

**OPERATING AGREEMENT
FOR
ET INVESTMENTS GROUP, LLC
a limited liability company
(Member Managed)**

Entity ID: 20131381218\
EIN: _____

THIS OPERATING AGREEMENT is made and entered into as of the 1st day of July, 2013, between **SKMA, INC.** and **EMAMI HOLDINGS, INC.**, who desire to form a limited liability company pursuant to the laws of the State of Colorado. Accordingly, in consideration of the mutual covenants contained herein, the undersigned agree and certify as follows:

**ARTICLE 1
THE LIMITED LIABILITY COMPANY**

1.1 Formation. The members hereby form a limited liability company (the "Company") in accordance with the provisions of the Colorado Limited Liability Company Act (the "Act").

1.2 Name. The name of the Company is **ET Investments Group, LLC.**

1.3 Registered Office, Registered Agent. The location of the initial registered office of the Company shall be 830 North Tejon St., Suite 408, Colorado Springs, CO 80903. The Company's initial registered agent at such address shall be Gregory John Hock. The registered office and registered agent may be changed from time to time by the members.

1.4 Principal Place of Business. The location of the principal place of business of the Company shall be at 612 N. Tejon Street, Colorado Springs, CO 80903, or at such other place as the managers from time to time may select.

1.5 Management of Business.

Management of the Company is vested in the members. The name and business address of the initial members are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------|---|
| SKMA, INC. | 612 N. Tejon Street Colorado Springs, CO 80903 |

EMAMI HOLDINGS, INC.

612 N. Tejon Street
Colorado Springs, CO 80903

1.6 The Members. The name and business address of each initial member are stated in paragraph 1.5 hereof.

1.7 Permitted Business. The Company may exercise all powers permitted by the Act. The business the Company shall be:

(a) To acquire, own and sell interests in real estate properties.

(b) To accomplish any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the protection or benefit of the Company and its assets.

(c) To exercise all other powers necessary to or reasonably connected with the Company's business, which may be legally exercised by limited liability companies under the Act.

(d) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

1.8 Indemnification by Company.

(a) The Company shall indemnify a person who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person is or was a member against reasonable expenses incurred by him or her in connection with the proceeding.

(b) The Company may, upon the vote of the members indemnify a person made a party to a proceeding because the person is or was a member or against liability incurred in the proceeding if:

(1) the person conducted himself or herself in good faith; and

(2) the person reasonably believed: (a) in the case of conduct as a member on behalf of the Company, that his or her conduct was in the Company's best interest; and (b) in all other cases, that his or her conduct was at least not opposed to the Company's best interest; and

(3) in the case of any criminal proceeding, the person had no reasonable cause to believe that his or her conduct was unlawful.

(c) The Company may pay for or reimburse the reasonable expenses incurred by a member who is a party to a proceeding in advance of final disposition of the proceeding, upon the vote of the members.

(d) The Company may purchase and maintain insurance on behalf of a person who is or was a member against liability asserted against or incurred by the person in that capacity or arising from his or her status as a member.

(e) Any indemnification of a member shall be made from the assets of the Company. In no event shall any member be required to make any contribution or loan to the Company for the purpose of such indemnification nor shall any member have any right to impose any liability upon any other member, directly or indirectly, including by way of indemnification, contribution or otherwise for any debt, obligation or liability of the member seeking indemnification.

ARTICLE 2 CAPITAL CONTRIBUTIONS

2.1 Initial Contributions. The members initially shall contribute to the Company's capital the property described on Schedule A attached hereto and by this reference made a part hereof. The agreed value of contributed property as of the date of contribution is set forth on **Schedule A**.

2.2 Interests in Capital. The interests of the initial members in the capital originally contributed to the Company are set forth on **Schedule A**.

2.3 Additional Contribution. Except as set forth in Article 2.1, no member shall be required to make any capital contributions.

Except as set forth in Article 2.1, no member shall be required to make any capital contributions. The members may be permitted to make additional capital contributions if and to the extent they so desire, and if they determine that such additional capital contributions are necessary or appropriate in connection with the conduct of the Company's business (including without limitation, expansion or diversification). In such event, the members shall have the opportunity (but not the obligation) to participate in such additional capital contributions on a pro rata basis in accordance with their sharing ratios.

