- *Governing Law.* This Agreement and the respective rights and obligations of the parties under this Agreement and governed by, and will be determined under, the internal laws of the State of Michigan applicable to contracts between residents of the State of Michigan to be performed solely in the State of Michigan, i.e., without regard to choice of law principles. Any action involving this Agreement shall be brought and maintained solely in a court of the State of Michigan or a Federal court sitting in the State of Michigan.

- *Arrangement and Classification.* This Agreement is divided into articles, and sometimes further subdivided into subsections, paragraphs, subparagraphs, clauses and subclauses, in that order of subdivision and are referred to as such. Unless otherwise stated, all references in this Agreement to paragraph, subparagraph, section, subsection, clause and subclause are intended to refer to sections, subsections, paragraphs, subparagraphs, clauses and subclauses, respectively, of this Agreement. Titles and headings for particular paragraphs,

sections and subsections of this Agreement have been inserted solely for reference purposes. As a result, section and paragraph headings, titles or captions should not be used to interpret or construe the terms of this Agreement. The division of this Agreement into subdivisions is for convenience only. No inference, implication or presumption shall be drawn or made because of the location or grouping of any particular subdivision of this Agreement.

- *Captions.* All captions are for convenience only, do not form a substantive part of this Agreement do not restrict or enlarge any substantive provisions of this Agreement and should not be used to interpret or construe the terms of this Agreement.

- *Severability.* If any provision of this Agreement or portion of this Agreement is found to be wholly or partially invalid, illegal or unenforceable in any judicial proceeding, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated in this Agreement as so modified or restricted, or as if such provision had not been originally incorporated in this Agreement, as the case may be.

- *Number.* The singular form of any word used in this Agreement shall include the plural and vice versa.

- *Gender.* Any pronouns in this Agreement that refer to a particular gender mean and refer to the appropriate gender or neuter when applied to a particular party, person or entity.

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This Agreement is made effective as of the date first above written.

COMPANY:

NFTrade LLC, a Michigan limited liability company

By: Adam Long

Its: Manager

Adam Long

MEMBERS:

Adam Long *Adam Long*
Adam Long

Mark Jacobs 02/14/2022



APPENDIX A

As used in this Agreement, the following terms, whether or not capitalized, have the following meanings:

The “*Act*” means the Michigan Limited Liability Company being Act No. 23, Public Acts of 1993, as amended.

“*Affiliate*” means (i) any person directly or indirectly controlling, controlled by or under common control with another person, (ii) a person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other person, (iii) any officer, director, member or partner of such person, or (iv) a person who is an officer, director, member, partner or holder of ten percent (10%) or more of any of the voting interests of any person described in clauses (i) through (iii) of this sentence. In the case of an individual, the term shall further mean such individual’s spouse, lineal descendants, lineal ancestor or siblings.

“*Agreement*” means this Operating Agreement and amendments adopted in accordance with this Agreement and the Act.

“*Applicable Laws*” means any federal, state, or local law, ordinance, code, statute, rule, regulation, order, judgment, injunction, award, or decree of any Governmental Agency.

“*Applicable Licensure Requirements*” shall mean the qualifications, licenses and approvals under current and subsequently enacted rules and regulations as implemented by each Governmental Agency in which the Company or the Members are legally obligated to obtain licenses, approvals or other governmental actions for their activities. Requirements may include, but are not limited to, providing extensive criminal background information, commercial licensing history, tax delinquency history, and financial information in the manner and form that may be prescribed by any jurisdictional licensing authority.

“*Application*” is defined in Section 7.4.

The “*Articles*” means the Articles of Organization, including any restatements or amendments, which are filed with the Department.

“*Assumed Tax Rate*” means with respect to each Member for any taxable year, the sum of the maximum marginal federal, state and local income tax rates (reduced by the effect of any deduction or credit allowable for state and local taxes and reflecting any reduced rate applicable to any special class of income) assuming such Member is an individual resident in Michigan. The Assumed Tax Rate shall be subject to modification as deemed appropriate by the Members.

“*Business Day*” means a Monday, Tuesday, Wednesday, Thursday, or Friday upon which the United States Federal Reserve System is open for business.

“*Capital Account*” is defined in Section 102 of Appendix B.

“*Capital Contributions*” means the amount of money or property, a Member contributed or is obligated to contribute to the Company.

