

(e) The amount of any liabilities of the Member that are assumed by the Company.

SECTION IV ALLOCATIONS AND DISTRIBUTIONS

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

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

1. First, to the Members in repayment of any advance of funds to the Company as a lender, to the extent of and in proportion to such advances, including interest thereon, if any;

2. Additional distributions, if any will be made to the Members in proportion to the Membership Units held by them respectively, in such amounts and at such times as may be determined by the Sole Member of the Company.

C. Distribution upon Liquidation of the Company.

1. At the termination of the Company and after the Company has satisfied or provided for the satisfaction of all the Company's debts and other obligations, the Company's assets will be distributed in cash to the Members and any dissociated members whose interests have not been previously redeemed first, in discharge of their respective capital interests; and then, in proportion to the Membership Units held by them, respectively.

2. If the Company lacks sufficient assets to make the distributions described in the foregoing paragraph, the Company will make distributions in proportion to the amount of the respective capital accounts of the Members and any dissociated members whose interests have not been previously redeemed.

SECTION V MANAGEMENT OF BUSINESS

A. In General. The Company shall be manager-managed. The initial Manager of the Company shall be Lawrence Visoski. The Manager shall manage the business and affairs of the