2.4 Interest on Capital Contributions. No member shall be entitled to interest on his capital contributions.

2.5 Withdrawal of Capital.

(a) A member shall not receive out of the Company's property any part of his capital contributions until all liabilities of the Company, except liabilities to members on account of their capital contributions, have been paid or there remains property of the Company sufficient to pay them.

(b) Except as provided in Article 10, a member, irrespective of the nature of his capital contributions, has only the right to demand and receive cash in return for his capital contributions.

2.6 Limitations on Capital Accounts; Profits, Losses and Distributions; and Members' Accounts. Notwithstanding any provision in this Operation Agreement, the rights and obligations of the members and Company are and shall be subject to and bound by the overriding provisions of that resolution authorizing preferred returns, mandatory tax distributions, operating cash distributions and liquidating distributions, including special allocations of income required by IRC Section 704(c) and the regulations thereunder.

ARTICLE 3 PROFITS, LOSSES AND DISTRIBUTIONS

3.1 Profits and Losses. The Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the members in proportion to their sharing ratios. The "sharing ratio" of each initial member shall be the interest in capital set forth on **Schedule "A"**.

After any additional capital contribution permitted by this Agreement, the sharing ratios of the members shall be adjusted in accordance with Section 4.2.

After any transfer permitted by this Agreement, the sharing ratios of the members shall be adjusted in accordance with Section 4.3.

3.2 Distributions. The members may reinvest available funds or distribute them to the members, in proportion to their sharing ratios. "Available funds" for this purpose means the Company's gross receipts, less the Company's expenditures, and less the amount that, in the members' reasonable judgment, the Company should retain for reinvestment and the reasonable needs of the business. Distributions of available funds shall be made in the amounts and at the times deemed appropriate by the members. The members intend that available funds be used to purchase additional assets for the Company and the members understand and acknowledge that accumulating and reinvesting available funds, rather than

distributing the same, may occur even if a particular investment opportunity has not been identified by the members at a given time annually an amount sufficient to enable the members to pay income taxes on the Company's income.

ARTICLE 4 ACCOUNTS

4.1 Books. The members shall maintain complete and accurate books of account of the Company's affairs at the Company's principal place of business. Such books shall be kept on such method of accounting as the members shall select. The Company's accounting period shall be the calendar year.

4.2 Member's Accounts. The Company shall maintain separate capital and distribution accounts for each member. Each member's capital account shall consist of his initial capital contribution increased by (a) any additional capital contributions made by him, and (b) credit balances transferred from his distribution account to his capital account, and decreased by (a) distributions to him in reduction of Company capital, and (b) his share of Company losses, if charged to the members' capital accounts. The members may transfer to the members' capital accounts all or any portion of the credit balances in the members' distribution accounts.

4.3 Transfers During Year. To avoid an interim closing of the Company's books, the share of profits and losses under Article 3 of a member who transferred part or all of his interest in the Company during the calendar year shall be determined by taking his proportionate share of the amount of the profits and losses for the year. The members shall make the proration based on the portion of the calendar year that has elapsed prior to the transfer. The members shall allocate the balance of the profits and losses attributable to the transferred interest to the transferee of such interest.

4.4 Reports. The Company shall close the books of account promptly after the close of each calendar year, and shall prepare and send to each member a statement of such member's distributive share of income and expense for federal income tax reporting purposes.

ARTICLE 5 MANAGEMENT

5.1 Management. The business and affairs of the Company shall be managed by its members, who shall control and manage the business, affairs, and properties of the Company, make all decisions regarding those matters and

perform any and all other acts or activities customary or incident to the management of the Company's business.