“*Cause*” means (a) actions by a Manager or an Officer that cause material damage to the Company or a subsidiary as a result of such Manager’s or Officer’s (i) actions that constitute fraud, willful misconduct, gross negligence, a violation of this Agreement, and which caused a material adverse financial effect on the Company or a Subsidiary, (ii) receipt of a financial benefit to which such Manager or Officer is not entitled; (iii) voting or assenting to a distribution to the Members in violation of this Agreement or the Act, or (iv) knowing violation of the law, or (b) a Manager’s or Officer’s failure to meet Applicable Licensure Requirements.

The “*Code*” means the Internal Revenue Code of 1986, as amended.

“*Deceased Member*” is defined in Section 8.5(a).

“*Department*” means the Michigan Department of Licensing and Regulatory Affairs.

“*Distributable Cash*” means, at any time, that portion of the cash and cash equivalent assets of the Company which, in light of the Company’s then current and foreseeable sources of, and needs for, cash, exceeds the amount of cash reasonably needed by the Company, as determined by the Manager, to (i) service its debts and obligations in a timely fashion, (ii) maintain reasonable operating and capital reserves, and (iii) conduct its business and carry out its purposes.

“*Electronic Record*” means a record created, generated, sent, communicated, received, or stored by electronic means.

The “*Fiscal Year*” of the Company, and its taxable year for Federal income tax purposes, shall be the calendar year or such other year required under Code Section 706.

“*Governmental Agency*” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, including without limitation, any federal, state or local government licensing, certification or accreditation entity, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Applicable Law), or any arbitrator, court or tribunal of competent jurisdiction.

“*Insolvent*” means (i) the inability of the Company to pay its debts as they become due in the usual course of business, or (ii) that the Company’s assets are less than the sum of its liabilities plus (absent any contrary provisions in this Agreement) the amount which would be needed on distribution to satisfy any preferential rights of Members which are superior to the rights of any Members receiving a distribution.

“*Legal Representative*” means a Deceased Member’s personal representative, executor, administrator, or other person acting in a similar capacity (or, if the Deceased Member’s estate has been closed, and all of the estate’s property distributed, the Deceased Member’s heirs,

legatees or distributes), or in the case of property held in a trust created by the Deceased Member, the trustee of such trust.

“Majority Interest” means those Members holding more than 50% of the Membership Percentages held by the Members.

“Manager” means one or more managers selected by the Members in accordance with Section 6.

“Members” are the persons executing this Agreement. Any reference to a Member, unless the context clearly requires otherwise, shall include a reference to his predecessor and successor (other than a mere assignee not made a substitute Member) in interest.

“Membership Interest” has the meaning ascribed to such term under Section 102(2)(m) of the Act.

“Membership Percentages” means the Members’ respective rights to share in allocations of Profits or Losses and in distributions in the Company as set forth in Appendix C, as amended from time to time.

“Notice to Liquidate” is defined in Section 8.5(a).

“Permitted Transferee” means (i) a Revocable Trust of which the assignee is the sole trustee and sole lifetime beneficiary and, in the case of an assignment from a Revocable Trust, the grantor of such trust or (ii) a Transfer approved by the Managers.

“Profits and Losses” is defined in section 101 of Appendix B.

“Record” (whether or not capitalized) means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

“Revocable Trust” means a self-settled trust, the assets of which are treated as owned by the settlor of such trust under Code Section 676(a).

“Transfer” means, when used as a noun, any sale, exchange, assignment, gift or other disposition of Membership Interests; and when used as a verb, to sell, exchange, assign, give or dispose of Membership Interests, as the context shall require, whether voluntarily or involuntarily, and whether absolutely or as a pledge of security, including, without limitation, to convey Membership Interests as a result of death, the foreclosure of a security interest in Membership Interests or any levy, or attachment; or the issuance of a charging order with respect to all or any portion of a Membership Interest.

“Treasury Regulations” means temporary and final Treasury regulations on Income Tax adopted by the United States Department of the Treasury under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

All references to statutory provisions shall be deemed to include reference to corresponding provisions of subsequent law.

APPENDIX B

101 Tax Regulatory Definitions. The following terms (a) shall have the meaning ascribed to them in this Section and (b) shall be interpreted in accordance with the Treasury Regulations.