5.2 Powers of Members. Without limiting the provisions of Article 5.1, but subject to the provisions of Article 5.3 the members are authorized on the Company's behalf to make all decisions as to (a) the development, sale, lease or other disposition of the Company's assets; (b) the purchase or other acquisition of other assets of all kinds; (c) the management of all or any part of the Company's assets, (d) the borrowing of money and the granting of security interests in the Company's assets (including loans from members); (e) the prepayment, refinancing or extension of any mortgage affecting the Company's assets; (f) the compromise or release of any of the Company's claims or debts; (g) the employment of persons, firms or corporations for the operation and management of the Company's business; (h) all contracts, deeds, conveyances, assignments, leases, subleases, franchise agreements, licensing agreements, management contracts and maintenance contracts covering or affecting the Company's assets; (i) all checks, drafts and other orders for the payment of the Company's funds; (j) all promissory notes, mortgages, deeds of trust, security agreements and other similar documents; (k) to admit substitute members; (l) to exercise all powers of attorney granted herein; (m) to file any amendments to the Articles of Organization; and (n) to execute and deliver all other instruments of any kind or character relating to the Company's affairs, whether like or unlike the foregoing.

5.3 Acts Requiring Special Approval. Notwithstanding anything to the contrary contained herein, no member shall do any of the following unless the same has been approved by a vote of the members:

- (a) Confess a judgment against the Company;
- (b) File a petition of bankruptcy on behalf of the Company;
- (c) Make an assignment of the Company's assets for the benefit of creditors;
- (d) Cause the Company to guaranty the obligations of others;
- (e) Sell or enter any contract to sell all or substantially all of the assets of the company;
- (f) Borrow any sum from anyone other than a member in excess of \$10,000;
- (g) Take any action to dissolve the Company; or

(h) Amend this Operating Agreement.

5.4 Company Property. Real and personal property owned or purchased by the Company shall be held and owned, and conveyance made, in the Company name.

5.5 Time Devoted to Business. The members shall devote such time to the business of the Company as they in their discretion deem necessary for the efficient operation of the Company's business and such members shall at all times be free to engage for their own account in all aspects of any business or investment (including any similar or competitive business) in which the Company is not involved.

5.6 Duties and Liability. Each member shall perform his duties in good faith, in a manner he reasonably believes to be in the best interest of the Company and with such care as an ordinary prudent person in a like position would use under similar circumstances. A person who so performs his duties shall not have any liability by reason of his being or having been a member of the Company. In performing his duties, a member shall be entitled to rely on information, opinions, reports or statements of any person or group designated by statute upon whom he is entitled to rely unless he has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

5.7 Records at Registered Office. The Company shall cause the Company to keep at its registered office the following:

(a) a current list of the full name and last known business, residence or mailing address of each member, both past and present;

(b) a copy of the articles of organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years;

(d) copies of any currently effective written operating agreements, copies of any writings permitted or required relating to a member's liability for contributions, and copies of any financial statements of the Company for the most recent three years;

(e) minutes of every annual and special meeting and any meeting ordered by a court of competent jurisdiction;

(f) unless otherwise set forth in the Operating Agreement or in a writing described in subparagraph (d) above, a statement prepared and certified as accurate by the members of the Company which describes:

(1) the amount of cash and a description and statement of the agreed value of- the other property or services contributed by each member and which each member has agreed to contribute in the future;

(2) the times at which, or the events on the happening of which, any additional contributions agreed to be made by each member are to be made;

(3) if agreed upon, the time at which or the events on the happening of which, a member may terminate his membership in the Company and the amount of, or the method of determining, the distribution to which he may be entitled respecting his membership interest and the terms and conditions of the termination and distribution; and

(4) any right of a member to receive distributions which include a return of all or any part of a members' contributions; and

(g) any written consents obtained from members pursuant to Article 7.

Such records are subject to inspection and copying at the reasonable request, and at the expense, of any member during ordinary business hours.

5.8 Transactions with Company. Subject to the terms of this Agreement, a member may lend money to, act as surety for, and transact other business with the Company and, subject to other applicable law, has the same rights and obligations with respect thereto as a person who is not a member, except that this section shall not be construed to relieve a member or manager of his duties as specified in this Article.

ARTICLE 6 RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 Limitation of Liability. Members of the Company are not liable under a judgment, decree or order of a court, or in any other manner, for a debt, obligation, or liability of the Company. If a member has received the return of any part of his contribution in violation of this Agreement or the Act, he may be liable

to the Company, to the extent provided by the Act, for the amount of the contribution wrongfully returned.

6.2 Company Books. In accordance with Article 5.7 and the Act, the Company shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books and other relevant Company documents. Upon reasonable request, each member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting member's expense.

6.3 Priority and Return of Capital. Except as may be expressly provided in Article 9, no member shall have priority over any other member, either as to the return of capital contributions or as to net profits, net losses or distributions; provided that this Article shall not apply to loans (as distinguished from capital contributions) which a member has made to the Company.

6.4 Special Approval Rights. Members shall have the right to approve certain acts of the members as provided in Article 5.3.

ARTICLE 7 MEMBERS

7.1 Annual Meeting. The annual meeting of the members shall be held during the month of June of each year upon a date to be determined by the members, or at such other time as shall be determined by resolution of the members commencing July 1, 2013 for the purpose of the transaction of such business as may come before the meeting. If an annual meeting is not held, it shall be deemed waived unless a special meeting (in place of the annual meeting) is called pursuant to Section 7.2.

7.2 Special Meeting. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any manager or managers or by any member or members holding at least 10% of the sharing ratios.

7.3 Place of Meetings. The members may designate any place, either within or outside the State of Colorado, as the place of meeting for any meeting of the members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Company in the State of Colorado.

7.4 Notice of Meetings. Except as otherwise provided for herein, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more

than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the members or person calling the meeting, to each member entitled to vote at such meeting.

7.5 Meeting of all Members. If all of the members shall meet at any time and place, either within or outside of the State of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

7.6 Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or members entitled to receive payment of any distribution, or in order to make a determination of members for any other purpose, the date on which notice of the meeting is sent or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

7.7 Voting. Each member shall have one vote. On any matter on which the members are entitled to vote a majority vote shall control unless a greater vote is required by the Act, except as follows:

1. Any vote to approve an act specified in Section 5.3 shall require a unanimous vote.
2. Any vote to expel a member pursuant to Section 9.4 shall require a unanimous vote exclusive of a vote of the member being expelled.

7.8 Multiple Ownership. When any membership is held by more than one person, whether in the form of community property, tenancies in common or joint tenancies, the co-owners shall, if possible, mutually agree upon the manner in which their vote shall be cast and shall vote as one member. If the co-owners cannot agree upon how their vote shall be cast, then each co-owner may cast a separate vote, in which case, each co-owner's vote shall be equal to the vote for all of the co-owners of such membership multiplied by the co-owner's percentage of ownership in the membership interest.

7.9 Proxies. At any meeting of members, a member may vote in person or by proxy executed in writing by the member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the members of the Company

before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

7.10 Action by Members Without a Meeting or a Vote. Action required or permitted to be taken at a meeting of members may be taken without a meeting and any action required or permitted to be taken by vote of the members may be taken without a vote if the action is evidenced by one or more written consents describing the action taken, signed by members having sufficient votes to adopt such action and delivered to the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Article 7.10 is effective when members having sufficient votes to adopt the action have signed the consent, unless the consent specifies a different effective date. Written notice of any action adopted by less than all members shall be immediately delivered to all members. The record date for determining members entitled to take action without a meeting or vote shall be the date the first member signs a written consent.

7.11 Voting by Ballot. Voting on any question or in any election may be by voice vote unless or any member shall demand that voting be by ballot.

7.12 Waiver of Notice. When any notice is required to be given to any member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. By attending a meeting, a member waives: (i) objection to lack of notice or defective notice of such meeting unless the member at the beginning of the meeting objects to the holding of the meeting or the transacting of business at the meeting; and (ii) waives objection to consideration at such meeting of a particular matter not within the purpose or purposes described in the meeting notice unless the member objects to considering the matter when it is presented.

ARTICLE 8 TRANSFERS

8.1 Sale of Interest. No member shall transfer, encumber or dispose of any portion or all of his/her interest in the Company, voluntarily, or involuntarily, by operation of law, or otherwise without each other member's prior written consent.