“*Adjusted Deficit Capital Account Balance*” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant Company Fiscal Year, (1) increased by any amounts which such Member is obligated to restore under Treasury Regulation Section 1.704-1(b)(2)(ii)(c), plus an amount equal to such Member’s share of Company Minimum Gain and such Member’s share of Member Nonrecourse Debt Minimum Gain and (2) decreased by the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6). This definition of Adjusted Deficit Capital Account Balance is intended to comply with the provisions of Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

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

- the initial Book Value of any asset contributed (or deemed contributed) to the Company shall be such asset’s gross fair market value at the time of such contribution;
- the Book Value of all Company assets shall be adjusted to equal their respective gross fair market values at the times specified in Treasury Regulations under Code Section 704(b) if the Company so elects;
- if the Book Value of an asset has been determined pursuant to clause (a) or (b), such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“*Company Minimum Gain*” means an amount determined in accordance with Treasury Regulation Section 1.704-2(d) for partnership minimum gain by computing, with respect to each nonrecourse liability of the Company (as defined in Treasury Regulation Section 1.752-1(a)(2)), the amount of gain (of whatever character), if any, that would be realized by the Company if (in a taxable transaction) it disposed of property subject to such liability in full satisfaction thereof, and by then aggregating the amounts so computed.

“*Depreciation*” means for each Fiscal Year of the Company or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable under the Code with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning

Book Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Book Value using any reasonable method selected by the Members.

“*Member Non-recourse Debt*” shall have the meaning, and be determined in the same manner as, partner non-recourse debt pursuant to Treasury Regulation Section 1.704-2(b)(4).

“*Member Non-recourse Debt Minimum Gain*” means the amount, with respect to each Member Non-recourse Debt, equal to the Company Minimum Gain that would result if such Member Non-recourse Debt were treated as a non-recourse liability of the Company, determined in the same manner as partner non-recourse debt minimum gain in accordance with Treasury Regulation Section 1.704-2(i)(3).

“*Member Non-recourse Deductions*” shall have the meaning, and be determined in the same manner as, partner non-recourse deduction pursuant to Treasury Regulation Section 1.7042(i)(2).

“*Non-recourse Deductions*” shall have the meaning set forth in Treasury Regulation Section 1.704-2(c).

“*Profits and Losses*” means the Company’s taxable income or loss for each Fiscal Year (or other period) determined in accordance with the accounting methods followed by the Company for federal income tax purposes (for this purpose all items of income, gain, loss or deduction required to be separately stated pursuant to Code Section 703(a)(1) shall be included in taxable income or loss) as determined by the independent certified public accountants employed by the Company, with the following adjustments:

- any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses shall be added to such taxable income or loss;
- any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures under Code Section 704(b) and not otherwise taken into account in computing Profits and Losses shall be subtracted from such taxable income or loss;
- in the event the Book Value of any Company asset is adjusted, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;
- any gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of such property rather than its adjusted tax basis;

- in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period; and
- notwithstanding the foregoing, any items which are specially allocated pursuant to any part of this Section shall not be taken into account in computing Profits and Losses.

102 Maintenance of Capital Accounts.

(a) Each Member's capital account ("Capital Account") shall be such Member's Capital Contribution made pursuant to this Section and, except as provided in subsections (c), (d) and (e) of this section, shall be:

(B) increased by:

- Profits allocated to such Member under Section 5.2;
- and
- additional capital contributions by such Member (whether or not such additional capital contributions are required to be made by such Member); and

(C) decreased by:

- Losses (or item thereof) allocated to such Member under Section 5.2; and
- the amount of Company distributions made to such Member under Sections 5.3 and 5.4.

• If property (other than cash) is by a Member to the Company, the computation of Capital Accounts, as set forth in subsection (a) of this section, shall be adjusted as follows:

- the contributing Member's Capital Account shall be increased by the fair market value of the property contributed to the Company by such Member (net of liabilities secured by such contributed property that the Company is considered to assume or to which the property is taken subject under Code Section 752); and

- the adjustments required by Section 1.704-1(b)(2)(iv)(g) and Section 1.704-1(b)(4)(i) of the Regulations (relating to certain adjustments to reflect book value) shall be made to such Member's Capital Account.