8.2 Substituted Member. No assignee or transferee of the whole or any portion of a member's interest in the Company shall have the right to become a

substituted member in place of his assignor unless all of the following conditions are satisfied:

A. Each member, in his/her sole and absolute discretion, has consented in writing to the admission of the assignee as a substituted member;

B. The membership interest with respect to which the assignee is being admitted was acquired by means of a transfer permitted in accord with Article 8;

C. A fully executed and acknowledged instrument of assignment has been filed by the assignor with the Company and sets forth the intention of the assignor that the assignee becomes a substituted member;

D. The assignor and assignee execute and acknowledge such other instruments as the members may deem necessary or desirable to effect such admission, including the written acceptance and adoption by the assignee of the provisions of this Agreement, the form and content of which shall be provided by the members.

ARTICLE 9 WITHDRAWAL, PROHIBITED TRANSFERS AND EXPULSION

9.1 Withdrawal. A member may withdraw or resign from the Company at any time by giving written notice to the other members. A member who has resigned or withdrawn shall have no right to vote or participate in the management of the business and affairs of the Company and is entitled only to receive the share of the profits or other compensation by way of income and return of contributions, to which such member would have been entitled if the member had not resigned or withdrawn.

9.2 Prohibited Transfers. The only transfers permitted by this Agreement are those described in Article 8. All other transfers, including without limitation any taking or encumbering of a membership interest by levy, foreclosure, charging order, execution, or other similar involuntary proceeding or any transfer arising from any property settlement agreement or order in connection with any dissolution of marriage shall be prohibited. If a prohibited transfer of a membership interest occurs the transferee shall be strictly limited to rights to allocations of profits and losses, if any, attributable to that membership interest pursuant to Article 3, and shall receive only the distributions, if any, of the available funds attributable to that membership interest properly disbursed pursuant to Article 3. In addition, upon the occurrence of any prohibited transfer, any such allocations and/or distributions shall first be applied (without limiting any other rights of the Company) to satisfy any obligations that the owner of such

membership interest may have to the Company. Such transferee shall not, under any circumstances, have the right to inspect and/or copy any Company books, records, or documents of any nature, nor shall such Assignee have the right to vote or interfere in the management or in the administration of the Company, its business, assets, or affairs, or to act in any manner as a member or to become a substituted member. The membership interest relating to any prohibited transfer shall be subject to the option to purchase described in Section 9.3.

9.3 Options to Purchase Membership Interests. If any member dies, or the interest of any member is subject to a transfer prohibited by Section 9.2, then, the Company shall have the first right to acquire said membership interest and the remaining members shall have the second right to acquire said membership interest. The Company shall have the option for a period of ninety (90) days subsequent to any transfer pursuant to Section 9.2 to acquire such member's interest. If the Company fails to exercise such option, then the remaining members shall have the second option for a period of thirty (30) days following the expiration of the Company's option to acquire said membership interest. Any option to acquire the interest of said Partner shall be exercised by delivering written notice of the exercise of such option to said member or the personal representative of the deceased member.

If the option to acquire the interest is exercised, then the selling member, or the personal representative of the deceased selling member shall execute and deliver such instruments as may be necessary to transfer such membership interest upon tender of the purchase price for such interest. The purchase price shall be as agreed, and if no agreement, then the purchase price shall be determined as follows:

Fair Market Value: Ninety percent (90 %) of the fair market value of the interest of the selling member as determined by the following appraisal procedure. If the purchaser and seller can agree upon one qualified appraiser to appraise the value of the interest, then the fair market value shall be the value established by the mutually agreeable qualified appraiser. If the seller and purchaser or purchasers cannot agree upon one appraiser, then each shall select an appraiser and the fair market value shall be the average of the two appraisals, unless the values established by the two appraisers differ by more than 15 % of the amount of the highest appraisal, in which case the two appraisers shall select a third qualified appraiser and the fair market value shall be the average of the two appraisals which are closest in value.

The parties shall use good faith efforts to cause the purchase price to be determined as promptly as possible and closing shall occur within twenty days after the purchase price is established. Payment shall be made as follows:

(b) Neither the Company nor its business shall be dissolved or terminated upon the death, incapacity, bankruptcy or removal of member or the transfer of a member's interest or the admission of a new or additional member. If a member dies, becomes incapacitated, bankrupt or is removed or transfers his interest, the remaining members shall continue the business of the Company.

10.2 Final Accounting. In case of the Company's dissolution, a proper accounting shall be made from the date of the last previous accounting to the date of dissolution.

10.3 Liquidation. Upon the Company's dissolution pursuant to Section 10.1, the members or some person selected by the members shall act as liquidators to wind up the Company. The liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's assets and to wind up and liquidate the Company's affairs in an orderly and prudent manner. The liquidator shall distribute all proceeds from liquidation in accord with C.R.S. Section 7-80-805.

10.4 Distribution in Kind. If the liquidator shall determine that a portion of the Company's assets should be distributed in kind to the members, he shall distribute such assets to them in undivided interests as tenants in common in proportion to their sharing ratios.

10.5 Cancellation of Certificate. Upon the completion of the distribution of Company assets, the Company shall be terminated and the members shall cause the Company to execute articles of dissolution and take such other actions as may be necessary to terminate the Company.

10.6 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each member shall look solely to the assets of the Company for the return of his capital contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the capital contribution of one or more members, such member or members shall have no recourse against any other member.

ARTICLE 11 NOTICES

11.1 Method for Notices. All notices hereunder shall be sent by first class mail, postage prepaid, and addressed as set forth in Article 1.6 above (except that any member may from time to time give notice changing his address for such

purpose) and shall be effective on the date of receipt or on the fifth day after mailing, whichever is earlier.

11.2 Computation of Time. In computing any period of time under this Operating Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

ARTICLE 12 ARBITRATION AND LITIGATION

12.1 Option. At his or her option, any party to this Agreement may submit any controversy, claim or matter of difference ("Controversy") to arbitration ("Arbitration") by filing a written demand pursuant to the provisions of Section 13.4, or commence an action ("Litigation") in accordance with the applicable rules of civil procedure in any court of law having jurisdiction over the parties and the subject matter of such Controversy. If a party submits a Controversy to Arbitration through written demand, then during the pendency of the Arbitration between the parties, any Controversy which cannot be resolved by the parties may be submitted to Arbitration, but may not be the subject of Litigation. If a party commences Litigation prior to the effective date of any demand for Arbitration, then during the pendency of the Litigation between the parties any Controversy which cannot be resolved by the parties may be the subject of Litigation but may not be submitted to Arbitration. If a party has submitted the controversy to Arbitration and the responding party has a claim which would be considered a compulsory counterclaim under Rule 13 of the Colorado Rules of Civil Procedure (and any amendment or replacement of Rule 13 which is in effect at the time of the initiation of the Arbitration), the responding party shall assert the compulsory counterclaim in the Arbitration proceeding or it shall be deemed waived.

12.2 Scope. Without limiting the generality of the foregoing, the following shall be considered Controversies for this purpose:

(a) All questions relating to the breach of any obligation or condition of this Agreement;

(b) All questions relating to the breach of any obligation or condition of this Agreement;

(c) Proceedings in the absence of any party if demand for the proceedings has been given to such party.

12.3 Place. If a Controversy is submitted to Arbitration, the proceedings shall be conducted in Colorado Springs, Colorado according to the rules and practices of the American Arbitration Association from time to time in force, except that: (i) if such rules and practice conflict with the Colorado Rules of Civil Procedure or any other provisions of Colorado law then in force, such Colorado rules and law shall govern; and (ii) all parties shall be entitled to discovery concerning the Controversy to the same extent as permitted by the Colorado Rules of Civil Procedure then in effect.

12.4 Time Limit. Arbitration of any Controversy shall be initiated by delivery to the other party of a written demand that Arbitration commence. Such demand must be made within a reasonable period of time after the Controversy arises, but in no event shall the controversy be submitted to Arbitration if the date of delivery of the demand for Arbitration is not within the time limit of the Colorado or federal statute of limitations which would be applicable if the Controversy were asserted in Litigation. Arbitration may proceed in the absence of any party if demand for the proceedings has been given to such party.

12.5 Awards. Any Arbitration award shall be final and binding on all parties to the extent and in the manner provided by the Colorado Rules of Civil Procedure or the Colorado Revised Uniform Arbitration Act ("CRUAA") of 2004, as amended. All awards may be filed with the clerk of one or more courts, state or federal, having jurisdiction over the party against whom such an award is rendered or his or her property, as a basis of judgment and of the issuance of execution for his or her collection.