- If property is by the Company to a Member, the following special rules shall

apply:

- the Capital Accounts of the Members shall be adjusted as provided in Section 1.704-1(b)(2)(iv)(e) of the Regulations to reflect the manner in which the unrealized income, gain, loss and deduction inherent in such property (that has not already been reflected in the Members' Capital Accounts) would be allocated to such Member if there were a taxable disposition of such property for its fair market value on the date of distribution; and
- the Capital Account of the Member who is receiving the distribution of property from the Company shall be charged with the fair market value of the property at the time of distribution (net of liabilities secured by such distributed property that such Member is considered to assume, or to which the property is taken subject, under Code Section 752).
- The provisions of this section are intended to satisfy the capital account maintenance requirements of Section 1.704-1(b)(2)(iv) of the Regulations and such provisions shall be modified to the extent required by such section or any successor provision thereto.
- **Loss Limitation.** The Losses allocated under Section 5.2 shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. If some but not all of the Members would have an Adjusted Deficit Capital Account Balance as a consequence of an allocation of Losses under Section 5.2, the limitation set forth in this Section will be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(d). If all Members have Adjusted Deficit Capital Account Balances, Losses shall be allocated in accordance with Section 5.2.
- **Changes in Interests.** If there is an addition, withdrawal or substitution of, or any other change in the interest of, any Member during the period covered by an allocation, then subject to any agreement between the persons affected, the Profits and Losses for the period shall be allocated among the varying interests consistent with the provisions of Code Section 706(d) and any regulations promulgated thereunder. If Code Section 706(d) or any regulation thereunder allow alternative methods of allocation, the Members shall determine, in its sole discretion, which alternative methods to use in allocating Profits and Losses among the varying interests.
- **Compliance With Treasury Regulations.** It is anticipated that the Company will be treated as a partnership for federal income tax purposes and, accordingly, the partnership tax provisions of the Code shall apply to the Company and its Members. It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with Section 5 and this Appendix B to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in Section 5 and this Appendix B, the Members

are authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Appendix B to the extent that allocating income, gain, loss, deduction, or credit (or item thereof) in the manner provided for in this Appendix B would cause the determinations and allocations of each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and applicable Treasury Regulations. Any allocation made pursuant to this Section shall be deemed to be a complete substitute for any allocation otherwise provided for in Section 5 and no amendment of this Agreement or approval of any Member shall be required. The terms used in this Appendix B shall have the same meaning as in such Treasury Regulations.

- ***Only Required Modifications.*** In making any allocation (the "new allocation") under this Appendix B, the Members are authorized to act only after having been advised by the Company's accountants that, under Section 704(b) of the Code and the Treasury Regulations thereunder (i) the new allocation is necessary, and (ii) the new allocation is the minimum modification of the allocations otherwise provided for in this Appendix B necessary in order to assure that, either in the then current year or in any preceding year, each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Appendix B to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations thereunder.

- ***Company Minimum Gain Chargeback.*** If there is a net decrease in Company Minimum Gain during a Company Fiscal Year so that an allocation is required by Treasury Regulation Section 1.704-2(f), then each Member shall be specially allocated items of income and gain for such year (and, if necessary, subsequent years) equal to such Member's share of the net decrease in Company Minimum Gain as determined by Treasury Regulation Section 1.7042(g)(2). Such allocations shall be made in a manner and at a time which will satisfy the requirements of Treasury Regulation Section 1.704-2(f)(1) and shall be interpreted consistently therewith.

- ***Member Minimum Gain Chargeback.*** If there is a net decrease in the Member Nonrecourse Debt Minimum Gain during any Fiscal Year, any Member who has a share of such Member Nonrecourse Debt Minimum Gain (as determined in the same manner as partner nonrecourse debt minimum gain under Treasury Regulation Section 1.704-2(i)(5)) shall be specially allocated items of income or gain for such year (and, if necessary, subsequent Fiscal Years) equal to such Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain in the manner and to the extent required by Treasury Regulation Section 1.7042(i)(4) and shall be interpreted consistently therewith.

- ***Qualified Income Offset.*** If a Member unexpectedly receives an adjustment, allocation, or distribution described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), any of which causes or increases an Adjusted Deficit Capital Account Balance in such Member's capital account, then he will be specially allocated items of income and gain in an amount and manner sufficient to eliminate such deficit balance created or increased by such adjustment, allocation, or distribution as quickly as possible; provided, however, an allocation pursuant to this Section will be made if and only to the extent that such Member would have an

Adjusted Deficit Capital Account Balance after all other allocations provided for in Section 5 and this Appendix B have been tentatively made as if this Section were not in the Agreement.

- **Gross Income Allocation.** If a Member has an Adjusted Deficit Capital Account Balance at the end of a Company taxable year, such Member shall be allocated items of income and gain in the amount of such Adjusted Deficit Capital Account Balance as quickly as possible in order to eliminate it.