12.6 Attorneys' Fees, Costs. If Arbitration or Litigation is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the party which the arbitrators or the court determines to have prevailed in the Arbitration or Litigation shall be entitled to recover all costs actually incurred in connection with the Arbitration or Litigation, including his or her reasonable attorneys' fees, in addition to any other relief to which he or she may be entitled.

ARTICLE 13 GENERAL PROVISIONS

13.1 Entire Agreement. This Operating Agreement (a) contains the entire agreement among the parties, and (b) except as provided in Article 5.3, may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver, provided, however the resolution referenced in paragraph 2.6 hereof.

13.2 Construction Principles. Words in any gender shall be deemed to include the other genders. The singular shall be deemed to include the plural and vice versa. The headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of this Operating Agreement.

13.3 Application of Colorado Law. This Operating Agreement, and the application or interpretation hereof shall be governed exclusively by its terms and by the laws of the State of Colorado, and specifically the Act.

13.4 Waiver of Action for Partition. Each member irrevocably waives during the term of the Company any right he may have to maintain any action for partition with respect to the property of the Company.

13.5 Execution of Additional Instruments. Each member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

13.6 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.7 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.8 Severability. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.9 Heirs Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representative, successors and assigns.

13.10 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.11 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

13.12 Rule Against Perpetuities. The parties hereto intend that the Rule Against Perpetuities (and any similar rule of law) shall not be applicable to any provisions of this Operating Agreement. However, notwithstanding anything to the contrary in this Operating Agreement, if any provision in this Operating Agreement would be invalid or unenforceable because of the Rule Against Perpetuities or any similar rule of law but for this Section, the parties hereto hereby agree that any future interest which is created pursuant to said provision shall cease if it is not vested within twenty-one years after the death of the survivor of the group composed of MATT M. TOLOOEE and his issue, if any, and HOOTAN EMAMI and his issue, if any, who are living on the effective date of this Operating Agreement

13.13 Investments Representations. The undersigned members understand (1) that the membership interests evidenced by this Operating Agreement have not been registered under the Securities Act of 1933, the Colorado Securities Act or any other state securities laws (the "Securities Act") because the Company is issuing these membership interests in reliance upon the exemptions from the registrations requirements of the Securities Acts providing for issuance of securities not involving a public offering, (2) that the Company has relied upon the fact that the membership interests are to be held by each member for investment, and (3) that exemption from registrations under the Securities Acts would not be available if the membership interests were acquired by a member with a view to distribution.

Accordingly, each member hereby confirms to the Company that such member is acquiring the membership interests for such own member's account, for investment and not with a view to the resale or distribution thereof. Each member agrees not to transfer, sell, or offer for sale any portion of the membership interests, unless there is an effective registration or other qualification relating thereto under the Securities Act of 1933 and under any applicable state securities laws or unless the holder of membership interests delivers to the Company an opinion of counsel satisfactory to the Company, that such registration or other qualification under such Act and applicable state securities laws is not required in connection with such transfer, offer or sale. Each member understands that the Company is under no obligation to register the membership interests or to assist such member in complying with any exemption from registration under the Securities Acts if such member should at a later date, wish to dispose of the membership interest. Furthermore, each member realizes that the membership interests are unlikely to qualify for disposition under Rule 144 of the Securities and Exchange Commission unless such member is not an

SCHEDULE A

Schedule of Initial Capital Contributions

| <u>Member</u> | <u>Contribution</u> | <u>Value</u> | <u>Capital Sharing</u> |
|----------------------|---------------------|--------------|------------------------|
| SKMA, INC. | \$ 100 | \$ 100 | 50.00% |
| EMAMI HOLDINGS, INC. | \$ 100 | \$ 100 | 50.00% |
| | _____ | _____ | _____ |
| Totals | \$ 200 | \$ 200 | 100.00% |

SCHEDULE A-1
PROPERTY DESCRIPTION

SKMA, INC.: Initial cash contribution.

EMAMI HOLDINGS, INC.: Initial cash contribution.