- **Nonrecourse Deductions.** Nonrecourse Deductions shall be allocated among the Members in proportion to their respective Membership Percentages.

- **Member Nonrecourse Deductions.** Any Member Nonrecourse Deductions shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i)(1).

- **Curative Allocations.** If the Members are required by Sections 105, 107, 108, 109, 110, 111 or 112 of this Appendix B to make any new allocation in a manner other than as provided for in this Section without regard thereto, then the Members are authorized and directed, insofar as it is permitted to do so by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in the current Fiscal Year (or subsequent Fiscal Years, if necessary) in such manner so as to bring the proportions of income, gain, loss, deduction, or credit (or item thereof) allocated to the Members as nearly as possible to the proportion otherwise contemplated by this Section without regard thereto; provided, however, that Nonrecourse Deductions shall not be taken into account except to the extent that there has been a reduction in Company Minimum Gain and Member Nonrecourse Deductions shall not be taken into account except to the extent that there has been a reduction in Member Minimum Gain and provided further that such Nonrecourse Deductions and Member Nonrecourse Deduction shall not in any event be taken into account to the extent that the Members reasonably determine that such allocations are likely to be offset by subsequent allocations under Sections 107 or 108 of this Appendix B.

- **Advice of Accountants.** Allocations made by the Members under this Section in reliance upon the advice of the Company's accountants shall be deemed to be made pursuant to the fiduciary obligation of the Members to the Company and the Members.

- **Section 754 Election.** If an adjustment to the adjusted tax basis of any Company asset under Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreased such basis). Such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.


- **Imputed Interest.** If any Member makes a loan to the Company, or the Company makes a loan to any Member, and interest in excess of the amount actually payable is imputed under Code Sections 7872, 483, or 1271 through 1288 or corresponding provisions of subsequent Federal income tax law, then any item of income or expense attributable to any such imputed interest shall be allocated solely to the Member who made or received the loan and shall be credited or charged to his capital account, as appropriate.

- **Contributed Property.** Income, gain, loss or deduction with respect to any property contributed by a Member shall, solely for tax purposes, be allocated among the Members, to the extent required by Code Section 704(c) and the related Treasury Regulations, to take account of the variation between the adjusted tax basis of such property and its Book Value at the time of contribution to the Company. If the Book Value of any Company property is adjusted as provided in Treasury Regulation Section 1.704-1(b)(2)(iv), subsequent allocations of income, gain, loss and deduction and the Book Value of such property shall be adjusted as provided in Code Section 704(c) and the related Treasury Regulations. The Managers shall determine, in their sole discretion, which alternative method of making the required allocations permitted under Treasury Regulation 1.704-3 shall be used. Allocations under this subsection are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member’s Capital Account or share of Profits, Losses, or other items or distributions under any provision of this Agreement.

- **Share of Excess Nonrecourse Liabilities.** For purposes of calculating the Members’ shares of “excess nonrecourse liabilities” of the Company (within the meaning of Treasury Regulation Section 1.752-3(a)(3)), the Members intend that they be considered as sharing profits of the Company in proportion to their respective Membership Percentages.

APPENDIX C

NFTRADE LLC

<u>Name and Address</u>	<u>Membership Percentages</u>
Adam Long 	100%
TOTALS:	100%

APPENDIX C-1

• COLLECTOR INTEREST

“*Collector Interest*” means a right based on the future value of the assets held by the Company and awarded to an individual by the Company for the fiscal year (or other period) and consists of receiving a percentage of any future proceeds derived from the assets held by the Company without having to contribute capital. The amount is determined in accordance with the accounting methods followed by the Company for federal income tax purposes (for this purpose all items of income, gain, loss or deduction required to be separately stated pursuant to Code Section 703(a)(1) shall be included in taxable income or loss) as determined by the independent certified public accountants employed by the Company, with the following adjustments:

- any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses shall be added to such taxable income or loss;
- any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures under Code Section 704(b) and not otherwise taken into account in computing Profits and Losses shall be subtracted from such taxable income or loss;
- in the event the Book Value of any Company asset is adjusted, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;
- any gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of such property rather than its adjusted tax basis;
- in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period; and
- notwithstanding the foregoing, any items which are specially allocated pursuant to any part of this Section shall not be taken into account in computing Profits and Losses.